Digitalising Chinese New Year Red Packets:

Changing Practices and Meanings

I LOUIS AUGUSTIN-JEAN

is Senior Lecturer in the Department of Political Science, Public Administration and Development Studies at the Faculty of Business and Economics, Level 1, H10 Building, Universiti Malaya, 50603 Lembah Pantai Kuala Lumpur, Malaysia (auyeung_ly@yahoo.fr).

I VANDANA SAXENA

is Senior Lecturer in the Department of English at the Faculty of Arts and Social Science, Universiti Malaya, 50603 Kuala Lumpur, Malaysia (vandana@um.edu.my).

ABSTRACT: The *hongbao* is a monetary gift given during Chinese New Year and other occasions. In 2015, WeChat introduced its electronic version in China. This has altered its original and ritualistic meaning, which is linked to a conception of the world characterised by filial piety, benevolence, and social harmony. Here the red packet is seen as a *connector* linking the generations, and also the individual to the community. The money inserted in the red packet symbolises these relationships, as well as the debt of life that can never be reimbursed. Hence, the amount is symbolic. The time-space compression that allowed for the introduction of the *e-hongbao* has changed this meaning, and the WeChat app can be analysed as a *mediator* that links the sender and the receiver. This blurs the meaning of the *hongbao*, linking it to economic practices and highlighting the individualisation of Chinese society.

KEYWORDS: hongbao, rituals, WeChat, Chinese New Year, individualisation, connectors, mediators, gifts, digitalisation, money.

Introduction

It is truism to state that economic growth in China has boosted the monetary exchanges. But this truism turns into an enigma (especially for mainstream economists) when one notices a parallel increase in monetary gifts:¹ in some instances, such as weddings, they have replaced material gifts such as food, linens, or furniture. Even more remarkable is the explosion (in the number and total value) of red packets (hongbao 紅包, also called red envelopes) distributed during the Chinese New Year (CNY), also known as the Spring Festival. The practice of giving packets filled with crisp new banknotes during CNY is the largest occurrence of simultaneous nonmarket monetary exchanges in the world. The custom, practised by most Chinese, is truly an "event of cultural significance," as opposed to an "event of personal significance" (Bian 2018).²

The CNY hongbao symbolises new beginnings and bears the wishes of prosperity, good health, and luck. It is a monetary gift given according to specific rules: "Red packets are given by older people to younger ones, by married people to unmarried ones, or by employed people to unemployed ones. During the Chinese New Year, the

older generation traditionally put money in a red envelope and give it to the younger generation with best wishes for the coming new year (...)" (Ji 2017: 69). The red packets are also distributed within personal and professional networks outside the immediate family; for instance, bosses often distribute *hongbao* to their subordinates, while households give them to their domestic workers.³

Although the diversification of usage partly explains the recent proliferation of these nonmarket monetary exchanges, what made the bulk of this increase was the 2014 launch of "e-hongbao," an

- 1. See the debate between Guthrie (1998) and Yang (2002).
- 2. For Bian, "unlike events of personal significance such as weddings and birthdays, events of cultural significance occur for all members of a given society at the same point in time" (2018: 48). This definition allows us to separate the CNY hongbao given universally from those distributed during other occasions.
- 3. It is difficult to document precisely when that practice started. Some scholars date it to the Song dynasty, and others from the Han. In the nineteenth century, the practice of tying copper coins by a red string was attested by Doolittle: "The head of the family proceeds to make presents of money to servants, children, nephews, and nieces (...). The sum given varies largely, according to the situation and age of the recipient and the ability of the giver. Making this present is an omen of good for the coming year. (...) The money presented around among the members of the household, if in copper cash, should be strung upon a red string, as a symbol of joy" (1865: 89). The red string was likely replaced by a red envelope after the holed coins were changed.

electronic version, by Tencent. It was an immediate success. In 2019, in the space of six days (4-9 February), 823 million *e-hongbao* were sent on WeChat, the multipurpose messaging, social media, and mobile payment app developed by Tencent.⁴ Apart from this staggering volume, physical red packets continue to circulate widely. This article is concerned with the "cultural significance" of *hongbao* that has undergone a fundamental realignment with the emergence of the *e-hongbao*.

The success of the CNY *e-hongbao* is imputable both to the evolution of Chinese society and the design of the app. The large seasonal migration in China during CNY since the reform and opening up is also an important factor. Since 1978, millions of people have moved (often permanently) from the countryside to the cities and coastal areas. Many return home during the Spring Festival. For example, nearly 3 billion passengers travelled during CNY 2018 (Hu 2019). Those who stay behind rely on WeChat and similar apps for their annual greetings. In addition, Chinese society has become more fluid and people more connected,⁵ which also multiplies the possibilities of *hongbao* gifts.

A second reason for the quick adoption of *e-hongbao* by the Chinese people is the diversification of its usage, which is related to the design of the app. This diversification, as we shall argue, goes together with an alteration of the meaning of *hongbao*. Even in the basic case of parents giving *hongbao* to their children, the symbols and feelings conveyed by the "e-gifts" take on a different tone than the physical ones.

This article analyses how the introduction of the *e-hongbao* has altered the meaning of the gift and introduced a measure of market exchange into it. This introduction makes it increasingly difficult to know whether this type of monetary transaction "is a gift (...) [or] an entitlement" (Zelizer 1998), as it blurs the lines between market and nonmarket exchanges. Dematerialisation has modified its nature, and along with it, the nature of the relations between the participants of the exchange. This signals important implications for Chinese society. In particular, and in accordance with Yan (2009), it will be shown how this dematerialisation participates in the individualisation of society.

To study how the line between gift and economic exchange is evolving, the paper is organised as follows. After methodological considerations, we analyse in a second part some cultural aspects of hongbao and the money it contains. The last part shows how the e-hongbao complicates the original meaning conveyed by the ritual. E-hongbao is the product of the revolution of information technologies, which have led to time-space compression (Harvey 1990). But compression leads to distortions as well. While the hongbao is a connector in interpersonal exchanges, its electronic version works via a host of intermediaries mediated by apps and the business models that support them. Among them, WeChat, as the first to introduce e-hongbao, has central importance, and particular attention will therefore be given to this "super app" (Chen, Mao, and Qiu 2018). The super app, then, becomes an actant, a mediator (Latour 2005) that influences people's behaviour. In doing so, it not only blurs the lines between market and nonmarket exchanges, and between rituals and more mundane practices, but also introduces government influences. As the conclusion details, the transformation from a physical to a dematerialised object not only signals a technological evolution, but also highlights familial, social, and economic changes.

