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The Middle Class and Political Change in China: Chinese Middle Class's Attitudinal and Behavioral Orientations Toward Democracy

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Old Dominion University

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THE MIDDLE CLASS AND POLITICAL CHANGE IN CHINA:
CHINESE MIDDLE CLASS'S ATTITUDBINAL AND BEHAVIORAL
ORIENTATIONS TOWARD DEMOCRACY

by

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A Dissertation Submitted to the Faculty of Old Dominion University
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ABSTRACT

THE MIDDLE CLASS AND POLITICAL CHANGE IN CHINA: CHINESE MIDDLE CLASS'S ATTITUDINAL AND BEHAVIORAL ORIENTATIONS TOWARD DEMOCRACY

Chunlong Lu
Old Dominion University, 2007
Director: Dr. Jie Chen

Does the middle class in China think and act democratically and hence serve as the harbinger of democratic development in that country? Little empirical work has been done to systematically address this crucial question. The primary goals of this dissertation are to explore the level of attitudinal support for democracy among Chinese middle class individuals, examine their behavioral orientations toward politics, and provide a comprehensive assessment of the role of the Chinese middle class in the evolution of the Chinese political system. This dissertation argues that the middle class in China consists of the following four occupational groups: self-employed laborers, managers, professionals, and civil servants. Following this conceptualization, it discusses the relations between the Chinese party-state and the newly rising middle class, and makes distinctions between the subgroup of middle class individuals employed in the public sector and the subgroup employed in the private sector, and posits three hypotheses: (1) The private-sector middle class has strong democratic attitudes; on the other hand, the public-sector middle class has significantly weaker democratic attitudes; (2) The private-sector middle class individuals' democratic orientation may lead to their negative evaluation of the current forms of mass political participation; in turn, this negative evaluation may cause the private-sector middle class individuals to engage in non-participatory action as a form of protest against the current system; and (3) The
public-sector middle class individuals' undemocratic belief may lead to their positive evaluation of the current forms of mass political participation; in turn, this positive evaluation may cause the public-sector middle class individuals to engage in participatory action to express their support of the current system. The hypothesized causal relationships are tested via three representative public opinion surveys.

The three hypotheses are strongly supported by the empirical evidence. This dissertation concludes that the private-sector middle class people are more likely to hold democratic values and act in ways that promote democracy in China, while the public-sector middle class people tend to hold negative attitudes toward democracy and act in an undemocratic fashion. Such findings are of theoretical and practical significance.
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CHAPTER I
INTRODUCTION

Since the advent of the post-Mao reform, the People’s Republic of China has undergone a series of profound socio-political changes, one of which was the emergence and growth of the middle class in the country’s urban areas. This development raises an important question: Does the middle class in a non-democratic, transitional society such as China think and act democratically and hence serve as the harbinger of democratic change in that country? Although there have been some anecdotal observations, China studies have not yet developed a theoretically complete and in-depth explanation of the role of the middle class in that country’s democratic transition. Moreover, previous theoretical approaches to the study of the Chinese middle class, despite their sophistication, failed to provide a conceptual framework to explain and predict the attitudinal and behavioral orientations of the new middle class toward democracy.

This dissertation, therefore, explores a new approach to the study of the role of the middle class in China’s political transition. Unlike traditional approaches, which tend to neglect the individual-level analysis of the attitudinal and behavioral orientations of the middle class, this new approach focuses on a set of socio-political characteristics of middle class individuals, among which their socioeconomic ties with the Chinese state is the most important. The underlying idea for this new approach is that this set of socio-political characteristics determines middle class individuals’ attitudes toward democracy and their political actions. The purpose of this study is to explore, through the use of

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This dissertation follows the format requirements of *A Manual for Writers of Term Papers, Theses and Dissertations* 6th edition by Kate L. Turabian.
three public opinion surveys conducted in China, this alternative approach. This chapter presents the theoretical foundations for the approach and the hypotheses for the data analysis.

**STRUCTURAL-LEVEL ANALYSIS: THE “MODERNIZATION” APPROACH AND THE “CONTEXTUAL” APPROACH**

Before I review the previous studies of the Chinese middle class, which tend to be structural-oriented, I will briefly describe the structural- and individual-level approaches to the analysis of class politics, emphasizing the differences between the two.

