# Social Stratification in Chinese Societies

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# HOW ANGRY ARE CHINESE CITIZENS ABOUT CURRENT INEQUALITIES? EVIDENCE FROM A NATIONAL SURVEY

#### MARTIN KING WHYTE AND GUO MAOCAN

#### Abstract

This paper examines to what extent Chinese citizens perceive current inequalities as unfair. Our empirical results show that Chinese citizens in general do not appear to be as upset about the size and unfairness of current inequalities as many analysts and Chinese government officials have assumed. Although a large proportion of Chinese view current national inequalities as excessive, international comparison shows that China is not among the highest in this kind of concern. Moreover, Chinese citizens stress much more than in many other societies that merit-based attributes are the main reasons why some people are poor while some others are rich. Our results also show that it is not generally the case that China's most disadvantaged citizens, particularly farmers, are the ones who are most angry about current patterns of inequality.

China's post-1978 economic reforms have been remarkably successful in most respects, producing close to 10% economic growth rates for three decades, rising incomes and living standards, massive infusions of foreign direct investment, extraordinary success in exporting Chinese goods overseas, and dramatic increases in skyscrapers, limited access highways, shopping malls, tourist hotels, private automobiles, and all the other visual trappings of an increasingly modern and wealthy society. Yet at the same time there is at least one post-1978 trend that is more troubling. In many respects China has become a much more unequal society as it has developed. Not only is income distributed much more unequally than before 1978,¹ but forms of wealth and privilege that the revolution set out to destroy have returned with a vengeance—millionaire business tycoons, foreign capitalists exploiting Chinese workers, gated and guarded private mansion compounds, etc.

<sup>&</sup>lt;sup>1</sup> No reliable national income distribution estimates are available for China prior to 1978. In 1981 the gini coefficient of national income distribution was estimated by the World Bank at .29, making China appear as one of the world's more equal societies, at least in terms of monetary income. Since 2002 the comparable gini coefficient has been estimated at .45 or even higher, so that now China ranks as one of the world's more unequal societies in income terms. See the discussion in Khan and Riskin 2001; 2005; Gustafsson, Li, and Sicular 2008.

The reforms have generated many big winners, but also many losers, including millions of Chinese citizens who have lost their jobs or even have had their firms go out of business, farmers who have lost control of their land to unscrupulous developers, and sharp cutbacks in the benefits and subsidies that used to shield the urban poor from poverty. Among ordinary Chinese citizens, how common are attitudes of gratitude and optimism about new opportunities spawned by the reforms versus anger and a sense of injustice at the rising inequalities they see around them? In this paper we present systematic data drawn from a national survey conducted in China in 2004 in an effort to answer this and related questions.

For the last decade or so the conventional wisdom, both within China and among foreign analysts, is that ordinary Chinese are more and more angry about rising inequality and distributive injustice. For example, official police statistics claim that the number of "mass protest incidents" in China increased from 8,700 in 1993 to 87,000 in 2005, with commentators suggesting that rising anger about inequality was a prime factor behind this surge (Chung, Lai, and Xia 2006; Tanner 2006). A poll of senior officials conducted by the Central Party School in 2004 concluded that the income gap was China's most serious social problem, far ahead of crime and corruption, which were ranked two and three (Xinhua 2004). On a similar note, a summary of the 2006 "Blue Book" published by the Chinese Academy of Social Sciences (an annual assessment of the state of Chinese society) stated, "The gini coefficient, an indicator of income disparities, reached 0.53 last year, far higher than a dangerous level of 0.4 (Ma 2005)." Reports such as these have led some analysts to conclude that China is becoming a "social volcano," with rising anger about inequality and distributive injustice a threat to political stability.

An additional element of this kind of conventional account of Chinese social trends is the assumption that if China is headed toward a social volcano, the eruptions will mostly come from reform-era losers—those left behind and disadvantaged by recent trends, even as growing middle and propertied classes are relatively satisfied with the status quo. While migrants, the poorly educated, residents of interior provinces, and other relatively disadvantaged groups are assumed to be unhappy with current inequalities, it is China's rural population that is often seen as most likely to be angry. A recent edition of *The Economist* magazine declares, "A specter is haunting China—the specter of

rural unrest" (*Economist* 2006), while *Time* magazine's Asian edition declared at about the same time, "Violent protests... are convulsing the Chinese countryside with ever more frequency" and continued its report with phrases such as "seeds of fury" and "the pitchfork anger of peasants" (*Time Asia* 2006).

The Hu Jintao and Wen Jiabao leadership that took command in China in 2002–2003 has taken the threat posed by anger over increasing inequality quite seriously. In recent years they have announced a number of dramatic policy changes designed to make China a more "harmonious society," particularly measures designed to alleviate rural poverty. For example, rural taxes and fees were limited and then the grain tax was phased out entirely, rural school fees are being eliminated, and moves are underway to create a new if modest village medical insurance system in all rural communities (to replace the cooperative medical insurance plans that collapsed early in the reform era) and to implement in rural areas a version of the minimum livelihood stipend system (dibao) that heretofore has only been implemented in urban areas. It seems clear that China's leaders hope that through interventions such as these they can reduce the possibility that the "pitchfork anger of peasants" will threaten Communist Party rule.

However, we need to stop and ask whether this conventional wisdom about popular anger about inequalities is correct or not. Are ordinary Chinese really very angry about the inequalities they see around them? Are Chinese citizens more or less angry about current inequalities than citizens of other societies? And within China, is it really disadvantaged groups in general, and farmers in particular, who are most angry about the injustice of current patterns of inequality? The national survey data we are about to present suggest that for the most part the conventional wisdom is wrong.

In the sections that follow, we first describe the data we use in this paper and then our measures of key dimensions of perceptions of inequality and distributive injustice. We then evaluate how angry Chinese citizens are generally and compare their perceptions with the responses of citizens in other societies. Next, we study the social background variations within China of perceptions of current inequalities. Finally, we discuss some implications of our findings.

The 2004 China National Survey on Attitudes Toward Inequality

Our empirical analyses come from the 2004 national China Survey on Inequality and Distributive Justice which was conducted by a collaborative research team,2 with Martin Whyte as the principal investigator. Part of the inspiration for this survey came from previous surveys on inequality and distributive injustice attitudes in other societies, particularly from the International Social Justice Project (ISJP), which carried out two rounds of national surveys on these issues, in 1991 and in 1996, in several East European societies making the transition from socialism to capitalism as well as in several advanced capitalist societies in the 1991 wave (see, in particular, Kluegel, Mason, and Wegener 1995; Mason and Kluegel 2000). The 2004 China survey questionnaire included a large number of replications of questions used in such earlier surveys, and particularly in the ISJP, but we also designed many new questions distinctive to China's current patterns of inequality. The 2004 survey used an innovative sampling method, spatial probability sampling (see Landry and Shen 2005),3 to identify and interview a nationally representative sample of Chinese citizens aged from 18 to 70, with a response rate of about 75%, yielding a final sample of 3,267 cases.4

<sup>&</sup>lt;sup>2</sup> Besides Whyte, the research team consisted of Albert Park (economics, then at the University of Michigan), Pierre Landry (political science, Yale), Wang Feng (sociology, Univ. of California-Irvine), Jieming Chen (sociology, Texas A&M Univ.-Kingsville), and Chunping Han (then a doctoral student in sociology at Harvard), with our primary PRC collaborator and director of survey fieldwork Shen Mingming (political science, Peking University, director of the Research Center for Contemporary China at Beida). Primary funding for the survey came from the Smith Richardson Foundation, with supplementary funding provided by the Weatherhead Center for International Affairs at Harvard, the University of California at Irvine, and Peking University.

<sup>&</sup>lt;sup>3</sup> Most probability sample surveys in China to date have used household registration (hukou) records as the basis for drawing samples. However, those records are more and more inaccurate due to the increased mobility of Chinese—Landry and Shen (2005) found in a 2001 Beijing survey that about 45% of the respondents selected by spatial probability sampling in that city were not residing in the places where they were officially registered. Spatial probability sampling involves using maps of population density and geographic positioning system (GPS) devices to select actual physical points on the ground in China with probability proportional to population size, and then to interview one adult per household in each household located within a designated square around each point.

<sup>&</sup>lt;sup>4</sup> Our sampling plan included an over-sampling of urban places in order to yield enough cases to allow us to examine variations within urban areas. Therefore when we present the overall pattern of responses to various questions in the pages that follow, we use sampling weights to correct for this over-sampling in order to produce figures

## Measures of Perceptions of Current Inequality Patterns

The 2004 China survey questionnaire covered a broad range of attitude questions regarding inequality and distributive injustice issues. For the purposes of this analysis, we focus on only a limited portion of this terrain. Specifically, we examine here distinct aspects of *perceptions* of current inequalities.<sup>5</sup>

First, to see how Chinese citizens perceive the size of current inequalities, we asked whether respondents thought current income differences nationally are too large, somewhat too large, about right, somewhat too small, or too small. Our summary statistics show that a substantial majority of respondents (71.7%) responded that the gaps are to some degree excessive—see the first row of Panel A in Table 1. However, when we additionally asked respondents about income differences within their own work units and in the neighborhoods in which they live, the proportion who said that such "local" income differences are excessive was much smaller—only 39.6% and 31.8%, respectively. Indeed, for these latter two questions, the most common response was that income differences within the work unit and the neighborhood are about right. So these responses contain mixed messages. Clearly most Chinese feel that income differences in the entire nation are larger than they should be, but when they are asked about people in their local environment—those who more realistically would be used as their comparative reference groups—then only about one respondent in three says that current income differences are excessive.

Second, we asked four questions about attitudes towards harmful aspects of current inequalities. One question asked respondents to register varying degrees of agreement or disagreement with the statement: "In the last few years, the rich people in our society have gotten richer, while the poor people have gotten poorer." The pattern of responses to this question, shown in the first row of Panel B in

designed to show responses that are representative of the full national population of adults between the ages of 18 and 70.