Studying hongbao

The idea to study *hongbao* emerged from observing its scale of exchange during CNY. But this led to analytical difficulties, because people tend to take the practice for granted and stick to the conventional understanding of good wishes, good health, prosperity, etc. This discourse is valid, but incomplete. Moreover, the dematerialisation of the *hongbao* has also diversified its usage. For both reasons, specific methodologies were elaborated.

First, we took the decision to focus on CNY, justified by its nature as an "event of cultural significance." Since *e-hongbao*, launched during the 2014 Spring Festival, emerged as a new mode of interaction linking tradition, business, entertainment, and political considerations, it became necessary to include some of these usages in our analysis.

Second, we relied on newspaper articles, which provided us with an overview of existing practices. While newspapers relay the traditional wishes of good health and wealth, they also reproduce original stories and reports regarding the *e-hongbao* revolution from the perspectives of users and businesses. They were collected from the Wisenews database, which provides "full-text articles from over 600 key newspapers and magazines from Hong Kong, mainland China, Macau, and Taiwan." The timeframe of two weeks (one before CNY 2019 and one after) yielded more than 2,000 articles. We classified them into themes such as: history and myths; nostalgia and memory; economics and business; family and filial piety (xiao 孝); e-hongbao; etc. The objective was not to create a precise nomenclature, but to extract information that could boost our comprehension of the phenomenon under study, with the idea of later using some of it to build our interview guides.

Finally, we analysed some CNY books for children, written with the intention of teaching children about Chinese customs and their meanings. The practices they introduce can be considered ideal archetypes: several books depict children kowtowing to their parents or grandparents before receiving their *hongbao*, a practice that is somewhat outdated, but represents a certain idea.

The above data provided information and stories that were presented during one focus group and several interviews. The focus group comprised six graduate students from China (some married and with children) studying in our university in Malaysia, while individual interviews were conducted with six other Mainland students from our university; finally, in-depth online interviews with eight working individuals in China were performed. Interviews lasted from one to two hours, and the focus group two and a half hours.⁸

- 4. "Tech Giants Report More Digital 'Red Envelopes' Usage during Lunar New Year," Xinhuanet.com 新華網, 11 February 2019, www.xinhuanet.com/english/2019-02/11/c_137813213.htm (accessed on 22 April 2021).
- 5. The China Internet Report 2021 indicates that there are 986 million internet mobile users in China (68%) and 853 million people using mobile payment (59%), compared to respectively 84% and 28% in the United States. South China Morning Post, 2022, *China Internet Report 2021*, Hong Kong: Lite Edition.
- Wisenews database, https://libguides.hkust.edu.hk/econ3700/articles (accessed on 11 November 2020).
- 7. We used the keyword 紅包 hongbao. Articles that did not mention Chinese New Year (xinnian 新年) (or Spring Festival, chunjie 春節) were eliminated.
- Covid-19 prevented us from conducting interviews in Mainland China. This is why we
 mostly resorted to students from our university, which had the advantage of providing
 interviewees from different locations in China and, for some of them, having family
 and children.

Questions aimed to collect experiences and anecdotes. Newspaper articles were also shown to the interviewees in order to get their views. An excerpt of an article titled: "Put down the cell phone and spend time chatting with parents: Reexperience the warmest way of New Year" will help explain our method and the influence of newspaper articles in drafting our interview guides and organising our focus group discussions:

In addition to visiting relatives and friends (...), 79.5% of the respondents [to a survey] indicated that they would also visit or pay New Year calls to colleagues or other friends. Among those, only 15.2% chose to visit them in person, while the remaining 84.8% of respondents used cell phones (...). "WeChat" is the main medium, including WeChat peer-topeer New Year's greeting, WeChat mass texting services, (...) WeChat groups, and sending WeChat hongbao.

In recent years, people often seem to say that "the atmosphere of Chinese New Year has faded away." (...). Nearly 70% of respondents believe that putting down the cell phone and going back to the old days (...) is the warmest way for ordinary people to spend the New Year.

From this article, we extracted the theme of the changing nature of the festivities and asked interviewees about the role of their smartphone in sending/receiving *e-hongbao*, and if it has altered their feelings regarding CNY.

Giving and receiving hongbao: A ritualised practice

This section begins with an overview of the CNY festival and the place of red packets in this festival. The second part analyses *hongbao* as a ritual through the theoretical lens offered by Durkheim and Goffman, and Sinologists such as Ames and Buckley Ebrey. The two perspectives (from sociologists and Sinologists) offer interesting convergence, although the Sinologists focus on formalised rituals and neglect informal ones such as *hongbao*. The concept of filial piety is at the heart of this convergence, and the red packet can be analysed as a connector.

The Chinese New Year and the handling of hongbao

The most straightforward form of CNY red packets is the one given by parents and grandparents to their children and grandchildren. This gift follows a codified process evident in CNY books for children, which aim to teach them how to behave "properly." In a Taiwanese storybook, the occasion is described as a ceremony where children kowtow to their grandparents. ¹⁰ If kowtowing is not popular nowadays, the presentation of this practice in the book still pinpoints children receiving *hongbao* as connected with respect for elders and filial piety (see below for the analysis). It refers to traditional values kept alive by some, even during the hardship of the Cultural Revolution:

I remember that when I was young and living in the countryside, every time on Lunar New Year's Day, after lighting firecrackers and eating Chinese dumplings, the first thing that we siblings did was to kowtow to our grandparents. At that

time, our family was seen as landlords and we were worried that others would see our kowtow (...), so we kept our main door closed. (...) Our grandparents would sit formally but smilingly at the centre of the main hall, enjoying the kowtow from their grandchildren. We knelt there, with our hands on the floor, kowtowed three times, while mumbling our greetings, and our grandparents would give us 80 cents as lucky money.¹¹

The narrative insists on the hidden continuation of the ritual despite legal interdictions during the Cultural Revolution, and the fact that the family was from the landlord class.¹² The absence of the red envelopes is noticeable, but they were simply not available at the time.