The structural-level and individual-level analyses intend to answer different questions. The structural-level analysis, which is meant to describe a crucial property of whole societies, emphasizes the impact of the size of different social classes as well as the relationships among these classes on the change and stability of a political regime. On the other hand, the individual-level analysis, which defines “a set of ‘locations’ filled by individuals subjected to a set of mechanisms that impinge directly on their lives as they make choices and act in the world”\(^1\), focuses on the links between social class status and individual attitudinal and behavioral orientations toward political affairs. Moreover, the findings from the analysis on one level can not be used to validate (or invalidate) the findings from the analysis on the other level.\(^2\)

The previous studies of the political role of the Chinese middle class tend to be structural-oriented. One group of these scholars argues that democratic change in China is inevitable, because economic development will create a large middle class.

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\(^1\) Erik Olin Wright, “Rethinking, Once Again, the Concept of Class Structure,” in *Reworking Class*, ed. John R. Hall (Ithaca: Cornell University Press, 1997), 44.

\(^2\) Ibid.
in the next two decades. According to this argument, the newly emerged Chinese middle class has quietly become the class carrying the values of responsive government and democracy. I will call this argument the “modernization” approach. For adherents of this approach, continued economic growth creates an independent middle class; moreover, the emergence of a large and growing middle class “bodes well for the emergence of democracy,” because the middle class forms “a solid base for legal democratic politics.”

Another group of these structural-oriented scholars argues that the middle class will remain a small minority within Chinese society, and therefore are not likely to become a democratic force. Moreover, this view suggests that the Chinese middle class is anti-democratic or undemocratic by nature. I will call this argument the “contextual” approach.

The modernization approach originates in the work of Aristotle, who was the first to observe the structural relations between a democratic regime and the strength of a middle class in a society:

“Aristotle observed that where the rich were the most powerful class, they established exclusionary oligarchies as the form of government, wherein only those with large property holdings could vote or hold political offices. Where the poor were very numerous and well organized, they established what Aristotle called ‘extreme democracy’—extreme because the poor, badly educated, and tending toward ‘mobrule,’ as Polybius dubbed it, often overrode law in their assemblies, and more often followed blindly the lead of a charismatic demagogue.

---

Aristotle observed, however, that where the middle class was prosperous and numerous, they tended to establish a stable form of government based on the rule of law and founded on the inclusion of the entire population in the participatory process of the assembly.\textsuperscript{5}

The recent empirical studies have echoed Aristotle’s observation that a strong and unified middle class is a favorable condition for the rise of democracy and the stability of such a political system.

Following Aristotle’s argument, Robert Dahl suggests that a middle class-dominant society tends to be less unequal in terms of the distribution of socioeconomic resources, which is favorable to the rise and maintenance of a democratic system.\textsuperscript{6} On the other hand, the inequalities in the distribution of socioeconomic resources in a society without a strong middle class may approximate the inequalities in the distribution of political resources, which is not favorable to competitive politics and polyarchy.\textsuperscript{7}

In addition, Francis Fukuyama suggests that in a middle class-dominant society, the most important socioeconomic inequalities will be based not on inherited social position but on education, occupation, and individual achievement. Hence, a middle class-dominant society will have a high level of social mobility, which creates "better environments for fostering liberal democracy than those riven by longstanding class barriers."\textsuperscript{8}

\textsuperscript{5} Glassman, \textit{China in Transition}, 3-4.
\textsuperscript{7} Dahl, \textit{Polyarchy}.
For example, American democracy occurred in a society "wherein the rich were relatively weak, the poor [were] easily absorbed into the middle class, and the middle class [were] burning with desire for democratic and lawful government;" whereas "in England, where the gentry were all-powerful, and in France, where the poor swelled to vast proportions and could not gain upward mobility, and where the feudal classes still held some power, the political ideas of the ... middle classes could not become institutionalized."9

The modernization theorists further suggest that with economic development in a society, the middle class will emerge and gain in size, and, in turn, work as a causal agent for the establishment of democracy.10 For the modernization theorists, economic development changes a country’s social structure from the pyramid-shaped type to the diamond-shaped type, with the majority of the population being middle class. This structural change tempers the intensity of a country’s social conflict both by reducing the proportion of the lower class that is susceptible to anti-democratic and extremist ideologies and forces and by increasing the proportion of the middle class that supports pro-democratic ideologies and forces, which, in turn will facilitate the rise and stability of democracy.11 Moreover, modernization theorists assume that this developmental path—economic development creates an affluent middle class in

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a society, which, in turn, leads to a democratic system—is linear and can be
generalized to all countries and regions.\(^\text{12}\)