<sup>&</sup>lt;sup>5</sup> Our questionnaire also included questions about what the respondents' ideal patterns of equality and inequality would be, what role they thought the government ought to be playing in limiting inequality, whether current inequalities promote positive incentives, how much opportunity there is for people to improve their standard of living, and other aspects. These other aspects of citizen attitudes toward inequality issues will not be considered here, but are addressed in other project publications, such as Han and Whyte 2009; Whyte 2010.

| Table                        | e 1: Perc | eption M             | easures, I       | Descriptiv       | e Statistics      | 3                 |      |
|------------------------------|-----------|----------------------|------------------|------------------|-------------------|-------------------|------|
| Panel A: Popular Views or    | n Extent  | of Inequal           | ity (row %)      | )                |                   |                   |      |
| Items                        |           | Too<br>small         | Somewha<br>Small | t About<br>right | Somewhat<br>large | t Too<br>large    | N    |
| National income gap          |           | 1.4                  | 4.4              | 22.5             | 31.6              | 40.1              | 3254 |
| Work unit income gap         |           | 1.6                  | 8.9              | 49.9             | 27.1              | 12.5              | 2107 |
| Neighborhood income gap      | )         | 1.9                  | 10.2             | 56.1             | 26.6              | 5.2               | 3264 |
| Panel B: Attitudes on Curr   | rent Inco | me Inequa            | lity (row %      | ó)               |                   |                   |      |
| Items                        |           | Strongly<br>disagree | Disagree         | Neutral          | Agree             | Strongly<br>agree | N    |
| Rich richer, poor poorer     |           | 3.8                  | 15.3             | 20.9             | 34.3              | 25.8              | 3258 |
| Inequality only benefits the |           | 3.8                  | 15.0             | 30.2             | 37.3              | 13.6              | 3263 |
| Income gap threatens stab    |           | 2.9                  | 12.5             | 33.5             | 36.4              | 14.8              | 3262 |
| Income gap violates social   | ism       | 5.3                  | 18.6             | 48.2             | 21.4              | 6.5               | 3255 |
| Panel C: Attribution of W    | hy People | in China             | are Poor (       | row %)           |                   |                   |      |
| Items                        | Rank      | Not                  | Small            | Some             | Large             | Very large        | N    |
|                              | Order     | all At               | influence        | influence        | influence         | influence         |      |
| Lack of ability              | 1         | 2.2                  | 4.5              | 32.0             | 43.5              | 17.8              | 3265 |
| Bad luck                     | 6         | 9.1                  | 18.1             | 45.9             | 21.7              | 5.2               | 3265 |
| Poor character               | 4         | 8.4                  | 19.6             | 40.8             | 22.6              | 8.6               | 3261 |
| Lack of effort               | 3         | 3.2                  | 7.2              | 35.6             | 43.9              | 10.1              | 3257 |
| Discrimination               | 7         | 7.2                  | 18.8             | 52.8             | 16.9              | 4.3               | 3261 |
| Unequal opportunity          | 5         | 4.3                  | 15.2             | 53.1             | 22.3              | 5.2               | 3261 |
| Unfair economic system       | 8         | 5.4                  | 11.8             | 61.8             | 16.1              | 4.9               | 3258 |
| Low education                | 2         | 3.0                  | 8.6              | 34.0             | 37.8              | 16.6              | 3239 |
| Panel D: Attribution of W    | hy People | in China             | are Rich (1      | ow %)            |                   |                   |      |
| Items                        | Rank      | Not                  | Small            | Some             | Large             | Very large        | N    |
|                              | Order     | all At               |                  |                  | influence         | influence         | -,   |
| Ability and talent           | 1         | 1.8                  | 3.8              | 25               | 46.3              | 23.2              | 3265 |
| Good luck                    | 6         | 7.0                  | 13.4             | 40.5             | 29.8              | 9.3               | 3264 |
| Dishonesty                   | 8         | 13.3                 | 26.7             | 42.6             | 12.8              | 4.6               | 3259 |
| Hard work                    | 2         | 1 5                  |                  | 21.1             |                   |                   |      |

Note: Data are weighted.

High education

Personal connections

Better opportunities Unfair economic System

2

4

5

7

3

1.5

1.4

1.9

3.6

2.3

5.7

6.3

8.5

14.4

6.2

31.1

32.3

44.4

56.0

30.9

49.5

41.0

34.9

19.5

39.5

12.3

19.0

10.4

6.5

21.1

3261

3261

3262

3258

3240

Hard work

Table 1, reveals that around 60% of all respondents agree or strongly agree with this statement. The next row in Panel B displays a similarly jaundiced view. When presented with the statement, "The reason why social inequalities persist is because they benefit the rich and the powerful," 50.9% agree while only 18.8% disagree. These responses suggest a popular suspicion that in the country at large those at the very top of the inequality pyramid are manipulating the system to their own selfish advantage. Two other questions asked respondents to evaluate current inequalities in terms of whether they pose a threat to social stability and whether they violate the principles of socialism. About 51% agree about the threat to social stability, but substantially fewer, only about 28%, agree that the principles of socialism are being violated. These responses raise the possibility that many respondents see current inequalities as excessive not so much because such large gaps are inherently unjust, but because they may threaten the goal of an orderly and harmonious society.

The remaining two domains of inequality perceptions concern the popular attribution of poverty versus wealth. In judging the fairness or unfairness of current inequalities in any society, more is involved than just judging whether current gaps are too large or not. It matters much more who is perceived to be at the bottom and at the top of the inequality hierarchy and how they are assumed to have ended up where they are. For example, it makes a difference whether most rich people are perceived as enjoying "ill-gotten gains" versus "welldeserved fruits." Similarly, if poor people are perceived primarily as victims of discrimination and blocked opportunities, this will be seen as much more unfair than if the poor are seen as lazy and incompetent. Following the questions used in the International Social Justice Project, we asked each respondent to state how much they thought various listed traits influence why a person in China today is poor: to a very large degree, a large degree, to some degree, a small degree, or not at all, and then we followed this up with similar questions about why people in China are rich. In each list are mixed together attributions based upon individual worthiness and merit and others based upon external or structural causes. The assumption underlying these questions is that if current inequalities are mainly attributed to variations in individual merit factors (such as talent, educational attainment, and hard work), they will tend to be seen as fair, while if inequalities are mainly attributed to external factors (such as unequal opportunities

and discrimination), they will tend to be seen as unjust. The resulting weighted marginal distributions of the responses are displayed in Panel C and D in Table 1.

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By scanning these two panels, it becomes clear that for most respondents, it is variations in individual merit factors much more than external and structural causes that are seen as explaining why some people in China today are poor while others are rich. In rank order the top three attributions of poverty in China today are lack of ability or talent, low education, and lack of effort; for wealth the same three traits emerge as the most important, although in slightly different order, with ability and talent followed by hard work and then high educational level. However, one "negative" trait, variations in personal connections, was a close fourth in the ranking of attributions of why some people in China are rich.<sup>6</sup> Other negative, traits such as dishonesty, discrimination, and unfairness of the current economic system come out near the bottom in the rank ordering of perceived reasons why some people are poor while others are rich.

These responses do not indicate that the dominant tendency in China today is for citizens to perceive the current patterning of wealth versus poverty as mainly attributable to social injustice. Rather, whereas around a quarter of our respondents rank external or structural "unfair" sources as important or very important in explaining why some people are rich while others are poor, for the majority of respondents the primary explanations are to be found in variations in individual merit. As such the dominant tendency is to see current inequalities as fair rather than unfair.

How can these responses be squared with the fact that a large majority of respondents feel that there is too much income inequality in China today and that inequality exists because it benefits the rich and powerful? Two considerations may explain this apparent paradox. First, as suggested above, national inequality may be seen as excessive not so much because such gaps are inherently unjust (e.g., by violating socialist principles), but because they might threaten social stability. Second, it seems likely that when people respond to this series of questions about why some people are poor while others are rich, they tend

 $<sup>^6</sup>$  The two lists of traits are not exact parallels, so we don't know how respondents would have ranked an *absence* of personal connections as an explanation of current poverty.

to focus on the rich and poor people in their immediate environment, rather than on invisible or dimly perceived rich and poor people in other parts of China. If that is the case, then as we saw in Panel A in Table 1, most respondents do not appear to see such local inequalities as either particularly excessive or unjustly derived. If we can assume that, as in other societies, what matters most to individuals is how they see themselves compared to various local reference groups, rather than compared to the entire nation, then it would appear that most respondents see the inequalities around them as acceptable and even fair and do not harbor strong resentments and feelings that current inequalities are unjust, even if they worry about income disparities in the larger society.

In short, the majority sentiment that current inequalities in China nationally are too large cannot be interpreted as indicating a general rejection of the current social order as unjust. Rather, there is a broad consensus that, at least in terms of the inequalities that citizens see in their immediate environment, market reforms have produced new inequality patterns that are acceptable and primarily based upon variations in individual merit rather than reflecting an unjust social order.

#### Chinese Perceptions of Inequality in Comparative Perspective

As mentioned earlier, some of the questions used in the 2004 China survey were replications of questions asked in the International Social Justice Project (ISJP) surveys in the 1990s (Kluegel et al. 1995; Mason and Kluegel 2000). Two rounds of surveys were carried out by the ISJP, in 1991 in both advanced capitalist and formerly socialist societies (Bulgaria, Czech Republic, Estonia, Germany [East and West], the Netherlands, Hungary, Japan, Poland, Russia, Slovenia, the United Kingdom, and the United States), and in 1996 only in selected East European transitional societies (the former East Germany, Hungary, Russia, Bulgaria, and the Czech Republic). For the purpose of comparison with our Chinese survey results, in instances where surveys were conducted in a country both in 1991 and 1996, we consider only the latter, and also to keep our tables from becoming unwieldy, we omit the 1991 survey results for Estonia, Slovenia, and the Netherlands. That procedure yields the following nations whose citizen attitudes we will be comparing to China: Russia, Bulgaria, Hungary, the Czech Republic, and East Germany in 1996 and Poland in 1991 as the East European transitional societies, and the United States, the United Kingdom, West Germany, and Japan in 1991 as the advanced capitalist countries. Table 2 presents the international comparison of selected inequality perception measures.<sup>7</sup>

Panel A of this table summarizes the percentages of those who said that the income gaps nationally are too large or somewhat too large. While as noted earlier a majority of Chinese respondents (71.7%) think that China's national income gaps are too large, it turns out that this figure is actually on the low side in comparative perspective. With the exception of Poland in 1991 and the former East Germany in 1996, citizens in every other post-socialist transitional society agreed in substantially larger numbers that income gaps in their country are excessive, with about 95% of respondents in both Hungary and Bulgaria in 1996 expressing this view. In fact, the tendency of Chinese citizens to see national income gaps as excessive is roughly parallel with the responses in the capitalist countries included in the 1991 ISJP surveys, with only citizens in the United States somewhat less likely to express this sentiment (65.2% versus 71.7%). In short, the comparative evidence indicates that Chinese citizens are if anything less likely than citizens of other societies to perceive current national inequalities as excessive.