Bowing or kowtowing are not the only gestures associated with CNY hongbao: "Good manners dictate that recipients not open the envelopes until out of sight of the giver" (Welch 1997: 38). The packet should be presented and taken with two hands, while the recipient is bowing. Moreover, "the received sum must be an even number, preferably in the form of two bills or a combination of bills that add up to the 'lucky' numbers eight or 88" (ibid.). The envelopes are selected carefully, with recognisable symbolic designs. They are usually red (symbolising luck, joy, and happiness), and present auspicious patterns such as the character $\overline{\approx} fu$ – "blessing" in English.

The *hongbao* is an integral part of the CNY celebrations. It is important to highlight some of the preparations and observances associated with the festival – although a detailed description is beyond the scope of this paper and considering that there are important variations across the country. Before the event, cleaning, cooking, and especially shopping create the conditions for social effervescence – more than CNY day itself, which is usually spent at home. People running to buy the necessary goods, or migrants rushing home for family reunions, all engender the feeling of excitement in social life.

In more detail, the list of things one must buy and/or prepare sets the "stage" for the CNY celebrations (Goffman 1959). The must-buy and must-prepare items are symbolic and codified. For example, cleaning wipes away the bad luck and negativity of the past year and allows for an auspicious start. Food is bought or prepared beforehand, because no one can cook or even clean on CNY day, as that would wash away good luck (Welch 1997: 31). The day before CNY, families often gather for a rich dinner – traditionally at home but increasingly in restaurants. It is preceded by offerings to the

- 9. Wang Lingying 王玲英, Chu Juemei 褚覺美, and Wang Changwei 王長偉, "放下手機陪父母做家務聊天, 找回最溫馨的年味" (Fangxia shouji pei fumu zuo jiawu liaotian, zhaohui zui wenxing de nianwei, Put down the cell phone and spend time chatting with parents: Reexperience the warmest way of New Year), Jiefang Daily (解放日報), 8 February 2019, www.ce.cn/xwzx/shgj/gdxw/201902/08/t20190208_31435526. shtml (accessed on 15 January 2024).
- 10. Motherly Notes, "Book Review: 過年立體書, 歡樂中國年(簡體), 我們的新年 (簡體), Chinese New Year 3D Pop Up Books" (Book Review: Guonian liti shu, huanle Zhongguo nian (jianti), Women de xinnian (jianti), Book review: 3D pop up books Joyous Chinese New Year and Our New Year), https://.youtube.com/ watch?v=RKSS7wOvZV4 (accessed on 1 February 2021).
- 11. Feng Zhaolong 馮兆龍, "磕頭的故事" (Ketou de gushi, The story of kowtowing), People's Daily Overseas Edition (人民日報海外版), 4 February 2019, www.paper. people.com.cn/rmrbhwb/html/2019-02/04/content_1907573.htm (accessed on 15 January 2024).
- 12. See Kipnis (1991: 2, note 2): "The Chinese Communist Party assigned patrilineally inheritable class labels to all families (...). During the Cultural Revolution the 'red' or 'revolutionary' classes (consisting primarily of poor peasants) were empowered at the expense of the counter-revolutionary classes (which in the countryside consisted primarily of landlords and rich peasants)."

ancestors and includes burning fake money.¹³ The gift of *hongbao* occurs sometime before or after the dinner party – or over the next few days if the relevant people did not attend the dinner.

A ritualistic interpretation: The red packet as a connector

Despite differentiated practices between regions and even families, the above descriptions fit with the definition of a ritual (*li* 禮) provided by Buckley Ebrey as "culturally constructed, patterned sequences of acts" (1991: 4, note 8).¹⁴ The sequencing includes the preparation, what could be deemed as "the backstage" (Goffman 1959), and the ritual itself.

The backstage sets up the decorum and the conditions for the ritual to take place. While the ritual itself is not always collective, the power of collective life and social effervescence (Durkheim 1965), which are its key characteristics, are manifest in the frenzy that comes together with the backstage preparations. Both extend after CNY day, with visits to relatives and friends providing occasions for numerous *hongbao* gifts.

The careful preparations presented above set the scene in which the actors – giver, receiver, and other participants – play their role. The symbols of the CNY festival in general, embodied in the red packets in particular, can be seen as "sign-equipment" (ibid.: 99). The giver occupies the central position and should be shown respect by the receiver, in the form of a light bow (or kowtow). Other participants watch the ritual performance indulgently, especially if children are the receivers.

This setting reinforces family bonds, captured in the interlinked concepts of social harmony (he 和) and filial piety (Ames 2021: 81). Like other family rituals, hongbao gifting occurs, in part, to legitimate social order, which starts with family relations (Buckley Ebrey 1991: 5). Thus, li does not only mean ritual but also propriety (Ames 2021). It underlines the position each person has within the family, and implies deference and respect from the younger generation, and benevolence and care from the elders. This reciprocity is highlighted by the existence of feelings (ganqing 感情). As Kipnis argues, "the 'form' of ethics and etiquette that separates 'pulling' guanxi from bribery is the means by which ganqing is added to a relationship of 'mutual materialist utility'" (1991: 234) – which, however, does not hamper the manipulation of gifts for personal interests.

Therefore, the ritual reinforces family bonds and reaffirms the hierarchy and everyone's roles within the family – and beyond. Practising *li* highlights the linkages that extend from the individual to his family and the whole community: "Li begins from a ritualised devotion to the family and lineage and then extends to sacralise our roles and relations in community more broadly" (Ames 2021: 257).

Practising rituals properly signals social harmony, whose "path runs from the self to the family, from the family to the state and from the state to the whole world (...). [The] five relationships (monarch and subject, father and son, husband and wife, older and younger brothers, and friends) are regarded as passage to the world" (Fei 1992: 66-7).

In short, the ritual of handing a *hongbao* during CNY is the reflection of family relations, and beyond it, of the community as a whole; it symbolises social harmony. The *hongbao* are much more than decorum: they are actors in the plain sense, or *connectors*. ¹⁶ Like electric cables, they connect the givers and the receivers *physically*.

They facilitate yearly regeneration of family (and friendship) bonds. Metaphorically, they link individuals to the community of the present, the future, and the past. Each *hongbao* is like the symbolic condensation of all the other *hongbao* given by the previous generations; it indicates the future handover to the current recipients who, once married and parents, will become givers themselves. Like other rituals, it fits with a certain representation of the world.