Based on the this modernization theory, Ronald Glassman and Henry Rowen
are optimistic about the future of democracy in China, because they believe that
economic development will create a large Chinese middle class in the next two
decades, which, in turn, will act as a causal agent for democracy in that country.\(^\text{13}\)
Also, Pei Minxin has predicted, “when the proportion of the middle class [in Chinese
society] is over 60 percent, political openness will be inevitable, and the pressure on
the government will be dramatic.”\(^\text{14}\)

The contextual approach has a very pessimistic view of the role of the
Chinese middle class in promoting democracy in that country.\(^\text{15}\) They do not agree
with the linear model of modernization theory and they assert that the unique
historical experiences of each country, their distinctive cultures, and their particular
political systems are of critical importance in understanding the causal relations
among social phenomena.\(^\text{16}\)

\(^{12}\) See Lipset, “Some Social Requisites of Democracy;” and idem, Political Man; Samuel P. Huntington,
The Third Wave: Democratization in the Late Twentieth Century (Norman: University of Oklahoma Press
1991); Ronald M. Glassman, The New Middle Class and Democracy in Global Perspective (New York: St.
Martin’s Press; London: Macmillan Press, 1997); and idem, The Middle Class and Democracy in Socio-
Historical Perspective.

\(^{13}\) Henry S. Rowen, “The Short March: China’s Road to Democracy,” The National Interest 45 (1996): 68-
69; Glassman, China in Transition.


\(^{15}\) For example, see Goodman, “The New Middle Class;” Pearson, China’s New Business Elite; Duckett,

\(^{16}\) For a detailed discussion of the contextual effects of historical origin and cultural circumstances on the
causal relevance among social phenomenon, please see Charles Ragin and David Zaret, “Theory and
Method in Comparative Research: Two Strategies,” Social Forces 61, no. 3 (1983): 731-54; Dietrich
Rueschemeyer, Evelyne Huber Stephens, and John D. Stephens, Capitalist Development and Democracy
(Chicago: University of Chicago Press, 1992); Theda Skocpol, “A Critical Review of Barrington Moore’s
Social Origins of Dictatorship and Democracy,” Politics and Society 4, no. 1 (1973): 1-34; and idem, States
and Social Revolutions: A Comparative Analysis of France, Russia and China (Cambridge: Cambridge
University Press, 1979). For a detailed discussion of the role of the middle class in the democratic changes
Adherents of the contextual approach are concerned with the overall Chinese social structure and the size of the Chinese middle class. Because of the fact that over 40 percent of China’s population still lives in rural areas and is poorly educated, there is little possibility for the middle classes to grow to the same proportion in China as in the developed countries. Therefore, the middle class will remain a small minority in China, and the Chinese social structure will remain pyramid-shaped, with peasants constituting the largest social class. Moreover, Chinese society is currently one of the most unequal societies in the world. The widespread social grievances, particularly among desperate peasants and unemployed workers, has intensified the interest conflicts between the rich and poor. Thus, given this socioeconomic polarization and potential class antagonism, the small middle class may choose to align with the bourgeoisie and Party-state, since “they share the need for repressive state power that if free from the influence or control of the populace would protect their wealth and ‘noble’ status in the societal hierarchy.”

In the studies cited above on the role of the Chinese middle class in promoting democracy in that country, no attention is given to the individual-level analysis of the attitudinal and behavioral orientations of the middle class.

In the view of the modernization approach analysts, the middle class appears to be a consistent agent for democracy within a society; therefore, democratic change is inevitable. However, this belief leaves these scholars in a weak position, because, the
middle class is in fact not a consistent democratic force in the non-democratic, transitional society. For example, in Singapore, the majority of the middle class accepts the undemocratic government as long as the authoritarian regime continues to satisfy their material needs.\(^{20}\) In Malaysia, the burgeoning middle class, especially ethnic Malays, has either actively supported an increasingly authoritarian state or remained politically apathetic.\(^{21}\) In Indonesia, the new middle class has stood firmly on the side of the status quo.\(^{22}\)

The contextual approach scholars treat the middle class as an “arbitrary” or “dependent” variable, which can be predicted by the overall social context. According to them, the size of the middle class within a society has a dominant impact on its attitudinal and behavioral orientations. Therefore, the Chinese social context (i.e., a society where more than half of the Chinese population are still peasants and the middle class will remain a small minority) is the decisive factor in determining the nature of the middle class and that, given the current social context, that nature will be undemocratic.