This impression is strengthened through comparisons of responses of Chinese and citizens of other countries to questions about the reasons why some people in their society are poor while others are rich. As mentioned earlier, these questions about the attribution of poverty and wealth have five response categories: to a very large degree, to a large degree, to some degree, to a small degree, and not at all. The results of such comparisons are shown in Panels B and C in Table 2, which present the sum of those who gave "to a large degree" or "to a very large degree" responses. In Panels C and D of Table 1 we saw that Chinese respondents stress individual merit more than unfair external or structural explanations for why some people are rich while

<sup>&</sup>lt;sup>7</sup> Several of the questions in Table 1 were designed especially for the China survey, so no comparative ISJP results are available: the questions about inequalities within the work unit and neighborhood from Panel A, all four questions in Panel B, and the role of education in explaining who is poor versus rich in Panels C and D. A third round of ISJP surveys was carried out subsequently, in Hungary in 2005 and in the Czech Republic and the former East and West Germany in 2006. Substitution of results from these latter surveys would not much affect the comparisons shown in Table 2 or the conclusions drawn here from those comparisons.

|  |                              | Table 2              | 2: Internati                 | Table 2: International Comparison of Selected Perception Measures | rrison of So                 | elected Perc                 | eption Me                    | asures                       | 113<br>25 (-<br>9 () | or<br>or<br>or       | 941<br>941           |
|--|------------------------------|----------------------|------------------------------|---|------------------------------|------------------------------|------------------------------|------------------------------|----------------------|----------------------|----------------------|
| Items  | China<br>2004                | Russia<br>1996       | Bulgaria<br>1996             | Hungary<br>1996   | Czech R.<br>1996             | E. Germ.<br>1996             | Poland<br>1991               | U.S.<br>1991                 | G. Britain<br>1991   | W. Germ.<br>1991     | Japan<br>1991        |
| Panel A: Views on National Inequality as Too Large                       | al Inequa                    | ality as To-         | o Large                      |   |                              |                              |                              |                              |                      |                      |                      |
| National income gap  | 71.7                         | 86.3                 | 92.6                         | 94.9  | 78.6                         | 72.1                         | 69.7                         | 65.2                         | 75                   | 70.8                 | 72.6                 |
| Panel B: Attribution of Why Some People are Poor                         | hy Some                      | People ar            | e Poor                       |   |                              |                              |                              |                              |                      |                      |                      |
| Lack of ability Bad luck Loose morals                                    | 61.3 26.9 31.2               | 28.0<br>28.4<br>74.0 | 26.7<br>38.7<br>43.1<br>35.6 | 39.5<br>30.2<br>69.3<br>35.4                                      | 33.5<br>21.6<br>60.0<br>43.2 | 17.6<br>26.9<br>31.3<br>15.8 | 34.8<br>32.0<br>75.3<br>42.8 | 35.2<br>15.2<br>41.7<br>47.8 | 32.8<br>33.4<br>34.9 | 23.0<br>40.3<br>35.8 | 24.6<br>63.1<br>62.0 |
| Lack of effort Discrimination Unequal opportunity Unfair economic system | 21.2<br>27.5<br>27.5<br>21.0 | 40.8<br>61.2<br>72.6 | 23.0<br>76.6<br>88.0         | 23.4<br>56.4<br>73.6  | 13.0<br>36.1<br>31.9         | 39.3<br>59.2<br>58.2         | 11.1<br>46.4<br>65.2         | 36.4<br>33.4<br>44.9         | 31.5<br>36.0<br>48.1 | 36.1<br>41.1<br>32.0 | 22.8<br>23.1<br>36.2 |
| Panel C. Attribution of Why  | 'hy Some                     | Some People are Rich | re Rich                      |   |                              |                              |                              |                              |                      |                      |                      |
| Ability and talent   | 69.5                         | 48.3                 | 34.1                         | 53.1  | 59.4                         | 49.4                         | 46.0                         | 59.7                         | 53.9                 | 64.2<br>41.0         | 65.1<br>57.5         |
| Good luck  | 39.1                         | 40.5                 | 60.5                         | 42.4  | 39.0<br>71.6                 | 42.9<br>39.1                 | 57.4<br>62.4                 | 42.9                         | 35.5                 | 34.0                 | 27.8                 |
| Dishonesty<br>Hard work  | 17.4                         | /4.1<br>38.1         | 48.9                         | 37.3  | 50.9                         | 56.6                         | 32.0                         | 66.2                         | 60.2                 | 57.6                 | 48.4                 |
| Personal connections   | 60.0                         | 84.1                 | 89.3                         | 83.5  | 78.8                         | 84.6<br>80.4                 | 72.7                         | /5.0<br>62.5                 | 64.7                 | 68.1                 | 54.4                 |
| Better opportunities   | 45.3                         | 55.3                 | 82.3                         | 73.2<br>61.6  | 56.2                         | 47.5                         | 52.2                         | 39.4                         | 44.5                 | 25.1                 | 53.0                 |
| Uniair economic system   | 5.5                          | į                    |                              |   |                              |                              |                              |                              |                      |                      |                      |

Note: Figures are percentages. China data are weighted.

others are poor. We can see further from the figures in Panels B and C of Table 2 that this tendency is stronger in China than in any of the other countries examined here, with the partial exception of Japan. In general respondents in the other post-socialist countries included in the table are much more likely than their counterparts in China to explain who is rich and who is poor in terms of structural rather than individual merit factors.

Particularly notable is the fact that 61.3% of Chinese respondents see lack of ability as an important explanation of why some people are poor, while in other post-socialist countries the corresponding figures range from 17.6% to only 39.5%. Similarly, nearly 70% of Chinese respondents perceive ability as an important explanation of wealth, whereas in other post-socialist societies the figures range from 34.1% to 59.4%. Also, the percentage citing "lack of effort" as an important reason for poverty is 54.0% for Chinese citizens, and over 60% of Chinese respondents think "hard work" is an important reason for wealth, but the corresponding figures for other post-socialist countries only range from 15.8% to 43.2% and from 32.0 to 56.6%, respectively. Moreover, while only 17.4% of Chinese respondents think that dishonesty is an important explanation of why some people are rich, in other post-socialist societies the comparable figures range from 39.1% to 82.4%. Even in a realm that seems quintessentially Chinese, the use of personal connections (guanxi) to become wealthy, 60% of Chinese respondents recognize this factor as important, but in various East European transitional societies this is even more the case, with anywhere from 72.7% to 89.3% stressing manipulation of connections as an important explanation of why some people are rich.8

The distinctiveness of Chinese views on this issue is not solely in comparison with other post-socialist societies. In the three Western capitalist countries included in the table (the US, Great Britain, and West Germany), there tends to be a bit more stress on merit factors, and somewhat less stress on external, structural explanations of why some people are rich and others are poor, in comparison with the East European transitional societies. But compared to China, the respon-

<sup>&</sup>lt;sup>8</sup> In Russia, at least, the rigidities of state socialism in the Soviet period led to extensive use of personal connections and payoffs (*blat*) to get needed supplies and resources (see Berliner 1957). Some of the metaphors used by Soviets and Chinese are even similar—using irregular or even illicit means to get things accomplished is *zou houmen* (going by the back door) in China and *na levo* (going to the left) in Russia.

dents in all three countries stress structural explanations more, and merit explanations less, in explaining who is rich and who is poor. The one country that comes close to the Chinese pattern of responses to these questions is Japan. However, even Japanese respondents are less likely than their Chinese counterparts to stress lack of ability as an explanation of poverty (25.7% versus 61.3%, although they are slightly more likely to stress lack of effort—62.0% versus 54.0%). Japanese respondents are also much more likely to view an unfair economic structure as an important explanation of why some people are rich (53.0% versus 26.0%).

Looking over the results in Panels B and C, we see a rough ranking of countries or groups of countries in terms of how fair or unfair they perceive the structure of inequalities within which they live:

Fairness or Unfairness of Current Inequalities:

China → Japan → Western capitalist countries → Eastern Europe

Fair

Unfair

This ordering is again quite remarkable, since it conveys the finding that Chinese citizens view current inequalities that have widened as a result of the post-1978 market reforms in an even more favorable light than citizens in established and much more prosperous capitalist societies. The residents of East European societies undergoing their own market transitions are at the other end of the scale, with jaundiced or even decidedly negative views regarding the unfairness of current inequalities. Of course, in China the period of time between the market reforms and when the survey was conducted was considerably longer than in the Eastern European cases (26 years versus 2–7 years), but the contrasts are nonetheless striking.9 Furthermore, the

<sup>9</sup> Although China's market reforms were launched earlier than those in Eastern Europe, the fact that they took a step-by-step rather than the "big bang" comprehensive privatization form followed in Eastern Europe means that the full inegalitarian consequences of those reforms were not felt initially. For example, the rural-urban income gap narrowed until the mid-1980s and only widened subsequently, and substantial urban unemployment only occurred after the mid-1990s. During the initial period of China's reforms, from 1978 up until the mid-1990s, the consequences for popular living standards have been described as "reform without losers" (Lau, Qian, and Roland 2000), since China's "dual track" approach largely preserved the incomes and benefits of those in the state sector while market-based enterprises were taking

"length of experience with market-based inequalities" cannot explain why Chinese citizens view current inequalities even more favorably than their counterparts in the United States, Great Britain, West Germany, and Japan.

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To sum up, these comparative results reinforce the conclusion in the previous section: Chinese citizens are not particularly angry about the shape of current inequalities in China or about the pattern of who is rich and who is poor today. Indeed, in certain respects it is striking that Chinese citizens believe to a greater extent than their counterparts in other societies, whether post-socialist or advanced capitalist, that current inequalities are acceptable and that hard work, effort, and individual talent are the primary routes to material success. National income gaps are perceived by a majority of Chinese as larger than they should be to maintain social stability, but current structures of inequality are not seen as so unfair that they prevent ordinary citizens from aspiring to, and succeeding in, getting ahead. Again, the contrast with the conventional wisdom that ordinary Chinese are very angry about excessive inequality and distributive injustice is quite sharp.