This symbolism can be applied to the money itself. The red packet transforms the meaning of the enclosed money, which is no longer simply a medium of exchange. It is "earmarked": "People earmark different currencies for many or perhaps all types of social interactions, much as they create distinctive languages for different social contexts" (Zelizer 1994: 18-9). The money in the *hongbao* is earmarked with the wishes of wealth and health it bears.

The symbolism of this money is significant on two other counts. First, in theory, the closer the relationship, the higher the amount. Although this is not always followed, (grandparents or uncles and aunts may give more than parents), money epitomises the closeness of the relationship, and reproduces the social order presented by Ames and Fei. In this sense, money *matters* and people pay attention to whether the money given by their siblings is equivalent to the amount they give to their sister's or brother's children. Otherwise, it may lead to misunderstanding.

Secondly, the money symbolises the gift of life, which entails an infinite debt that can never be reimbursed.¹⁷ In that sense, the amount *does not matter*, since the debt cannot be extinguished, even after death: *hongbao* are given to descendants, while fake money is burnt for (the benefit of) deceased ancestors.

Interestingly, this contradictory dimension of money ("money matters" and "money does not matter; it is only symbolic") is accepted by our interviewees, as evident here in the words of an interviewee in her thirties:

So, for us, we receive the *hongbao*. (...) We will just put it aside, and then the envelope is meaningful for us but (...) the amount of the money, it doesn't really matter.

But later:

When you have put too much money over there, then kids will start to have a wish to compare. (Interview, 20 September 2020)

- 13. This is not specific to CNY. Ancestors' worship is associated with all major festivals.
- 14. There are many definitions of a ritual, but all fit with the practice of giving *hongbao*. For a presentation of competing definitions of rituals, see Collins (2004).
- 15. When a *hongbao* is given to friends' children, fictive kinships are often used by participants e.g., "Eh, say thank you to Uncle Chen." Similarly, when a red envelope is given by an employer to his/her employees, the company is often referred to as a big family in a paternalistic fashion.
- 16. Latour would use the term "mediators" or "intermediaries." An intermediary is "what transports meaning or force without transformation: defining its inputs is enough to define its outputs. (...) Mediators transform, translate, distort, and modify the meaning or the elements they are supposed to carry" (2005: 39). As Latour acknowledged himself, it is sometimes difficult to clearly distinguish between the two. Another reason to prefer the term "connector" is explained below.
- 17. On the notions of debt and filial piety, see Oxfeld (2015: 403-4): "Parents (...) had particular obligations to care for and teach their children. In return, these children were indebted to their parents forever. (...) Many customary elements of family morality in rural China were tied to this combination of moral modelling and reciprocal obligation within a hierarchical structure. For instance, the idea of xiao (...) exemplifies this. Children are indebted to their parents for the gift of birth and for raising them. Therefore, they must repay them not only through support in old age, but through support in the afterlife as well."

This confirms the connecting function of the *hongbao*, which reinforces family linkages, the *ganqing* within the family and beyond it, the way the ritual connects people with the community and the culture. The *e-hongbao* has altered this meaning. The following section discusses *e-hongbao*'s embeddedness between market and nonmarket elements, which is also linked to the spread of values of individualism.

E-hongbao and social change

The emergence of the *e-hongbao* was possible thanks to technological innovations. Such innovations led to the time-space compression that emphasises "the values and virtues of instantaneity" (Harvey 1990: 286). But this compression led to distortions. In the case of *e-hongbao*, although its "e-opening" is immediate, the distance between senders and receivers has considerably *lengthened* by the multiplication of intermediaries that are inserted between them. The physical link between the giver and the receiver, materialised by the connector (the red envelope), is replaced by an *indirect* relation in which numerous mediators influence the way individuals use and understand *hongbao*. In this Latourian framework, WeChat can be seen as a "super-sticky platform" (Chen, Mao, and Qiu 2018), or a super app that is made of a set of mediators that make people *do* things (Latour 2005: 217):

We see WeChat as super-sticky, because it aspires to create a gateway platform for its 980 million users (...) to carry out most of their daily business. (...) [U]sers can access this wide range of services without switching between WeChat and other apps or web pages. (Chen, Mao, and Qiu 2018: 6)

In more detail:

Downloading the app is free, and WeChat has only just begun to experiment with advertising revenue, so where then does its ARPU [Average Revenue Per Unit] magic lie? (...) The short answer is that it offers more *functionality*. Along with its basic communication features, WeChat users in China can access services to hail a taxi, order food delivery, buy movie tickets, play casual games, check in for a flight, send money to friends, access fitness tracker data, book a doctor appointment, get banking statements, pay the water bill, find geo-targeted coupons, recognize music, search for a book at the local library, meet strangers around you, follow celebrity news, read magazine articles, and even donate to charity... all in a single, integrated app. ¹⁸

In addressing "every aspect of its users' lives" (Chen, Mao, and Qiu 2018), the "super app" locks customers into its ecosystem. Jay, an individual who was asked by the thee authors to live 12 hours without WeChat, confessed that "leaving WeChat means leaving social life" (ibid.: 3). This is the "'walled garden' where major companies build barriers around their ecosystems, blocking links to the services of rivals. Tencent's WeChat has in the past banned some external links to competitors, including e-commerce giant Alibaba Group Holding and ByteDance." As a result, WeChat claimed 1.06 billion users in 2020.²⁰

The questions, then, are how WeChat became so indispensable in China, and what role *e-hongbao* played in this evolution. A key answer resides in the development of online payment, and the place

of *e-hongbao* in this development. WeChat *e-hongbao* operates at a minimum of three levels, each provoking a dilution between gifts, business, or state interests. Altogether, these three levels lead to a certain loss of the original meaning of the *hongbao* ritual.

The first level plugs the ritual into the business model of Tencent: "Red envelopes were WeChat's secret weapon in getting users to adopt mobile payment on their messaging platforms, unlocking all subsequent transaction activity across their ecosystem."²¹ They were seen by their developers as a tool to entice people to upload their credit card and bank details into their WeChat account. While WeChat does not charge for P2P (peer to peer) transactions, it charges merchants a fee of 0.6% (similar to its main competitor, Alipay). WeChat Pay claimed 800 million users in 2019 and 900 million in 2021.²²

While WeChat Pay started in 2013 through its "Wallet," the decisive impulse came when the "red packet" function "made a sensational debut in the 2015 New Year Gala of China Central Television" (Chen, Mao, and Qiu 2018: 63).²³ This was a truly innovative strategy, mixing a ritual practice (giving red packets), a new year television entertainment (the CCTV New Year's Gala), a business practice (the distribution of sponsored *hongbao*), and later on, a playful medium (the *hongbao* lucky money function, see below) – all this under the benevolent approval of the Communist Party, which keeps a grip on the show. This multifunctionality constitutes an important step in blurring distinct categories of communication (Brunton 2018: 183).