Moreover, both approaches (i.e., the modernization and contextual approaches) are based primarily on theoretical speculation and lack empirical evidence to support their arguments. Very few representative-sample studies have systematically addressed the individual-level question: does the middle class in China think and act democratically and hence serve as the harbinger of democratic change in that country? To fill this gap,


\(^{22}\) Jones, “Democratization, Civil Society, and Illiberal Middle Class Culture in Pacific Asia;” Bell, “After the Tsunami.”
this dissertation focuses on the individual-level analysis and attempts, by using three public opinion surveys, to explain the attitudinal and behavioral orientations of the Chinese middle class.

INDIVIDUAL-LEVEL ANALYSIS: AN ALTERNATIVE APPROACH TO THE ROLE OF THE CHINESE MIDDLE CLASS IN DEMOCRATIC CHANGE

As Erik Olin Wright has suggested, the framework deployed in the structural-level analysis has tended to be unsuitable for the concrete, individual-level analysis. The basic strategy that I have adopted in this dissertation is to conceptualize middle class status as a set of distinctive socioeconomic attributes—owning small properties, supervising others, and possessing professional expertise—which qualitatively distinguish the middle class from other social classes. This dissertation identifies these socioeconomic attributes as the initial and dynamic factors in influencing the middle class’ political attitudes and behaviors. This study also adds a new attribute—the socioeconomic ties with the state—reflecting the uniqueness of the Chinese middle class, which divides the Chinese middle class into two sub-groups: private-sector and public-sector.

In its presentation of an individual-level theoretical framework that explains how these socioeconomic attributes affect the middle class’ political attitudes and behaviors, this dissertation uses the theoretical insights of the studies of the middle class in the West. The predominant view, in the individual-level studies of the middle class in the West, suggests that middle class individuals have strongly supportive attitudes toward democracy because they realize that democracy is the best system to protect their...

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23 Wright, “Rethinking, Once Again, the Concept of Class Structure.”

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individual rights and property. Unlike members of the upper classes who not only own much larger properties but usually enjoy formal or informal clientelist ties with the state power that could be used to protect their properties and other interests, members of the middle class generally lack close connections with powerful political patrons. Without these political connections, middle class citizens have to rely on such democratic institutions as the popular election of leaders and constitutional limitations on state power to protect their rights and property from the actions of powerful intruders (e.g., the government and its officials). The Western literature also contends that middle class individuals are most likely to act on their democratic beliefs, because they have a high level of political efficacy: that is, they are more confident about their role in public affairs and are more competent to participate in politics than members of the lower class. This political confidence and competence comes mainly from the experience and intellectual expertise gained in their occupations and professions. The experience of running a business, supervising others, and/or possessing intellectual expertise makes middle class

\[24\] Glassman, *The Middle Class and Democracy in Socio-Historical Perspective*; and idem, *The New Middle Class and Democracy in Global Perspective*.


people feel competent to participate in all types of actions (or "non-actions") for the rise and/or maintenance of a democratic system.27

This Western individual-level theoretical framework may be applied to the assessment of the political attitudes and behavior of middle class individuals in urban China. According to the conceptualization employed in Chapter II, the middle class in urban China includes four major occupational groups: self-employed laborers (i.e., private entrepreneur of small or medium-sized business in the Chinese context), managerial personnel, professionals, and civil servants (i.e., white-collar office workers in the Chinese context). Like their counterparts in Western societies, the members of the middle class in urban China possesses the following socioeconomic attributes—owning small properties, supervising others, and possessing professional expertise. For example, all members of the Chinese middle class own property, which, while it may not be extensive, is substantial: all self-employed laborers own their businesses, while most managerial personnel, professionals, and civil servants own at least their apartments.28 In Chapters IV and V, I will use this Western individual-level theory to assess the political attitudes and behavior of middle class individuals in urban China.

On the other hand, this dissertation also recognizes that the Chinese middle class is different from its Western counterparts: the rise of the middle class in China is a relatively new phenomenon (about 20 years old), and more importantly, a direct consequence of the rapid state-led economic development of the past two decades.

27 Glassman, The Middle Class and Democracy in Socio-Historical Perspective; and idem, The New Middle Class and Democracy in Global Perspective; Robert E. Lane, Political Life: Why People Get Involved in Politics (Glencoe, Ill.: Free Press, 1959).
Therefore, this study adds a new objective factor—the socioeconomic ties with the state—to modify the application of these general theories.

A. The Relations between the State and the Middle Class

Many empirical studies of the developing countries suggest that throughout the developing world the activities of the state have been a primary source of the formation of the middle class. As Dale Johnson has observed:

"In less developed societies the state tends to grow to the limits of resources that can be taxed or otherwise appropriated by government....In part, this overdevelopment compensates for the presence of weak classes of local capitalists, or even their virtual nonexistence: States assume entrepreneurial functions, giving birth to technocratic, managerial, and technical groupings."