## Explaining Variations in Perceptions of Current Inequalities

Even if the dominant pattern of responses of Chinese citizens toward these inequality issues involves more acceptance than anger, it is clear from the figures in Table 1 that there is much debate and variation. A not insignificant minority of respondents give quite critical responses to our questions. For example, 31.8% of respondents perceive that there is too much inequality within their local neighborhoods, over 50% say that the size of current income gaps threatens stability, 21% stress discrimination as a reason why people are poor, and 26% say an unfair economic system is an important reason why some people are rich. In this section we examine the social background and geographical predictors of variations in some of the inequality attitudes listed in Table 1 to determine which social groups are most angry about these issues and which are most likely to accept current patterns of inequality. For this purpose, here we focus on four summary attitude

off. Only since the mid-1990s have downsizing, bankruptcies, layoffs, and benefit cuts in the state sector as well as the normal ups and downs of a market-based system changed the name of the game to "reform with losers."

measures that capture important aspects of Chinese perceptions of current inequalities.

### Dependent Variables

First, since the pattern of responses to the three questions (see Panel A, Table 1) about whether income differences (in the nation, in the respondent's work unit, and in the respondent's neighborhood) are too large, somewhat too large, about right, somewhat too small, or too small do not cohere together well enough to be combined into a single scale, we only use the single question about national income gaps as our first focal dependent variable. We refer to this measure as "Excessive Inequality."

The second dependent variable is a scale constructed to reflect the common content of the four questions summarized in Panel B of Table 1, all of which concern harmful aspects of current inequalities. These four items can be combined in a scale with a reliability of  $\alpha=.53.^{11}$  We conducted factor analysis (using principle components) of the four items to find a common factor and then computed the values of the summary scale from the rotated factor scores that reflect how closely each item is associated with that common factor. To make the results easier to interpret, we further convert this scale into a range from 1 to 100. In the following pages we refer to this measure as "Harmful Inequality."

Finally, in a parallel fashion we constructed two separate summary scales from some of the items listed in Panels C and D of Table 1. As noted earlier, this set of questions includes both explanations of

 $<sup>^{10}</sup>$  The reliability of the three items is a marginally acceptable  $\alpha$  = .56, but the main concern here is that most rural people did not respond to the work unit income gap question. The five response categories of the single measure are reversed, so that they range from 1 = too small to 5 = too large, and they will be treated as if they were an interval scale.

 $<sup>^{11}</sup>$  Since the reliability of this scale is also fairly marginal, we considered omitting the question about current inequalities violating socialist principles, which has a somewhat different pattern of marginal distribution from the other three items (see Table 1B, last row). However, omitting that item made the resulting three item scale slightly less reliable ( $\alpha=.51$ ), so we retain all four items in the scale. One implication of the pattern of inter-correlations among these four items is that for most Chinese citizens inequalities that violate socialist principles are seen as a bad thing, rather than a good thing, as one might presume would be the case if Chinese reform policies had included a more explicit repudiation of socialism and embrace of capitalism, as has occurred generally in Eastern Europe.

Table 3: Means, Standard Deviations, and Correlation Matrix of Selected Inequality Attitude Scales, China 2004

|   | Excessive<br>Inequality <sup>a</sup> | Harmful<br>Inequality | Unfair<br>Inequality | Merit-based<br>Inequality |
|---|--------------------------------------|-----------------------|----------------------|---------------------------|
| Mean<br>S. D<br>Correlation Matrix  | 4.05<br>.95                          | 61.68<br>16.12        | 53.22<br>14.48       | 66.72<br>15.15            |
| Excess. Inequality<br>Harmful Inequality<br>Unfair Inequality<br>Merit-based Inequality | 1<br>.25***<br>.14***<br>.10***      | 1<br>.39***<br>.08**  | 1<br>.20***          | 1                         |

Note:  $^{a}$  The scale of this measure is 1 to 5; other three measures are scaled from 1 to 100. \*\* p<.01, \*\*\* p<.001 (two-tailed test).

current inequality patterns based upon individual merit and upon external, structural factors. Using factor analysis, we created our third scale from the common content of items emphasizing discrimination, lack of equal opportunity, and problems with the economic structure as explanations for poverty, and dishonesty, having special connections, having extra opportunities, and unfairness of the economic structure as explanations of wealth (reliability  $\alpha = .74$ ). We call this scale "Unfair Inequality." Similarly, our fourth summary measure is based on emphasis on lack of ability, lack of effort, and low education as explanations for poverty, and ability, hard work, and high education as explanations for wealth (reliability  $\alpha = .77$ ), and we refer to this scale as "Merit-based Inequality." Again, we rescale these two measures to vary from 1 to 100. The first two rows of Table 3 present means and standard deviations of these four inequality attitude scales.

Given the nature of these four measures, in general we expect that Chinese citizens who are particularly angry about the size and unfairness of current inequalities will tend to score high on the first three scales but low on the fourth. Citizens who are satisfied and accepting of the shape and fairness of current inequalities, on the other hand, should score low on the first three measures and high on Merit-based Inequality. However, an examination of the correlation matrix of these four scales, as shown in Table 3, complicates these simple-minded expectations. While as expected there are positive and statistically significant correlations among the first three scales intended to reflect negative perceptions of current inequalities (Excessive Inequality, Harmful Inequality, and Unfair Inequality), unexpectedly there are

also positive and statistically significant correlations between each of these scales and the Merit-based Inequality scale, which we assumed would reflect accepting or even favorable views about current inequalities. These patterns indicate that a respondent who scores high on the first three measures will not tend to score low on Merit-base Inequality as we originally expected, and in fact will tend to score high. 12 In other words, in China it would not be surprising to find individuals who say that hard work is a key to material success who also feel that dishonesty and unequal opportunities have a big influence on who is rich and who is poor. We surmise that the Unfair Inequality and Meritbased Inequality scales are affected by another type of variation among our survey respondents—between those who perceive the difference between being rich versus poor today as influenced by many different factors, including both individual merit and external structural influences, and other respondents who see few influences of either type playing an important role.13

### Independent Variables

The independent variables we use to examine variations in perceptions of current inequalities include an array of objective and subjective measures. Education is measured by years of schooling, and Chinese Communist Party membership is a dummy variable (yes = 1). For an income measure we use the log of self-reported total family income. The measurement of occupation/class is more complex, as in China occupational categories are entangled with another even more important status cleavage—between those with urban versus rural household

These positive correlations of the Merit-based Inequality scale and the other measures illustrate a phenomenon often found in prior research on distributive injustice attitudes in other societies. Individuals quite often hold what appear to be contradictory attitudes on a variety of aspects of distributive injustice without being bothered or feeling a need to reconcile such contradictions. See the discussion in Kluegel and Smith 1986 for the United States.

The pattern which will be shown in Table 4, of the highly educated scoring significantly higher on both Unfair Inequality and Merit-based Inequality, is consistent with this speculation.

Our survey included a range of questions about individual and family income and their components. We calculate family income separately for rural and urban respondents, and whenever necessary, replace missing values with the midpoint of a separate, categorical summary family income measure (for example, using 55,000 for the 50,000 to 59,999 yuan category), which has 26 categories. We then compute the log of this figure as our family income predictor.

registration (hukou) status. For example, all or virtually all farmers have agricultural household registrations, but workers may have either non-agricultural or agricultural household registration status (the latter in the case of migrants from rural areas), and these two types of workers have quite different social statuses and entitlements. For this reason we use a composite occupational and residential status category measure that has a total of twelve categories, four of which involve current agricultural household registrations—farmers, rural non-agricultural workers, migrants, and rural "others" (e.g., rural residents not in the labor force); and eight categories of those who have non-agricultural registrations-unskilled/semi-skilled workers (the reference category used in subsequent regression analyses), skilled workers, the self-employed (including private business owners), routine non-manual workers, professionals, managers/administrative cadres, the urban unemployed, and urban "others" (again, mainly urbanites not in the labor force). 15 Following the conventional wisdom, we expect to find the most critical views on current inequalities in low status groups particularly among farmers, migrants, the urban unemployed, and urban unskilled and semi-skilled workers.

Additional independent variables include a dummy variable for whether a respondent currently or in the past worked in a state-owned enterprise (SOE; yes = 1); a dummy variable for ethnicity (Han = 1), and a dummy variable for gender (female = 1). In addition we include in our predictors both age (in years) and age-squared divided by 100, in order to detect the presence of either linear or curvilinear associations between age and inequality perceptions. The final objective personal background measure we use is a scale designed to assess relative exposure to unofficial sources of information—in other words, the likelihood that a respondent is not totally dependent upon the official media for information and ideas about the social order in which they live. If the conventional wisdom is correct, then respondents with

<sup>15</sup> Note that migrants are treated as a separate category, no matter what type of urban job they are performing or even whether they are employed at all.

<sup>16</sup> The access to unofficial information scale was computed from a series of seven questions, each of which asked the respondent to rate their cosmopolitanism or exposure to outside or unofficial influences, each on a scale from 1 = never to 4 = frequently: domestic travel within China; travel outside China; exchange information about society's current events with relatives and/or friends within China; exchange information about society's current events with relatives and/or friends outside China; learn news from international periodicals, television, or radio; learn information other

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advantaged social status (high education, high family income, Party membership, etc.) would be expected to have more accepting and less angry perceptions of current inequalities, while those who are or were employed in troubled state-owned enterprises or who have access to a range of unofficial sources of information might be expected to have more critical attitudes.