In the first year of its introduction, the red packet function was limited to the P2P feature, allowing people to send *hongbao* to relatives and friends. This was perceived by users as a "second best" alternative:

During [the last] Chinese New Year, I sent a *hongbao* to my niece (through WeChat Wallet). We could not meet since we live in different cities. If we could meet face to face, I would rather give her a traditional *hongbao* instead (Kow, Gui, and Cheng 2017: 146).

- Connie Chan, "When One App Rules them All: The Case of WeChat and Mobile in China," Andreessen Horowitz, 6 August 2015, http://a16z.com/2015/08/06/wechatchina-mobile-first/ (accessed on 7 December 2021).
- 19. Iris Deng, "Big Tech's 'Walled Gardens' Start to Crack as Tencent Vows to Follow Beijing's Order to Unblock Links to Rivals," South China Morning Post, 13 September 2021, https://www.scmp.com/tech/big-tech/article/3148572/big-techs-walled-gardens-start-crack-tencent-vows-follow-beijings (accessed on 16 December 2021). This is part of the "war" that is raging among the BAT (Baidu, Alibaba, Tencent) the Chinese equivalent of the GAFA (Google, Apple, Facebook, and Amazon). The media has nicknamed this fierce competition the "Spring Festival red packet war." While the analysis of this war is beyond the scope of this paper, it is still interesting to note that the e-hongbao has become key to the marketing strategies for most internet companies in China.
- "Number of WeChat users worldwide from 2019 to 2028," Statista, https://www. statista.com/forecasts/1144915/wechat-users-in-the-world (accessed on 18 February 2024). The source does not differentiate between users located in China and overseas.
- Connie Chan, "Money as Message," Andreessen Horowitz, 24 July 2016, https://a16z.com/2016/07/24/money-as-message/ (accessed on 12 December 2021).
- Mansoor Iqbal, "WeChat Revenue and Usage Statistics (2024)," BusinessofApps, 10
 January 2024, https://www.businessofapps.com/data/wechat-statistics/ (accessed on
 22 January 2024).
- 23. The CCTV New Year's Gala is an entertainment television show broadcast nationally and internationally every year on CNY Eve. It is the most widely viewed TV show in the world, with more than one billion viewers. See Rebecca Lo, "Why 'Chunwan,' China's Lunar New Year Gala, Is the World's Most-watched TV Show," South China Morning Post, 1 February 2019, https://www.scmp.com/magazines/style/people-events/article/2184308/why-chunwan-chinas-lunar-new-year-gala-worlds-most (accessed on 12 December 2021).

The feature prompted many to input their bank and/or credit card information into the system. But in 2015, Tencent "invested USD 8.1 million to win the rights for CCTV's national programming for the annual Spring Festival." 24

In this onetime broadcast blast, WeChat advertisers (like Chevrolet, Huawei, etc.) gave away over USD 81 million of digital money to 36 million WeChat users who used the app to claim red packets while watching the show. Viewers would simply shake their phones (...) to try to grab an envelope full of free money.²⁵

In linking the ritual to a commercial strategy, Tencent blurred the line between gifts and business practices. The relationship between senders and receivers is no longer mediated by a ritualistic practice with the *hongbao* acting as a connector; here an organisation seeks out the customer as part of its business strategy. While the companies have already been distributing red packets with coupons, the CCTV campaign involves "real money," given "only" to 36 million lucky users out of 800 million viewers. The message of good luck, so integral to CNY rituals, is embedded in an advertising campaign. From the point of view of the government and CCTV, this commercial strategy acts as a stimulator for people to watch the show and the propaganda embedded in it (examined in the third level below).

The second level reinforces the uncertainty in the nature of the gift. Here, the meaning of the CNY *e-hongbao* is diluted in the other, newer practices. At times, this can even lead to confusion for the users. This can schematically be divided into two alternatives, depending on whether the red packet is P2P or sent to a group of people.

The P2P *e-hongbao* exhibits differences in comparison to the physical one in terms of its usage and the categories of receivers. As seen earlier, the CNY *hongbao* is traditionally given by parents or grandparents to children, bosses to employees, etc. When people give it to their friends' children, they usually plug the ritual into the framework of personal relations. The red packet acts as a connector between the sender and the receiver, conveys feelings, and reminds children of their filial duties.

These functions have been partly diverted over time as the *hongbao* has also been used as a medium for corrupt practices. For example, some families routinely give red packets to doctors in hospitals to ensure good treatment of their relatives.²⁶ This practice already blurs the line between gifts and vested (economic) interests, although the CNY ritual keeps its meaning and often remains separate from these practices.²⁷ But the *e-hongbao* blurs the lines even further.

When asked about the difference between receiving a physical and an electronic red packet, individuals' reactions vary greatly. The participants in our focus group ranged from those who did not differentiate the two, to those who paid attention to the "form" of the red packet. As a communications student in her mid-twenties from Zhejiang stated:

When I get money from the [physical] red envelope, the money becomes (...) just normal money, but when I receive this gift, that moment is important for me (...). So that's why... I think the red envelope is so important (...). But it doesn't mean the money is different. (Focus group, 26 February 2019)

For her, the *e-hongbao* also has a meaning, because it still has a "form." However, it affects the original meaning:

[It is changing the meaning of the *hongbao*] [a] little bit, a little bit. But even when we send it as a WeChat *hongbao*, we send messages [with] some very good words in it. And it also has a form, it's just a different form, a digital form. But it also needs a form. (...) We can transfer money right (...). But it's different. We put it in the *hongbao* and transfer it to you. It's different.

Finally, she emphasised the importance of the physical *hongbao* in the memory and the feelings it carries:

I even collected the red packets, before, no, after the Spring Festival (...). I like the design, and I like red, and I like, I treat this red packet, just like a lucky money. I can receive them and keep them for a long time. Every time I saw, because the number on it, the 2020, 2019, yeah, every time I see that I just feel, I've been loved by so many people.