As a result, the members of the middle class were the main beneficiaries of state economic paternalism in the developing world; they were also dependent upon the state for the advancement of their careers.

Moreover, many empirical studies tend to suggest that since the state often played a very active role in creating and shaping the formation of the middle class in the developing world, the emergence of a unified and distinctive middle class identity was nearly impossible. These studies further suggest that the political orientations of the middle classes in the developing world are not unified but fragmented.

As has been the case in other developing countries, the development of China’s middle class was influenced by national politics and government policies. In the past

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29 Johnson, “Class and Social Development,” 15.
fifty years, government policies and the changes in the state institutions determined
[0]the patterns of social stratification in Chinese society. Before the establishment of the
People’s Republic of China in 1949, a small middle class including managerial personnel,
professionals, small businessmen, and civil servants constituted approximately 7% of the
Chinese population.31 In the period beginning in 1949 and ending in 1978, China was a
statist society ruled by a strong Leninist Party; the private economy was gradually
eliminated, and private entrepreneurs, small and medium-size businessmen, as well as
independent professionals, disappeared in Chinese society.32 During this period, the
Chinese Communist Party (CCP) successfully transformed the pre-1949 independent
middle class into a subservient stratum.33

Since 1978, the CCP has gradually legitimized the existence of the private
economy in Chinese society and has taken genuine measures to encourage its
development.34 The CCP has abandoned their monopolization of occupational mobility,
allowing ordinary Chinese citizens to have greater freedom to choose their occupations,
and the CCP has also de-emphasized the importance of political loyalty and activism in

31 Xueyi Lu, ed., Dangdai zhongguo shehui liudong (Social Mobility in Contemporary China) (Beijing: Shehui kexue wenxian chubanshe, 2004).
educational attainment and occupational advancement.\textsuperscript{36} The post-Mao reform has changed the social structure of China and consequently paved the road for the emergence of a middle class. Since the late 1980s, a middle class by Western standards has emerged in Chinese society.

However, due to the continued importance of the state institutions in influencing ordinary Chinese citizens' life opportunities during the reform era, the formation of the middle class in contemporary China follows two separate paths.\textsuperscript{37} The first is through the state institutions, where middle class positions in government and party agencies, state-owned enterprises and public organizations are considered to be "closed" positions, and access to these positions is subject to screening for political loyalty and party membership. This sub-group, the middle class employed in the public sector, which includes managers in the state-owned enterprises, professionals in the public organizations, and staff members in the government and party agencies and public organizations, is, in varying degrees, still affected by state power.\textsuperscript{38} The second path is through the market institutions, where middle class positions in the private sector are considered to be "open" positions, and the access to these positions is determined by the workings of the market institutions. This sub-group, the middle class employed in the


\textsuperscript{37} Chunling Li, "Zhongguo dangdai zhongchan jieceng de goucheng ji bili" (The Composition and Size of China's Contemporary Middle Class), \textit{Zhongguo renkou kexue} (Chinese Population Science) 2003, no. 6: 25-32; Qiang Li, "Zhongguo zhongdeng shouru jieceng de goucheng" (The Composition of China's Middle-Income Stratum), \textit{Hunan shifan daxue shehui kexue xuebao} (Journal of Hunan Normal University Social Science) 2003, no. 4: 7-9; Wei Zhang, \textit{Chongtuyu bianshu: zhongguo shehui zhongjian jieceng zhengchi fenxi} (Conflict and Uncertainty: Political Analysis of Middle Stratum in Chinese Society) (Beijing: Shehui kexue wenxian chubanshe, 2005); Hangsheng Zheng and Lulu Li, \textit{Dangdai zhongguo chengshi shehui jiegou} (Social Structure of the Cities in Contemporary China) (Beijing: Zhongguo renmin daxue chubanshe, 2004); Lu, ed., \textit{Social Mobility in Contemporary China}.

\textsuperscript{38} Lu, ed., \textit{Social Mobility in Contemporary China}; Zheng and Li, \textit{Social Structure of the Cities in Contemporary China}; Zhang, \textit{Conflict and Uncertainty}.
private sector, which includes managers in the private and foreign-related enterprises, professionals in the private sector, self-employed laborers (i.e., private entrepreneur of small or medium-sized business in the Chinese context), and white-collar office workers in the private entities, is much more independent than the first sub-group in terms of its relationship to state power.  