In addition, we have three geographic context measures. It has often been suggested that individuals located in the booming parts of the Chinese economy, such as in Shanghai or in the Pearl River Delta in the Southeast, will be likely to feel optimistic and voice acceptance of the shape of current inequalities, while those located in distant interior locales or in areas that are more troubled economically, such as the "rustbelt" cities of China's Northeast, will have much more critical attitudes. Furthermore, G. William Skinner repeatedly stressed that measuring location simply in terms of provinces is a very poor guide to almost any social variation, since within any province or region there is a large gap between those located in the urban core and those in the distant rural periphery (see Skinner 2005). Given these considerations, we utilize three different variables to tap geographic location factors that may influence attitudes toward inequality issues. First, we classify our respondents in terms of the conventional division of China by provinces into Eastern (the reference group), Central, and Western provinces as defined by China's National Statistics Bureau. Second, reflecting our attempt to respond to Skinner's criticism, we have a variable measuring how distant the respondent lives from a prefectural or higher level city, using a scheme of eight categories ranging from 0 = resides in a prefectural or higher level city to 7 = resides 200 or more kilometers from the nearest prefectural or larger city. 17 Third, in order to capture the observation that some provinces have been much more affected than others by market reforms, we follow research conducted by scholars in China (see Fan and Wang 2004) to categorize the relative degree of market transformation of all the provincial

than news from international books, magazines, television programs, or movies; and use the internet. So a higher score indicates more or multiple kinds of exposure to a range of sources of information beyond the official news media.

<sup>&</sup>lt;sup>17</sup> Prefectural cities are cities intermediate in the Chinese urban administrative hierarchy between county capitals and provincial capitals. Obviously using this measure all of our urban respondents in medium or larger cities receive a score of zero, with only the remainder of respondents residing in smaller cities and towns or rural areas filling the other seven categories as appropriate.

units in which our respondents are located, with the values ranging from 3.61 for Ningxia to 9.74 for Guangdong (on a 10-point scale). In the conventional account we would expect to find more negative perceptions of current inequalities in Central and Western provinces, in locales far from any city, and in provinces that are "backward" in terms of the impact of market reforms. 19

Finally, we include several subjective measures as independent variables. Research in other societies has indicated that subjective perceptions of personal and family status and of improvement or deterioration in these circumstances sometimes have as much or more influence on attitudes about inequality and distributive injustice as the objective socio-economic characteristics of respondents (see, for example, Kluegel 1988; Kreidl 2000). With this consideration in mind, three such subjective measures are employed in this study: (1) responses to a question about how the respondent's family's living standard compares with five years earlier (i.e., in 1999), ranging from 1 = much worse to 5 = much better; (2) a summary scale of inequality-related bad personal or family experiences of the respondent during the past three years;<sup>20</sup> and (3) a summary measure of relative social status compared to local reference groups.<sup>21</sup> In the conventional view respondents who report

<sup>&</sup>lt;sup>18</sup> Fan and Wang use twenty-three distinct indicators, each ranging from 0 to 10, to measure different aspects of marketization of a province, and the measure we use here is simply the mean of these twenty-three separate indicators. Their data refer to 2002, two years prior to our survey, the most recent figures available.

One problem with these geographic variables is that they suffer from sample clustering, since each respondent interviewed in one sampling point has geographic variable values that are identical with those of all other respondents in that locale. As a result the variances of the geographic variable coefficients in the ordinary least squares regression analyses shown later, in Table 5, will tend to be underestimated, and thus the statistical significance of some regression coefficients will be exaggerated. With the assistance of Dong-Kyun Im, multilevel statistical analyses were performed (results not shown here) to assess the seriousness of this clustering problem, and the coefficients in Table 5 whose statistical significance levels were modified as a result are indicated in that table.

<sup>&</sup>lt;sup>20</sup> We asked respondents about whether in the past three years they or any members of their family had had the following experiences: being seriously ill, suffering physical injury or economic loss due to artificial or natural disasters, being laid off or becoming unemployed, having difficulty paying for medical care, dropping out of school because of inability to pay the fees, having to borrow money to cover basic living expenses, and being treated unfairly by local officials. For each experience we recorded a 1 if the respondent said they had experienced it and 0 otherwise, and then the bad experiences scale is simply the sum of these separate scores, thus ranging from 0 to 7.

The relative social status measure is computed from the mean of four questions about how the respondent would rank their current living standard compared to four

that their families are doing better than five years earlier and better as well than local people they compare themselves with will tend to have more positive views about current inequality patterns, while those who have had bad personal or family experiences in the highly competitive environment of China today are likely to be more critical.

#### Correlation Patterns

Table 4 presents descriptive statistics for these independent variables as well as their correlations with the four dependent variables. We also show in Table 4 the correlation coefficients of our objective variables with the three subjective predictors in order to examine the possibility that including the latter in subsequent regression analyses may introduce endogeneity biases. Inspecting the correlations in columns 2–5 of Table 4, we find that measures of status advantages, including high education, high family income, some urban occupations, and Han ethnicity are associated with *more critical* perceptions of current inequalities (as reflected by significant positive correlations with Excessive Inequality, Harmful Inequality, and Unfair Inequality scales), although also with generally higher scores on the Merit-based Inequality measure. Also contrary to conventional expectations, we see a tendency for farmers and for those located far from cities and in the Western region to have significantly *lower* scores on all four measures.

In columns 6–8 of Table 4 we can see how our objective background measures are correlated with the three subjective predictors of inequality perceptions. From those figures we can see that educational attainment, family income, and high status urban occupations are, as expected, correlated positively and significantly with reported improvements in family living standards and high relative social status and at the same time significantly negatively correlated with bad experiences in the last three years. Also as expected, for the urban unemployed the patterns are reversed, with downward mobility and relatively low social status combined with greater likelihood of bad experiences. (Not all of the correlations in columns 6–8 fit expected

We thank a reviewer of this paper for drawing our attention to the endogeneity bias issue.

alternative local reference groups: relatives, former classmates, co-workers, and neighbors. In each case the response categories ranged from 1= much worse to 5= much better, so the resulting mean scale also ranges from roughly 1 to 5.

Table 4: Summary Statistics and Correlation Coefficients of Selected Variables, China 2004

| Independent Variables                        | Percentages,                     |                         |                       | )                    | Correlation Coefficients  | icients                                 |                     |                          |
|--|----------------------------------|-------------------------|-----------------------|----------------------|---------------------------|---|---------------------|--------------------------|
|  | Means, and S. D.                 |                         | Depender              | Dependent Variables  |                           | Sub                                     | Subjective Measures | S                        |
|  |                                  | Excessive<br>Inequality | Harmful<br>Inequality | Unfair<br>Inequality | Merit-based<br>Inequality | Family Living<br>Increased              | Bad<br>Experience   | Relative<br>Subj. Status |
| Years of schooling                           | 7.70 (4.61) a                    | 0.143***                | 0.152***              | 0.156***             | 0.115***                  | 0.059***                                | -0.258***           | 0.243***                 |
| Party membership % Household income (logged) | 7.01<br>8.95 (1.14) <sup>a</sup> | 0.071***<br>0.0825***   | -0.019<br>0.0832***   | -0.003<br>0.1035***  | 0.029<br>0.0862***        | 0.037*<br>0.142***                      | -0.077***           | 0.083***                 |
| Formers /0                                   | 13.86                            | 0.118***                | A 105**               | 0.100***             | ***2900                   | *************************************** | ****                | ****                     |
| Rural non-farmers                            | 5.75                             | -0.037*                 | -0.026                | -0.024               | -0.03                     | 0.055**                                 | -0.063***           | 0.057**                  |
| Migrants                                     | 00.9                             | 0.079***                | 0.010                 | 0.005                | -0.010                    | 0.052**                                 | -0.014              | 0.033                    |
| Rural others                                 | 6.40                             | -0.118***               | -0.058***             | -0.009               | -0.048**                  | -0.042*                                 | 0.0234              | -0.030                   |
| Urban others                                 | 12.79                            | 0.047**                 | 0.089***              | 0.070***             | 0.056**                   | -0.063***                               | -0.052**            | 0.034                    |
| Urban Jobless                                | 4.56                             | 0.073***                | 0.111***              | 0.039*               | 0.024                     | -0.176***                               | 0.051**             | -0.080***                |
| Semi-/unskilled                              | 5.79                             | 0.050**                 | 0.092***              | 0.065***             | 0.033                     | -0.034                                  | -0.065***           | 0.025                    |
| Skilled workers                              | 3.64                             | 0.043*                  | 0.076***              | 0.088***             | 0.039*                    | -0.002                                  | -0.076***           | 0.040***                 |
| Self-employed                                | 2.91                             | 0.008                   | 0.030                 | 0.029                | 900.0                     | 0.007                                   | -0.046**            | 0.084***                 |
| Routine non-manual                           | 2.94                             | 0.067***                | 0.067***              | 0.092***             | 900.0                     | 0.003                                   | -0.054**            | 0.058***                 |
| Professionals                                | 2.75                             | 0.066***                | 0.031                 | 0.065***             | 0.033                     | 0.049**                                 | -0.067***           | 0.104***                 |
| Mangers/Cadres                               | 2.60                             | 0.024                   | -0.002                | 0.014                | 0.010                     | 0.052**                                 | -0.105***           | 0.120***                 |
| Ever worked in SOE %                         | 12.94                            | 0.122*                  | 0.104***              | 0.117***             | 0.010                     | -0.022                                  | -0.110***           | 0.062**                  |
| Han ethnicity %                              | 89.10                            | 0.102***                | 0.065***              | 0.056**              | 0.061***                  | 0.005                                   | -0.128***           | 0.023                    |
| Female %                                     | 51.82                            | -0.041*                 | -0.015                | 0.010                | -0.007                    | -0.021                                  | 0.018               | -0.011                   |
| Age  | 41.07 (13.2) a                   | -0.002                  | 0.024                 | -0.009               | -0.032                    | -0.066***                               | 0.061***            | -0.117***                |
| Exposure to Unofficial Info.                 | 1.53 (0.54) a                    | -0.002                  | 0.065***              | 0.112***             | 0.138***                  | 0.086***                                | -0.149***           | 0.301***                 |