Although the money can be quickly dis-earmarked, for both the electronic and physical *hongbao*, the *e-hongbao* has an ephemeral shape, different from its material counterpart that retains the memory of the givers. Yet, commentators have noted that "during the Chinese New Year, *e-hongbao* has created a new way for people to bond and communicate with each other. By participating in activities such as grabbing *e-hongbao*, people can improve communication with their friends and relatives, making the Spring Festival more flavourful."²⁸ Interestingly, this opinion is far from being shared by Zhang Xiaolong 張小龍, WeChat's "father":

Sending *hongbao* is becoming more and more a pure monetary transaction, breaking away from the sentimental/emotional element. This is not right. How can this world be measured by money, uh? Subsequently, we reinforce the sentimental/emotional component and the fun of interaction by inserting personalised emojis and so on in the *hongbao*. For example, you can customise your own sticker to be included; this way your *hongbao* can better reflect your sincerity, rather than just being considered in terms of its monetary value.²⁹

Zhang understands that the *e-hongbao* alone is insufficient to convey *ganqing*. Beyond the traditional messages, the app should allow senders to "customise" it in order to show one's "true heart."

- 24. Connie Chan, "Money as Message," op. cit.
- 25. Connie Chan, "Money as Message," op. cit.
- 26. This practice is illegal since 2014 but can still be observed (Guo and Xu 2021). Although the *hongbao* is traditionally given by someone occupying a higher position to a lower one (e.g., father to son), in the case of corruption, the path is usually reversed.
- 27. Hongbao given during CNY can also hide corrupt practices. The designers of the e-hongbao aimed to address this issue by limiting the amount to be included in them to RMB 200. On the other hand, the ambiguity in the "free" nature of the gift is well known since the seminal work of Mauss (1990).
- 28. Feng Zhaolong 馮兆龍, 2019, "磕頭的故事" (Ketou de gushi, The story of kowtowing), op. cit.
- 29. Zheng Zhihui 鄭志輝, "今年春節紅包大戰金額再創新高: 網際網路老將大戰春節新 '網紅'" (Jinnian chunjie hongbao dazhan jin'e zai chuang xin gao: Wangji wanglu laojiang dazhan chunjie xin "wanghong," This year's Spring Festival red envelope war amount is a new high: Internet veteran battles the Spring Festival new "internet celebrities"), Xinkuaibao 新快報, 29 January 2019.

But this customisation is exactly what differentiates the physical hongbao from its electronic version, each carrying different visions of society. The customisation promoted by Zhang is a personal action. It reinforces the individualised and marketised perception of society (Yan 2009). This conception is the near opposite to the traditional packet, regulated by rituals that remind people of their mutual obligations (filial piety and benevolence) and their membership within a family and a community. With this evolution, the nature of the money inserted in the envelope is also changing, and loses part of its symbolic aspect: it is sent, received, and opened instantly - and dis-earmarked immediately, since it is credited to one's bank account automatically. With this virtualisation, the ritualistic role of the hongbao tends to disappear as the money becomes an abstraction – a number on a screen accompanied by a short message. This is especially true when the child does not have her/his own bank account. In the words of an interviewee in her fifties: "For young children, the amount is not important: they don't know yet how to evaluate it. But nothing can replace the smile on their face when they hold the bright red envelope" (Interview, 15 February 2019). With e-hongbao, this moment has more or less disappeared. With time-space compression, e-hongbao are acting as mediators that "transform, translate, distort, and modify the meaning or the elements [they are] supposed to carry" (Latour 2005: 39).

This distortion is accentuated by the diversification, and extension in time, of usages.³⁰ With *e-hongbao* constantly at one's fingertip, people (can) send it mechanically. They transmit *e-hongbao* to friends in requesting services. The following citation by a Beijing entrepreneur highlights this near inversion of values:

It almost becomes a solid rule in my circle that before asking your friend for a favour, you need to send them a [WeChat red packet]. It is not only proper but also nearly essential to do so. Otherwise, why would anyone other than your family help you? (Xu 2021: 4)

The gift is then, fully operationalised, and the service becomes difficult to refuse since the gift is sent beforehand. Thus, as expressed by an engineer in his mid-thirties in Changsha, the best solution is to reject the *hongbao*, especially during CNY:

- Have you ever refused any [electronic] red packet from anyone?
- Normally, I accept it. However, sometimes during the Chinese New Year, if someone wants to send a *hongbao* to my family but sends it to me instead, I refuse it.
- Why?
- I guess they are asking for some help (...), so I would rather refuse it. (Interview, 25 February 2020)

In other words, the *e-hongbao* has displaced the notion of "service," which should conceptually be provided "for free" (although a return is often expected). This is accentuated by the fact that the time between the gift and the counter-gift is shortened, which makes the exchange even closer to a market exchange.³¹ This confirms our hypothesis that the *e-hongbao* blurs the lines between market exchange and gift. While this evolution may not have been planned by the developers, it allows for an easy shift from the social to the transactional (Chen, Mao, and Qiu 2018: 66). This characteristic

is reinforced by the fact that this usage of the *hongbao* extends beyond the CNY period – although that does not mean feelings are absent altogether. McDonald mentions rightly that in the case of reimbursement of a small debt to a friend (such as a bill in a restaurant), people prefer to use *e-hongbao* in order to convey feelings (2020: 405).

Finally, the *e-hongbao* is not only sent individually, but also collectively, via WeChat groups. This further distorts the original function of the CNY *hongbao*, as evident in this conversation with an employee in an architect firm in his late twenties in Changsha:

- I think it happened a day or two before the CNY. Some directors, higher managers, and superiors distributed *hongbao* in the WeChat groups, and the group members had to grab it.
- Did you manage to grab any?
- I did snatch one.
- What was the amount?
- I think it was 6 yuan.
- I see. So, you were lucky to get 6 *yuan*, [as] there are more than 300 employees in the company. (Interview, 27 February 2020)

By creating these WeChat *hongbao* groups, Tencent has "gamified" the CNY ritual (Xu 2021: 3):

Along with sending *hongbao* money to one specific person, you can send it to a group; you can choose how much will be given, and – most important – how many 'envelopes.' (...) While you have to choose the lump sum (RMB 0.01 to RMB 200), you can let the *hongbao* platform decide how it's divided between envelopes. (Brunton 2018: 185)

This type of *hongbao* keeps alive the festive atmosphere by enhancing the element of luck. But such invented rituals also provoke a shift in meaning. For Wang and Zhuang, this playful usage reinforces social relationships within the group:

People's most important demand on using the Internet red envelope is interaction and having fun. Therefore, (...) the Internet red envelope has developed from the preferential or the festive symbol for celebration to the new media for interpersonal interaction and emotional communication. The symbolic meaning of the red envelope has been raised to an even higher level. (...) The Internet red envelope has gradually become the tool to convey humanistic concern and feelings (...). (Wang and Zhuang 2020: 183-4)

In mentioning the enhancement of "the symbolic meaning of the red envelope," the authors ignore the absence, in the electronic form, of two fundamental principles of Chinese society – filial piety

^{30.} Of course, a hongbao is commonly used outside of CNY for birthdays, weddings, etc. But as we will see below, the practices of the e-hongbao extend far beyond these usages.