This unique relationship between the state and the newly-rising middle class in China makes this class quite different from its counterpart in Western societies. Therefore, studies analyzing the political attitudes and behaviors of the middle class in China must be designed to reflect this difference.

B. The Working Hypotheses for the Data Analysis

Rather than treating the newly emerged Chinese middle class as a monolithic class, I divide this class into two sub-groups: the public-sector sub-group and the private-sector sub-group. It is my expectation that these two sub-groups of the Chinese middle class will have different attitudinal and behavioral orientations toward democracy.

With regard to the political attitudes and behaviors of the sub-group of middle class individuals employed in the public sector, I hypothesize that the middle class individuals employed in the public sector will not support democracy and thus will act in an undemocratic way. Because the middle class individuals in the public sector have close relations with the Communist Party and government, and enjoy many privileges sanctioned by the Party and government, they have a vested interest in maintaining the

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39 Li, “The Composition and Size of China’s Contemporary Middle Class;” Qiu, The Changes of Social Stratification in Contemporary China; Zheng and Li, Social Structure of the Cities in Contemporary China; Zhang, Conflict and Uncertainty.
status quo. As David Goodman points out, the managers in the state-owned and collective enterprises, and the professionals in the public sector, in general, “far from being alienated from the Party-state or seeking their own political voice, appear to be operating in close proximity and through close cooperation” with the Party-state. As a result, they may not demand a transparent, democratic political system; instead they are concerned that a dramatic change of the current political system may endanger their interests since they may lose those privileges that they are currently enjoying by virtue of their close relationship with the Party-state.

With regard to the political attitudes and behaviors of the sub-group of middle class individuals employed in the private sector, I hypothesize that the middle class individuals employed in the private sector have strongly supportive attitudes toward democracy and thus will act in a democratic way. The middle class individuals in the private sector are much more independent from the Communist Party and government. Like their Western counterparts, the middle class individuals in the private sector perceive democracy as the best form of governance to protect their property. Moreover, they strongly demand the legal-institutional constraints upon the power of the Communist

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40 As Luigi Tomba observed, members of the Chinese middle classes whose social status is dependent upon the Party-state (e.g., professionals in the public sector) “are generally supportive of the present national leadership and feel that their social status today is largely dependent on the reform policies and the present program to manage the economy.” See his article, “Creating an Urban Middle Class: Social Engineering in Beijing,” The China Journal 51 (2004): 24.


42 The successes of the middle class individuals in the non-public sector were dependent upon their market power rather than upon patron-client relations with the Party-state. Please see Zheng and Li, Social Structure of the Cities in Contemporary China; Zhang, Conflict and Uncertainty.

43 In the last five years, incidents related to property rights protection have increased in large and medium-sized cities. Owners of commercial apartments, most of which are members of middle class in the private sector, have engaged in many activities to protect their properties such as collecting signatures through Internet online forum, organizing home-owners’ associations, and calling for more democratic decision-making process of community affairs. For example, see Zhang, Conflict and Uncertainty; Yongshun Cai, “China’s Moderate Middle Class: The Case of Homeowners’ Resistance,” Asian Survey 45, no. 5 (2005): 777-99.
Party to guarantee the proper functioning of the market, to contain the widespread
corruption, and to secure their property and their bourgeois lifestyle.\textsuperscript{44} Like their
Western counterparts, the middle class individuals in the private sector have acquired
modern values such as those of equality and negotiation, as well as of self-independence
as a result of their experiences in their daily lives and work. Such modern ideas are
closely related to democratic values and can be easily translated into democratic attitudes.

The data used in this dissertation include: 1) Beijing Survey on “Election and
Urban Local Self-Governance” in 2000 (see Appendix A), 2) Beijing Survey on
“Construction of Urban Residential Communities” in 2004 (see Appendix B), and 3) the
national survey of public opinion in China, the World Values Survey (WVS) 2001 (see
Appendix C). This dissertation will mainly rely on these three public opinion surveys to
identify the Chinese middle class and to describe their attitudinal orientations and
behavioral orientations toward democracy. In addition to these three public opinion
surveys, an interview on “Middle Class and its Political Attitudes and Behavior” (see
Appendix D), which was conducted in Beijing in cooperation with Renmin University of
China, will be used to support the arguments presented by this dissertation.

SIGNIFICANCE OF THIS STUDY

On at least three grounds, this study promises to make a significant contribution to
the study of the role of the middle class in the evolution of the Chinese political change.