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|---|--|------------------------------------|--|--|---------------------------------|--|--|---------------------------------|
| Independent Variables   | Percentages,   |                                    |  | )                                      | Correlation Coefficients        | icients  |  |                                 |
|   | Means, and S. D.   |                                    | Depender                                   | Dependent Variables                    |                                 | Sub  | Subjective Measures                            | S                               |
|   | •  | Excessive<br>Inequality            | Harmful<br>Inequality                      | Unfair<br>Inequality                   | Merit-based<br>Inequality       | Family Living<br>Increased   | Bad<br>Experience                              | Relative<br>Subj. Status        |
| Geographic/Contextual Distance to the City                                      | 2.28 (1.97)ª   | ***660.0-                          | -0.227***                                  | -0.192***                              | -0.103***                       | 0.081***   | 0.121***                                       | -0.051**                        |
| Region % East Central West Level of Marketization                               | 54.21<br>32.38<br>13.41<br>6.41 (1.57) <sup>a</sup>                              | -0.071***<br>0.134***<br>-0.080*** | 0.009<br>0.069***<br>-0.107***<br>0.067*** | 0.032<br>0.049*<br>-0.114***<br>0.038* | 0.006<br>0.065***<br>-0.099***  | -0.003<br>0.005<br>-0.003<br>-0.088***   | -0.196***<br>0.087***<br>0.166***<br>-0.122*** | 0.075***<br>-0.052**<br>-0.039* |
| Subjective Living Standard Increased Bad Experiences Relative Subjective Status | 3.55 (0.96) <sup>a</sup><br>1.67 (1.81) <sup>a</sup><br>2.81 (0.66) <sup>a</sup> | -0.019<br>0.011<br>-0.061***       | -0.128***<br>0.029<br>-0.051**             | -0.105***<br>0.049**<br>-0.043*        | 0.091***<br>-0.040*<br>0.108*** |  |  |                                 |

Note: a = means; remaining figures are percentages. Figures in parentheses are standard deviations. \* p<.05, \*\* p<.01, \*\*\* p<.001 (two-tailed test).

patterns. For example, both farmers and respondents living far from cities are more likely than others to report that their standards of living have improved compared to five years earlier. However, they are at the same time likely to report that they still have low relative social status, and they are more likely than others to have suffered bad experiences, patterns more consistent with expectations.) Because of the indications shown in these figures that there are significant correlations between many of our objective predictors and these three subjective measures, we present the regression analyses that follow in a step-wise fashion, first excluding and then including our subjective predictors of inequality perceptions.

#### Multiple Regression Results

Table 5 displays the OLS regression coefficients for the four measures of perceptions of current inequalities.<sup>23</sup> In this table we display two models for each dependent variable, one with objective predictors only and a second with both objective and subjective predictors included. Given the size and complexity of the table, it is not useful to comment on each coefficient individually. Rather, our approach is to scan across the rows and columns of the table to look for general patterns. For example, is there a fairly consistent pattern for farmers, Party members, those residing in Western provinces, or those who report that their family incomes have deteriorated compared to five years earlier to have different perceptions of current inequality patterns than other Chinese citizens?

The first pattern to note in Table 5 is that we are less successful in explaining the variations in the Merit-based Inequality scale than the other three dependent measures (see the R-square figures for models 7 and 8). There is an expected tendency for those who feel their family living standard has improved and also those who feel they are doing better than their local reference groups to stress the influence of hard

<sup>&</sup>lt;sup>23</sup> Since the Excessive Inequality measure is a 5 category ordinal rather than a continuous scale, strictly speaking we should present ordered logit regression coefficients for that measure. We computed ordered logit regression coefficients to verify that the substantive results were much the same as when we use OLS regression (results not shown here), but for the sake of simplicity and comparison across columns, we present the OLS results in Table 5. We also computed Tobit regression coefficients for the latter three scales, since they range from 1 to 100, to verify the OLS results, but again we present only the latter coefficients here.

work, talent, and education in explaining who is rich and who is poor in China today (see the subjective predictor panel of models 7 and 8), as well as for those with more schooling to be a bit more likely to perceive things this way (significant at the .10 level). In contrast, ever working in a SOE inclines respondents to be less likely to explain poverty versus wealth in terms of variations in merit. None of the occupation/class groups differ significantly from unskilled and semi-skilled workers except for the self-employed (and perhaps managers and cadres), who are quite unexpectedly *less* likely to stress individual merit in explaining wealth versus poverty. Overall, there are few background variables that show much association with the Merit-based Inequality scale once we control for other predictors, and we are only able to explain 4.7% of the variation in this scale (in model 8) with the wide range of variables used in our regression analyses.

This failure to explain much of the variation among respondents in views about the role of hard work, talent, and education in differentiating the rich from the poor is, in fact, one of the important substantive findings of our survey. What this "failure" indicates is that views about the role of merit in explaining material success do not vary substantially according to the social contours and cleavages of Chinese society today. In other words, not only is there a high level of agreement within Chinese society generally on the importance of factors like talent and hard work in getting ahead (as seen from Table 1, Panels C and D), but also variation in responses to this set of questions is not closely related to the social background characteristics of our respondents. This pattern suggests that merit-based attributions of wealth versus poverty have the status of a "core belief" in China. The "hegemony" of these beliefs fits a pattern seen in prior research on inequality attitudes in other societies (see Kluegel and Smith 1986 for the United States). Within any society, there are certain core or dominant beliefs that are widely shared and accepted, and social scientists cannot have much luck in explaining variations in such core beliefs, as is the case with our limited success in explaining variations in the Merit-based Inequality scale. Given this weak patterning of the results for Merit-based Inequality, for the remainder of this paper we set aside

<sup>&</sup>lt;sup>24</sup> Similarly unexpected is the tendency for those with high levels of exposure to unofficial communications to be more likely than others to stress individual merit as the cause of differences in economic position.

Table 5: OLS Regression of the Determinants of Selected Inequality Perception

|                             | O HOLOGO  | are Determine        | mants of ser                            | Second of the Determination of Selected Inequality Perception Scales, China 2004 | lity Percept                  | ion Scales, C     | hina 2004  |                        |
|-----------------------------|-----------|----------------------|---|--|-------------------------------|-------------------|------------|------------------------|
| Independent Variables       | Excessiv  | Excessive Inequality | Harmful                                 | Harmful Inequality   | Unfair I                      | Unfair Inequality | Merit-base | Merit-based Inequality |
|                             | Model 1   | Model 2              | Model 3                                 | Model 4  | Model 5                       | Model 6           | Model 7    | Med all o              |
| Objective: Personal & Cocio |           |                      |   |  |                               | OTABOTA           | / Janory   | Model 8                |
| Years of schooling          | 0.030***  | 777000               |   |  |                               |                   |            |                        |
| 0                           | 0.030     | 0.030***             | 0.497***                                | 0.522***   | 0.254**                       | 0.293***          | 0.188      | 186+                   |
| Party membership            | 0.100     | 0.109                | (0.09)                                  | (0.09)   | (0.09)                        | (0.09)            | (0.10)     | (0.10)                 |
| Homobold in                 | (0.02)    | (0.07)               | (1.37)                                  | (1.36)   | -2.33/ <sup>*</sup><br>(1.34) | -1.928            | 0.819      | 0.644                  |
| roascrora mcome (rogged)    | -0.007    | 0.029                | -0.778*                                 | -0.266   | -0.407                        | 0.346             | 0.106      | (1.19)<br>-0 193       |
| Occupation/Class a          | (0.07)    | (0.02)               | (0.34)                                  | (0.35)   | (0.31)                        | (0.31)            | (0.34)     | (0.36)                 |
| Rural farmers               | -0.209**  | *0020-               | *************************************** | i i  |                               |                   |            | •                      |
|                             | (0.08)    | (0.08)               | (1.60)                                  | -5.545***  | -3.717*                       | -3.284*           | -0.452     | -1.161                 |
| Rural non-farmers           | -0.301**  | -0.270**             | -5.205**                                | (1.37)<br>_4 5/43*   | (1.54)                        | (1.52)            | (1.42)     | (1.42)                 |
| ,                           | (0.10)    | (0.10)               | (1.8)                                   | (1.83)   | -2.936                        | -2.196            | -1.139     | -1.743                 |
| Migrants                    | 0.213*    | 0.240**              | 4 201*                                  | (1.65)   | (1.6/)                        | (1.64)            | (1.59)     | (1.60)                 |
| ,                           | (0.09)    | (60.0)               | (1.74)                                  | (1.72)   | -1.829                        | -1.058            | -0.538     | -1.341                 |
| Rural others                | -0.490*** | -0.482***            | -5.408**                                | (1./3)   | (1.68)                        | (1.67)            | (1.62)     | (1.64)                 |
|                             | (0.11)    | (011)                | (1.87)                                  | -5.255   | -0.347                        | -0.394            | -2.081     | -2.111                 |
| Urban others                | -0.013    | -0.018               | (1.07)                                  | (1.85)   | (1.85)                        | (1.83)            | (1.69)     | (1.69)                 |
|                             | (0.08)    | (0.08)               | (1 50)                                  | -1.109   | -0.810                        | -1.298            | 0.167      | 0.275                  |
| Urban Jobless               | 0.183+    | 0.58                 | (1.38)                                  | (1.56)   | (1.58)                        | (1.56)            | (1.50)     | (1.50)                 |
|                             | (0.10)    | (0.10)               | (2,007)                                 | (1.06)   | -0.596                        | -1.926            | -0.970     | -0.259                 |
| Skilled workers             | -0.063    | -0.045               | 0.242                                   | (1.96)   | (1.96)                        | (1.93)            | (1.67)     | (1.67)                 |
|                             | (0.11)    | (010)                | (381)                                   | 0.292  | 07.77                         | 2.852             | 0.580      | 0.363                  |
| Self-employed               | -0.093    | -0.070               | (1.60)                                  | (1.84)   | (1.92)                        | (1.94)            | (1.68)     | (1.67)                 |
|                             | (0.11)    | (0.11)               | 77.77                                   | -1.727   | -1.769                        | -1.785            | -4.925*    | -4.986*                |
| Routine non-manual          | 0.114     | 0.130                | (2.5/)                                  | (2.33)   | (2.40)                        | (2.38)            | (2.30)     | (2.32)                 |
|                             | (0.11)    | (11)                 | 0.002                                   | -0.038   | 2.931                         | 2.807             | -3.387     | -3.370                 |
| Professionals               | 0.144     | 0.11)                | (2.34)                                  | (2.28)   | (2.21)                        | (2.16)            | (2.16)     | (2.15)                 |
|                             | (0.11)    | (0.11)               | -5.114                                  | -4.593   | 0.097                         | 0.603             | -0.645     | -1.213                 |
|                             | (===)     | (4.1.7)              | (40.7)                                  | (55.5)   | (2.43)                        | (2.39)            | (5.09)     | (2.10)                 |