^{31.} Research since Mauss has shown that a gift is generally "compensated" by a counter-gift. However, to nurture the relationship, the counter-gift should not occur too soon or too late; too late would be perceived as ungrateful, too soon as unwilling to continue the relationship. In the above citation, the counter-gift is sent before the service (the gift) is provided.

and benevolence – that are embedded in the traditional ritual. We can also question their conclusion that "the Internet red envelope has gradually become the tool to convey humanistic concern and feelings." Instead, we contend that the *e-hongbao* dilutes a traditional ritual into a new practice: it becomes difficult to differentiate if its function is to send wishes, acknowledge the team's performances, introduce better group cohesion, or introduce a playful element, conducive (or not) to higher performance. This confusion is strengthened by the fact that the game is not only played during CNY but at any time, and in any kind of group (colleagues, friends, family members, etc.). Here too, feelings are not altogether absent. Interviewing migrant workers in Shenzhen, McDonald noted that while too exhausted to go out, these workers maintained conviviality and feeling through the game. As with the traditional *hongbao*, the desire to make money is absent in the practice (2020: 405-6).

Finally, WeChat mediation operates at a third level where it combines political and economic factors. The most obvious sign of this is the association of the CCTV show with WeChat in 2015 soon followed by other companies (Alibaba sponsored the 2016 and 2017 editions of the show). This is the origin of the "red packet war," triggered by the "walled gardens." ³² Second is the RMB 200 threshold fixed by the company to limit corrupt practices. In theory, it could signify that the hongbao and its money is symbolic. But in practice, it brings significant changes, since people often insert more than this amount in the physical red packets, and nothing in the tradition prevents people from inserting the sum of their choice - provided the symbolism of numbers is respected. These points reflect the way WeChat functions. As Peng indicates, "WeChat operates within an authoritarian context" (2017: 11), which involves both censorship and self-censorship (ibid.: 11-2). The government monitors what people write (and how much they send by e-hongbao), and people often (re)act accordingly. This becomes significant, as WeChat has to share the information it collects from users with the government. The government has recently strengthened its grip over data collection, and the implementation of the Personal Information Protection Law of the People's Republic of China in 2021 aims to control the collection and utilisation of this data. A draft proposal issued in August 2021 proposed that service providers "register their algorithms with regulators within ten working days"33 - algorithms that are wellpreserved business secrets for the companies.

Conclusion

The *hongbao* – electronic and physical – fulfils the functions of wishing good health, luck, and wealth. However, the two types represent different societal models. The ritualistic practices associated with the physical *hongbao* are linked to a certain worldview and highlight filial piety, benevolence, family relations, and beyond these, a sense of community. This model is consistent with Fei's description of the five relationships being "regarded as passages to the world" (Fei 1992: 67). The money in the packet is therefore earmarked. First, it *hierarchises* (although only theoretically) the relationship in accordance with the traditional model. Second, it also *symbolises* the debt of life that can never be reimbursed, and that is transmitted to the next generation. Hence, the gift of money is intergenerational. The *hongbao* therefore carries *ganging* and is, by construction (but

not always in reality), a reflection of social harmony. The red packet in this model is a connector binding generations and individuals to the community.

The analysis of the *e-hongbao* does not exclude this ritualistic perspective. But time-space compression, which makes the exchange of red packets virtual and instantaneous, has brought about important changes. In effect, one can say that it has lengthened the distance between the giver and the receiver through the mediation of the apps and its different applications. Ritualistic practices are minoritised to give space for individual messages or videos to be sent. The red packet makes way for WeChat, which acts like a mediator, transforming the original meaning of the *hongbao*. While wishes of good health and wealth remain prominent, they are now given on an individual basis: they are more customised than ritualised, although they retain some ritualistic elements. They are also framed in a different contextual meaning that blurs the significance of these wishes.

This is especially evident when people send CNY *hongbao* with the ulterior motive of asking for services. While the *hongbao* has long been linked to corrupt practices, its electronic form has generalised its embeddedness in economic exchanges. This is either because the givers expect help from the receiver, or because it is a way for the super app to attract members, and for the wallet function to gain more customers. In this new model, social practices tend to be diluted by economic interests embedded in political governance.

Thus, mediated by the app, the nature of the gift takes on the tone of an economic exchange. The huge increase of red packets distributed since the inception of the *e-hongbao* has led to its marketisation and its politicisation. It becomes impossible to answer Zelizer's question: "How do we know whether a monetary transaction is a gift, an entitlement, or compensation?" (1998). The gift is intermediated by an organisation that transforms its nature to what Naulin and Steiner call an "organisational gift" (2016). It is then more difficult to earmark the money, which is transferred quasi instantly from one bank account to another. And it also becomes difficult to keep the envelope and remember the love of the person who gave it.

In short, the model based on filial piety and benevolence is *partly* replaced by market relations. Social harmony is no longer regulated by these relationships, but by an orderly market under government control. Sending *hongbao* has become more of an individual act – which can be seen by the customisation of the messages that accompany the gift. This is in line with Yan's analyses regarding the "individualisation of the Chinese society" (2009). At present, the two models still coexist. But as the Chinese government aims to control the operation of the platforms more closely and pushes hard to introduce a cashless society (Kshetri 2023), this may lead to a further individualisation of society – and an increased share of the economic component in the *hongbao* gift. More studies are necessary to understand how values such as filial piety, which have formed the basis of the Chinese society for centuries, will evolve.

Manuscript received on 6 May 2022. Accepted on 10 July 2023.