\textsuperscript{44} For example, An Chen observed that, the top priority of small entrepreneurs and businessmen (i.e., one
main component of the middle class in the non-public sector) is to “strive for institutionalization of and
ideological (or constitutional) justification for capitalism in order to make their businesses and capitalist
way of life politically safe....[And this priority] has an obvious pro-democratic element as it exerts pressure
on the communist regime for some fundamental economic-political changes.” See his article, “Capitalist
Development, Entrepreneurial Class, and Democratization in China,” 415-16.

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First, it is hoped that this study will act as a bridge between the extremes of the modernization approach, which views the middle class as being unvarying supporters of democracy, and the contextual approach, which views the middle class as being inevitably undemocratic due to the Chinese social structure, by developing, through the use of three public opinion surveys, a new approach to the individual-level analysis of the middle class’ political attitudes and behaviors. This study makes distinctions between structural-level and individual-level analysis in the study of the role of the middle class in democracy and democratization. It focuses on the individual-level question of why middle class individuals think and act democratically and makes an original contribution to the literature that expands the understanding of this question.

Second, it yields important findings about the Chinese middle class’ political attitudes and behaviors. It identifies a set of socio-political characteristics of middle class individuals to explain their attitudes toward democracy, and shows that the socioeconomic ties with the Chinese state divides the middle class into two sub-groups and shapes their attitudes toward democracy. Furthermore, based on my theoretical model and understanding of the Chinese middle class’ political attitudes and behaviors, this study will make some reasonable forecasts about the role of the middle class in China’s democratic transition.

Third, the findings from this study will also have implications for American policy toward China. American policy makers have expressed the hope that the formation of a prosperous and strong middle class will lead to political change and ultimately democratization. This hope is based on the assumption that the newly rising middle class would prefer a more democratic political system than the one in which they
have prospered. So, a better understanding of the goals and preferences of the Chinese middle class is necessary in order to evaluate the prospects for democratic political change in that country.

OVERVIEW OF THE DISSERTATION

Chapter II is designed to answer a critical question: who are the people who constitute the Chinese middle class? This chapter begins with a general discussion of an important methodological issue that guides the measurement of the Chinese middle class: assuring comparability of the measurement. It summarizes the existing literature on the identification of China’s middle class and discusses its strengths and weaknesses. In this dissertation, I operationalize the Chinese middle class by combining four occupational groups: self-employed laborers (i.e., private entrepreneur of small or medium-sized business in the Chinese context), managerial personnel, professionals, and civil servants (i.e., white-collar office workers in the Chinese context). Furthermore, I categorize the Chinese middle class people into two subgroups: public sector and private sector, depending on the nature of their employers.

Chapter III examines the evolution of the Chinese middle class since 1949. This dissertation makes distinctions between the totalitarian society (1950—1978) and the transitional society (1978-present), and compares their different state-society relations in order to provide a background for the proper understanding of social differentiation and the emergence of a middle class in China. The comparative analysis between the evolution of China’s middle class and its Western counterparts in this chapter lays the
ground for formulating a theoretical hypothesis regarding the political attitudes and behaviors of China’s middle class.

Chapter IV measures the attitudinal orientations toward democracy among China’s general population and its middle class in particular in the following three sub-dimensions: support for competitive election, support for equal protection and rights for all people, and support for sovereignty of the people’s will. This chapter also determines that the private-sector middle class is the most democratic within Chinese society in terms of the above-referenced dimensions; on the other hand, the public-sector middle class shares, though to a lesser degree, negative attitudes toward democracy with the upper class.

Chapter V attempts to answer the research question: does China’s middle class act in ways that promote democracy? In particular, this chapter focuses on the following two questions: Do the members of the private-sector middle class, who have democratic values, act in ways that promote democracy? Do the members of the public-sector middle class, who hold negative attitudes toward democracy, act in ways that will impede the transition to democracy? In particular, I explore these two questions by examining (1) how the two sub-groups of the middle class act in the civic organizations, and (2) how the two sub-groups of the middle class act in the urban self-government system. This chapter finds that the private-sector middle class does act in democratic ways, whereas the public-sector middle class act in undemocratic ways.

Chapter VI summarizes the empirical findings from this dissertation and then elucidates the key political and theoretical implications of these findings. Overall, the findings from this dissertation provide a mixed picture about the role of the Chinese
middle class in promoting democracy in that country. On the one hand, the current Party-state can still draw substantial political legitimacy from the public-sector middle class; on the other hand, the Party-state has to face the rising demands for democracy from the private-sector middle class.
CHAPTER II

WHO ARE THE PEOPLE WHO CONSTITUTE THE MIDDLE CLASS IN TODAY'S CHINA?