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| Table 5 (cont.)                            |                            | Appear services and the services of the servic | onl<br>Is                     |                            |                             |                      |                        |                               |
|--|----------------------------|--|-------------------------------|----------------------------|-----------------------------|----------------------|------------------------|-------------------------------|
| Independent Variables                      | Excessive                  | Excessive Inequality   | Harmful 1                     | Harmful Inequality         | Unfair Inequality           | equality             | Merit-based Inequality | Inequality                    |
|  | Model 1                    | Model 2  | Model 3                       | Model 4                    | Model 5                     | Model 6              | Model 7                | Model 8                       |
| Mangers/Cadres                             | -0.072                     | -0.009   | -5.521*                       | -4.558+                    | -3.018                      | -2.938               | -3.823+                | -3.986 <sup>+</sup><br>(2.18) |
| Mangel of Carro                            | (0.13)                     | (0.13)   | (2.48)                        | (2.48)                     | (2.45)                      | (2.40) $1.169$       | $-1.920^{+}$           | -1.805                        |
| Ever worked in SOE                         | 0.156**<br>(0.05)          | $0.154^{\circ}$ (0.05)   | (1.04)                        | (1.02)                     | (1.00)                      | (0.98)               | (0.99)                 | (0.99)                        |
| Han ethnicity                              | 0.324**                    | 0.330***   | 1.090                         | 0.990<br>(1.04)            | -0.146 (1.05)               | (1.06)               | (1.14)                 | (1.14)                        |
| Female                                     | (0.07)<br>-0.039<br>(0.03) | -0.030   | 0.303                         | 0.384                      | 0.800 (0.55)                | $0.912^{+}$ $(0.54)$ | 0.630 (0.59)           | (0.59)                        |
| Age  | (0.03)<br>-0.0003          | -0.005   | 0.286                         | 0.202                      | 0.262*                      | 0.158                | 0.171 (0.14)           | 0.224 $(0.14)$                |
|  | (0.01)                     | (0.01)   | (0.15)<br>-0.228              | (0.13) $-0.127$            | -0.245                      | -0.122               | -0.195                 | -0.254                        |
| Age Squared/100                            | (0.01)                     | (0.01)   | (0.17)                        | (0.17)                     | (0.15)                      | (0.15)               | (0.17) $3.262***$      | (0.17)<br>2.791***            |
| Exposure to Unofficial Info.               | -0.178*** (0.04)           | -0.162*** (0.04)   | -1.107 (0.68)                 | -0.894<br>(0.70)           | (0.76)                      | (0.76)               | (0.72)                 | (0.74)                        |
| Geographic/Contextual Distance to the City | 0.0197 (0.012)             | 0.026*<br>(0.01)   | -1.389***<br>(0.22)           | -1.276***<br>(0.22)        | -0.815 <sup>ns</sup> (0.20) | -0.666ns<br>(0.20)   | -0.247<br>(0.22)       | -0.299<br>(0.22)              |
| Region <sup>b</sup><br>Central             | 0.292ns<br>(0.05)          | 0.263 <sup>ns</sup> (0.05)   | 4.135 <sup>ns</sup><br>(0.90) | 3.681 <sup>ns</sup> (0.90) | 1.390ns<br>(0.80)           | 0.674 (0.80)         | 0.849<br>(0.82)        | 0.949<br>(0.83)<br>-3.531ns   |
| West                                       | 0.084                      | 0.025 (0.08)   | 5.792 <sup>ns</sup><br>(1.56  | $4.486^{ns}$ (1.58)        | -0.14/ (1.39)               | (1.39)               | (1.39)                 | (1.40)                        |

Table 5 (cont.)

| Independent Variables                        | Excessiv           | Excessive Inequality         | Harmfu                    | Harmful Inequality          | Unfair             | Unfair Inequality            | Merit-bas          | Merit-based Inequality       |
|--|--------------------|------------------------------|---------------------------|-----------------------------|--------------------|------------------------------|--------------------|------------------------------|
|  | Model 1            | Model 2                      | Model 3                   | Model 4                     | Model 5            | Model 6                      | Model 7            | Model 8                      |
| Level of Marketization<br>Subjective         | 0.018              | 0.008                        | 1.110 <sup>ns</sup> (0.31 | 0.908ns<br>(0.31)           | 0.093              | -0.159 (0.28)                | -0.809ns (0.27)    | -0.601 <sup>ns</sup> (0.27)  |
| Living Standard Increased<br>Bad Experiences |                    | 0.005<br>(0.02)<br>0.022*    |                           | -1.263***<br>(0.36)         |                    | -1.148***<br>(0.31)          |                    | 1.142** (0.34)               |
| Relative Subjective Status                   |                    | (0.01)<br>-0.134**           |                           | (0.19)<br>-0.661            |                    | (0.18)<br>(-1.138*           |                    | $0.1/8$ $(0.18)$ $1.063^{+}$ |
| Constant                                     | 3.726***<br>(0.30) | (0.03)<br>3.830***<br>(0.32) | 56.18***<br>(5.46)        | (0.55)<br>59.48**<br>(5.71) | 50.21***<br>(4.81) | (0.49)<br>52.19***<br>(4.95) | 61.68***<br>(5.05) | (0.55)<br>55.57***<br>(5.27) |
| N<br>R-Squared                               | 2865<br>0.098      | 2854<br>0.107                | 2859<br>0.106             | 2847                        | 2850               | 2838<br>0.088                | 2828<br>0.041      | 2816<br>0.047                |

Note: robust standard errors in parentheses. "Compared to "Semi-/Un-skilled workers," b Compared to "East." \* p<.10; \* p<.05; \*\* p<.01; \*\*\* p<.01 (two-tailed test). ns = coefficient no longer statistically significant after correction for case clustering. the Merit-based Inequality scale and focus on explaining variations in the first three measures of perceptions of current inequalities: Excessive Inequality, Harmful Inequality, and Unfair Inequality.<sup>25</sup> These three attitude syndromes, unlike Merit-based Inequality, do not appear to have the status of core beliefs in China today.

Returning to Table 5, we see that the highly educated are *more* likely to express critical views on all three scales (see models 1–6). In terms of the conventional wisdom, the pattern of the highly educated having more critical perceptions is unexpected. However, this pattern is not so unexpected when viewed in the context of prior research in the United States and other societies (see Kluegel and Smith 1986). Generally in such studies material advantages tend to be correlated with acceptance of the status quo, but high education is associated with more critical or even "leftist" attitudes. Another way of viewing this association is to say that advanced education is likely to lead to a more sophisticated awareness of patterns of bias and discrimination in society than is held by the less educated. These models also show that family income is not a significant net predictor of perceptions of inequality, and CCP members differ significantly from non-members only in being less likely to view current inequalities as harmful.

The next pattern visible is that there is a general tendency for rural respondents (with the partial exception of migrants) to express *less* critical attitudes about current inequalities than urbanites, and particularly than unskilled and semi-skilled workers, which confirms our previous impression from Table 4. For our Excessive Inequality, Harmful Inequality, and Unfair Inequality scales, the coefficients for farmers, rural non-agricultural workers, and rural "others" are all negative, and in many cases (although the specifics differ across the three scales) the differences from the comparison group of unskilled and semi-skilled urban workers are statistically significant. Migrants join other rural respondents in having less critical attitudes than unskilled and semi-skilled workers on Harmful Inequality and Unfair

One other consideration lying behind this approach is that the pattern of correlations among our four inequality scales displayed in Table 3 shows positive rather than the expected negative association between the Merit-based Inequality scale and the other three measures. That pattern indicates that we cannot view the Merit-based Inequality scale as in effect the opposite of the other three measures (inequality is bad versus inequality is good), a pattern that is now more understandable once we realize that the Merit-based Inequality measure is tapping a core belief that is shared by most Chinese even if they disagree on the other attitudes we inquired about.

Inequality (although only the coefficients for the former are statistically significant). However, migrants are even *more* likely than unskilled and semi-skilled workers, and thus urban people in general, to feel that current national inequalities are excessive (see the migrant coefficients in models 1 and 2). Most other urban occupational groups do not differ significantly from unskilled and semi-skilled workers on any of these three measures of critical perceptions of current inequalities. However, the urban occupational category at the top of the status hierarchy, managers and cadres, does display less critical views of current inequalities, although only the coefficients for Harmful Inequality are statistically significant. To better capture the overall patterns, Figure 1 plots the adjusted mean ratings for each occupational group on these three scales. Roughly speaking, this graph displays a tendency for perceptions of current inequalities to be ranked in roughly the following order:

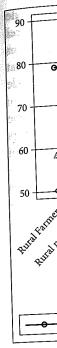
Perceptions of Current Inequalities:

farmers → other rural, managers → migrants → other urban jobs

Positive

Negative

The distinctiveness of these attitudes of rural respondents, and particularly of farmers, is another important substantive finding from our survey. According to the conventional wisdom discussed earlier, in general disadvantaged groups should be more angry about current patterns of inequality, while advantaged or high status groups should be more accepting or even approving. Given the over-arching importance of the rural-urban cleavage in structuring inequality and access to opportunities in China today, by any conventional ranking farmers and even rural migrants rank below disadvantaged urban groups, such as unskilled urban workers and even the unemployed (who are at least entitled to some urban public benefits that migrants are not eligible for, not to mention farmers). Following this line of reasoning, we expect to find more critical attitudes about current inequalities generally among rural people, and particularly among those still



Note: The ments are means.

Figure

relying opposite likely the excessiving soc explain tern of of currenthe bottents are conclu

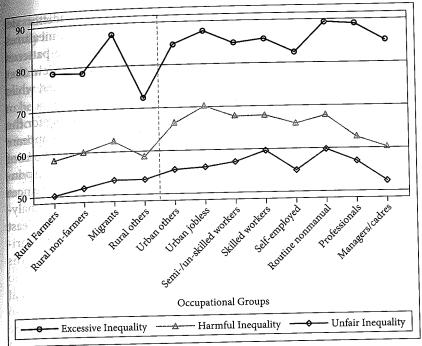
<sup>&</sup>lt;sup>26</sup> Urban professionals join managers and cadres in being significantly less likely than unskilled and semi-skilled workers to see current inequalities as harmful, but with regard to Excessive Inequality and Unfair Inequality their regression coefficients are weakly positive.

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Note: The vertical line on the x axis distinguishes rural and urban groups. The adjustments are based on the OLS regressions in Table 5, with all other variables set at their means.