^{32.} Iris Deng, "Big Tech's 'Walled Gardens'...," op. cit.

Tracy Qu and Xinmei Shen, "Beijing Drafts Rules to Rein in Algorithms Used by Big Tech to Push Videos, Other Online Content in Widespread Crackdown," South China Morning Post, 27 August 2021, https://www.scmp.com/tech/big-tech/ article/3146680/beijing-drafts-new-rules-tame-recommendation- algorithms-latestpush (accessed on 27 March 2022).

References

AMES, Roger T. 2021. *Human Becomings: Theorizing Persons for Confucian Role Ethics*. Albany: State University of New York Press.

BIAN, Yanjie. 2018. *Guanxi: How China Works*. Cambridge: Polity Press.

BRUNTON, Finn. 2018. "WeChat: Messaging Apps and New Social Currency Transaction Tools." *In* Jeremy Wade MORRIS, and Sarah MURRAY (eds.), *Appified: Culture in the Age of Apps*. Ann Arbor: Michigan University Press. 179-87.

BUCKLEY EBREY, Patricia. 1991. *Confucianism and Family Rituals in Imperial China: A Social History of Writing about Rites*. Princeton: Princeton University Press.

CHEN, Yujie, Zhifei MAO, and Jack Linchuan QIU. 2018. *Supersticky WeChat and Chinese Society*. Bingley: Emerald Publishing.

COLLINS, Randall. 2004. *Interaction Ritual Chains*. Princeton: Princeton University Press.

DOOLITTLE, Justus. 1865. Social Life of the Chinese: With Some Account of their Religious, Governmental, Educational and Business Customs and Opinions (vol. 2). New York: Harper & Brothers.

DURKHEIM, Émile. 1965. *The Elementary Forms of Religious Life*. New York: Free Press.

FEI, Xiaotong. 1992. From the Soil: The Foundation of Chinese Society. Berkeley: University of California Press.

GOFFMAN, Erving. 1959. *The Presentation of Self in Everyday Life*. New York: Doubleday.

GUO, Weirong, and Bin XU. 2021. "Dignity in Red Envelopes: Disreputable Exchange and Cultural Reproduction of Inequality in Informal Medical Payment." *Social Psychology Quarterly* 85(1): 23-43.

GUTHRIE, Douglas. 1998. "The Declining Significance of *Guanxi* in China's Economic Transition." *The China Quarterly* 154: 254-82.

HARVEY, David. 1990. *The Condition of Postmodernity: An Enquiry into the Origins of Cultural Change*. Oxford: Blackwell Publishing.

HU, Maogui. 2019. "Visualizing the Largest Annual Human Migration during the Spring Festival Travel Season in China." *Environment and Planning A: Economy and Space* 51(8): 1618-21.

JI, Xiaojing. 2017. "Red Packets in the Real and Virtual Worlds. How Multi-function WeChat Influences Chinese Virtual Relationships." *In* Urte Undine FRÖMMING, Steffen KÖHN, Samantha FOX, and Mike TERRY (eds.), *Digital Environments: Ethnographic Perspectives across Global Online and Offline Spaces*. Bielefeld: Transcript Verlag. 67-76.

KIPNIS, Andrew B. 1991. *Producing Guanxi: Relationships, Subjects and Subcultures in a Rural Chinese Village*. PhD Dissertation. Chapel Hill: The University of North Carolina.

KOW, Yong, Xinning GUI, and Waikuen CHENG. 2017. "Special *Digital* Monies: The Design of Alipay and WeChat Wallet for Mobile Payment Practices in China." *In* Regina BERNHAUPT, Girish DALVI, Anirudha JOSHI, Devanuj K. BALKRISHAN, Jacki O'NEILL, and Marco WINCKLER (eds.), *Human-computer Interaction - INTERACT 2017. Cham:* Springer. 136-55.

KSHETRI, Nir. 2023. "China's Digital Yuan: Motivations of the Chinese Government and Potential Global Effects." *Journal of Contemporary China* 32(139): 87-105.

LATOUR, Bruno. 2005. *Reassembling the Social: An Introduction to Actor Network Theory*. Oxford: Oxford University Press.

MAUSS, Marcel. 1990. The Gift: The Form and Reason for Exchange in Archaic Societies. New York: WW Norton.

McDONALD, Tom. 2020. "'Social' Money and Working-class Subjectivities: Digital Money and Migrant Labour in Shenzhen, China." *The China Quarterly* 242: 397-417.

NAULIN, Sidonie, and Philippe STEINER. 2016. *La Solidarité* à distance. Quand le don passe par les organisations (Remote solidarity: When the gift goes through organisations). Toulouse: Presses universitaires du Mirail.

OXFELD, Ellen. 2015. "Moral Discourse, Moral Practice and the Rural Family in Modern China." *In* Vincent GOOSSAERT, Jan KIELY, and John LAGERWEY (eds.), *Modern Chinese Religion*. Leiden: Brill. 401-32.

PENG, Altman Yuzhu. 2017. "Affective Networks: How WeChat enhances Tencent's Digital Business Governance." *Chinese Journal of Communication* 10(3): 264-78.

WANG, Dongmei, and Jiachi ZHUANG. 2020. "Two-way Embedding: A National Carnival of Electronic Red Envelopes." *In* Shaojie LIU, and Jianmin WANG (eds.), *The Internet Society in China: A 2016 Report*. London: Palgrave Macmillan. 177-98.

WELCH, Patricia B. 1997. *Chinese New Year*. Oxford: Oxford University Press.

XU, Yusi Aveva. 2021. "The 'Lucky Money' That Started It All: The Reinvention of the Ancient Tradition 'Red Packet' in Digital Times." *Social Media + Society* 7(3). https://doi.org/10.1177/20563051211041643

YAN, Yunxiang. 2009. *The Individualization of Chinese Society*. London: Routledge.

YANG, Mayfair Mei-hui. 2002. "The Resilience of *Guanxi* and Its New Deployments: A Critique of Some New *Guanxi* Scholarship." *The China Quarterly* 170: 459-76.

ZELIZER, Viviana. 1994. *The Social Meaning of Money*. New York: Basic Book.

—. 1998. "How Do We Know Whether a Monetary Transaction Is a Gift, an Entitlement, or Compensation?" *In Avner BEN-NER, and Louis PUTTERMAN (eds.), Economics, Values, and Organization*. Cambridge: Cambridge University Press. 329-34.