Figure 1: Adjusted Mean Ratings of Selected Inequality Attitude Scales, by Occupations

relying on farming. However, what we find in this analysis is *just the opposite*. Rural residents, and especially farmers, are significantly *less likely* than their urban counterparts to see national income gaps as excessive, to feel that current inequalities are getting worse and harming society, or to feel that unfair external factors play a major role in explaining why some people are rich while others are poor. The pattern of China's farmers having relatively more favorable perceptions of current inequalities than other groups despite being pretty much at the bottom of the contemporary Chinese social status hierarchy presents an intriguing puzzle that we will comment upon further in our conclusions.<sup>27</sup>

<sup>&</sup>lt;sup>27</sup> The general tendency for Chinese farmers to have more positive attitudes regarding a whole range of inequality and distributive injustice attitudes is the focus of

The remaining personal and socio-economic objective predictors do not show very clear or consistent associations with our three measures of critical perceptions of current inequalities. Overall, the patterns displayed in Table 5 mostly contradict the conventional view that individuals with advantaged statuses accept current inequalities, while disadvantaged individuals express more critical views.

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In terms of our three geographic variables, before correcting for the clustering tendency built into our sample (see footnote 19), it appears that residents of central provinces have more negative perceptions of current inequalities than residents of eastern provinces, with respondents in presumably even more disadvantaged western provinces somewhere in the middle. However, once we use multi-level analyses to correct for the statistical biases introduced into ordinary least squares regression by sample clustering, most of these geographic variable coefficients are no longer statistically significant. The only patterns that remain are a tendency for respondents living far from any city to be slightly more likely to view national income gaps as excessive but at the same time to be significantly less likely than other respondents to stress the harmfulness of current inequalities. While these results are mixed, again it is clear that they don't provide support for the view that disadvantages in geographic location incline respondents to express critical views about current inequalities across the board, a contradiction of the conventional wisdom that echoes what we observed earlier in the case of occupational and other socioeconomic disadvantages.

Finally, viewing the associations of our inequality attitude measures and the three subjective scales, we find patterns that are more congru-

Chunping Han's sociology doctoral thesis (Han 2009), where possible explanations for this general pattern are discussed at length. We have benefited greatly from discussions with Chunping on this question.

<sup>&</sup>lt;sup>28</sup> For the Excessive Inequality measure, both SOE experience and Han ethnicity are associated with critical views, while exposure to unofficial communications is associated with less critical views. (The critical views of Han Chinese are particularly surprising, since research in other societies generally concludes that minority ethnic groups perceive current inequalities more critically than the majority ethnic group.) For Unfair Inequality women are slightly more likely to score high. However, none of these associations is duplicated for the other two inequality perception scales we are considering here. The coefficients for the age and age-squared predictors provide hints of a curvilinear pattern, in which the middle aged are more likely to view current inequalities as both harmful and unfair, but on the other hand less likely to see current inequalities as excessive. However, this pattern is generally too weak to surpass accepted statistical significance levels.

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ent with the conventional wisdom. Individuals who report that their family living standard has improved compared to five years earlier and those who report high status relative to local reference groups are less critical of current inequalities than others, while those who have had many bad personal and family experiences in the last three years tend to be more critical, although not all the coefficients are statistically significant. It appears from these results that insofar as the conventional wisdom holds that critical attitudes about inequality issues are the product of low status and personal disadvantage, in our data it is only subjective measures of disadvantage that display this effect, not the range of objective status indicators examined and discussed earlier.

## Summary and Conclusions

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In this paper we examined the extent to which Chinese citizens perceive current inequalities negatively. Our empirical results show that Chinese citizens in general are not as upset about the size and unfairness of current inequalities as many analysts and Chinese government officials have assumed. Although a large proportion of Chinese survey respondents view current national inequalities as excessive, international comparison shows that China is not among the most critical in this regard. Moreover, Chinese citizens stress much more than their counterparts in other societies that merit-based attributes are the main reasons why some people are poor while some others are rich. This pattern has further led us to argue that the high level of agreement on the importance of individual merit for explaining poverty versus wealth could be considered a "core" belief of Chinese citizens today. Chinese from all walks of life and from all regions appear to share a belief that talent, education, and hard work are the key routes to economic success.

Our results also show that it is not generally the case that China's disadvantaged groups are the most angry about current patterns of inequality. By any measure China's farmers are at the bottom of the social status hierarchy. They are seen by many as left behind and even victimized by the market activity and property acquisitions unleashed by China's market reforms. China's top political leadership has shared the perception that groups left behind by the reforms, and farmers in particular, need to be aided by state policy interventions in order to lessen the looming danger of rural unrest and political instability.

These sentiments and fears have led to a whole series of ameliorating policies since 2002, including eliminating the state grain tax, waiving school fees in rural areas, and resurrecting village collective medical insurance systems. However, our survey results indicate that in terms of views on the size, social danger, and unfairness of current patterns of inequality, prevailing assumptions about who is most angry are for the most part wrong. In general it is urban residents who are most angry about these issues, particularly well educated urbanites. In contrast, rural residents, particularly those continuing to rely on farming for their livelihood, tend to have more accepting or positive attitudes about the shape and fairness of current inequalities. On these issues, at least, we see little sign of the claimed "pitchfork anger of peasants."

To be sure, we do find one pattern that confirms the conventional wisdom. In general those respondents who feel that their living standards have improved in recent years and that they are doing better than others with whom they compare themselves tend to have accepting or positive views about current inequalities, while those who report family experiences with economic difficulty, personal loss, and mistreatment by officials tend to have more critical attitudes. However, these subjective ratings and experiences are not confined to any one social group or geographic location, and presumably within any community or work organization there will be individuals who rank from high to low on these subjective factors. So how you feel you are doing compared to the past and to your peers has an influence on whether you feel current inequalities are fair or unfair, but those feelings cannot be predicted simply by knowing that you are a farmer, an urban skilled worker, a Communist Party member, a resident of a Western province, or as defined by any other objective trait. As far as such objective social background characteristics are concerned, in general low or disadvantaged status does not translate into anger about the shape of current inequalities.

The importance of subjective factors in shaping inequality perceptions may help explain the counter-intuitive finding that rural respondents in general, and farmers in particular, have more accepting views about current inequalities than urban residents. Even though farmers remain at the bottom of the Chinese social hierarchy, reform era changes have opened new possibilities for economic improvement that were denied them during the collective era. They are no longer locked into a form of "socialist serfdom" as members of people's communes. Given the rigidity of controls over peasant lives in the collective era, in

some sense China's farmers have been "liberated" by market reforms and have "nowhere to go but up." As a result of the reforms, they can contemplate other possibilities beyond staying in their villages and growing grain—cultivating specialized crops, obtaining work in a rural factory or construction team, migrating to the city in search of work, starting a private business, etc. Although variable access to, and success at pursuing, these opportunities has led to increased inequality, when farmers form their attitudes they are most likely to be influenced by the inequalities in their local communities, rather than by the opulent lives of new millionaires who mostly live in distant cities. As we saw from Table 1, Panel A, most respondents see the inequalities in their local communities as appropriate rather than excessive. In this regard, the subjective influence of comparisons with the past and with local reference groups may explain why farmers have more positive attitudes than we might expect. Even those who are struggling economically and don't feel they have benefited much personally from the reforms can see around them in their local community examples of newfound prosperity, which is one way to interpret the finding in Table 5 that farmers have more favorable attitudes toward current inequalities than other groups even after their personal standard of living changes and subjective comparisons with others in their community are controlled for statistically.

Yet, by stressing that farmers are not especially angry about current patterns of inequality, we don't mean to imply that China's farmers have no grounds for anger about their situation, but only that such anger is not based primarily upon perceptions that current inequalities are excessive and unfair. Most of the experiences that have provoked rural protest incidents in recent years have involved *procedural* injustices rather than distributive injustice—for example, the unfair burden of rural taxes and fees in the recent past, inability to block nearby enterprises from emitting contaminating pollution, or the confiscation of village land for development without proper consultation or compensation (see Bernstein and Lu 2003; O'Brien and Li 2006).

If we consider the same subjective factors, it is also not entirely surprising that city dwellers tend to have more critical perceptions of current inequalities than do villagers, despite the many advantages and more rapid improvement of living standards enjoyed by urbanites. Unlike peasants, they are unlikely to feel they have nowhere to go but up. Certainly, the opportunities to become very rich are greater in the cities, but city residents also face the prospect of losing jobs, benefits,

and incomes. While facing these perils associated with market reforms and the smashing of the "iron rice bowl" of state employment security, urbanites also have examples close at hand of new millionaires and the lavish and segregated life styles they now lead. Confronted with the contrasts between their own difficult struggles and the fabulous success of others, the fact that they are doing much better than most farmers does not provide much comfort. Even if they are doing all right economically themselves, they are likely to be aware of neighbors and friends who have lost jobs and benefits and may have been reduced to selling household possessions in order to make ends meet. The same subjective factors of comparisons with the past and with others in the local community that incline farmers to be accepting of current inequalities work to make a higher percentage of urban residents perceive current inequalities as unjust.

In conclusion, in general most aspects of the conventional wisdom about popular reactions to rising inequality in China are oversimplified or simply wrong. Chinese citizens on balance express more acceptance than anger about most aspects of current inequality patterns, and the anger that does exist is not concentrated among China's most disadvantaged citizens. These findings suggest that inequality patterns and trends in China today are if anything more a source of political stability than instability.29 This conclusion does not mean that China's leaders can now relax and ignore the unmet needs and problems of their citizens, particularly those who are most disadvantaged. However, it does mean that judgments about policy responses to inequality trends should in the future be based upon sound research on popular attitudes, rather than on untested assumptions about the effects of rising gini coefficients or about how objective trends in family incomes and other indicators translate into anger versus acceptance of the contemporary social order.

<sup>&</sup>lt;sup>29</sup> Our survey data were collected in 2004, and we can't be certain how stable or unstable the attitude patterns described in this paper are. Numerous press accounts suggest that as a result of the damage done to the Chinese economy by the global financial meltdown that erupted in late 2008, Chinese citizens are likely to have more negative perceptions of inequality patterns today. We are conducting a follow-up survey in 2009 in order to assess how much Chinese views on these issues have changed since 2004. Obviously if these press speculations are correct, and popular anger about distributive injustice issues has increased, a conclusion that Chinese popular attitudes in this realm are a source of stability may no longer be justified.

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