This chapter answers the critical question, who are the people who constitute the middle class in today's China? I begin with a general discussion of an important methodological issue that guides the measurement of the Chinese middle class: assuring comparability of the measurement. In particular, I emphasize that the identification of the middle class in China shall be in agreement with the original concept of the "middle class" in the Western literature. I believe that my efforts to assure comparability in the identification of the Chinese middle class are of critical importance to this study.

The comparative political studies face a basic methodological issue: how does a study ensure the comparability of the measurement of variables? As Stefan Nowak has asked, in regard to comparative studies: "how do we know we are studying 'the same phenomena' in different contexts; how do we know that our observations and conclusions do not actually refer to 'quite different things', which we unjustifiably include into the same conceptual categories?"¹ These questions point to the importance of achieving comparability of concepts and indices in the comparative political studies.

In this chapter, I will discuss the concept of the middle class in the Western context because it is in the study of the Western societies that the concept of the middle class was born, and more importantly, it is in the West where the middle class by modern standards first emerged. In order to ensure comparability, it is necessary that my

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definition of the Chinese middle class carry the same socio-political attributes as the
definition of the Western middle class. Only when this objective is achieved can I
explore the question of whether the Chinese middle class thinks and acts democratically,
and examine whether the mechanisms associated with these socio-political attributes (as
stipulated in Chapter I) can be applied to the Chinese middle class.

MEASUREMENT OF THE MIDDLE CLASS IN THE WESTERN LITERATURE

In the debate over the conceptualization of the middle class, Western literature
identifies two dichotomous approaches: the objectivist and the subjectivist. The
subjective approach suggests that, because a “social class is a psychological attachment
that is part of an individual’s overall self-concept,” the middle class is identified based
on an individual’s belief or perception that he or she belongs to the middle stratum of a
certain society.

The origin of the subjective approach can be attributed to Aristotle. Aristotle
“thought of classes as subjective rather than objective entities. Membership in a class,
according to his way of thinking, is not determined by physical characteristics of any
kind, such as wealth or income, or at least not definitely determined by such

characteristics. Members of the middle class gain their position therein by thinking of

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2 Angus Campbell, Philip E. Converse, Warren E. Miller, and Donald E. Stokes, The American Voter (New
York: John Wiley & Sons, Inc., 1960); Richard Centers, The Psychology of Social Classes (Princeton:
Encyclopedia of the Social Science 15 (New York: Collier Macmillan, 1968), 296-316; Sheldon
University Press, 1953); Joseph Alan Kahl, The American Class Structure (New York: Rinehart, 1957);
Milbrath, Political Participation; John J. Ray, “The Questionnaire Measurement of Social Class,”
Australian and New Zealand Journal of Sociology 7 (April 1971): 58-64; Katherine Cramer Walsh, M.
Kent Jennings, and Laura Stoker, “The Effects of Social Class Identification on Participatory Orientations
3 Walsh, Jennings, and Stoker, “The Effects of Social Class Identification on Participatory Orientations
towards Government,” 470.
themselves as above the lower class and below the upper class." The modern forerunner of subjective class measurement—Richard Centers—emphasizes class as "psychological groupings, something that is essentially subjective in character, dependent upon class consciousness (i.e., a feeling of group membership), and class lines of cleavage [which] may or may not conform to what seem to social scientists to be logical lines of cleavage in the objective or stratification sense." 

According to subjectivists, the middle class is a socially constructed attribute, thus identification with the middle class depends on an individual’s awareness of class divisions and the salience of these divisions and also his/her belonging to the middle class. In accordance with this reasoning, Western scholarship often identified respondents’ class positions based on their answers to questions such as, “There is a lot of discussion about class these days. Do you ever think of yourself as belonging to a class?” and “Do you usually think of yourself as being part of the upper class, the upper-middle class, the middle class, the lower-middle class, or the lower class?” Modern researchers however, prefer to ask their respondents, “Do you usually think of yourself as being part of the upper class, the upper-middle class, the middle class, the working class, or the lower class?” or “Do you usually think of yourself as being part of the middle class or the working class?”

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4 Eulau, "Identification with Class and Political Perspective," 236-237.
5 Centers, The Psychology of Social Classes, 27.
7 Milbrath, Political Participation, 91.

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The rationale of using the "working class" term proposed by the second group of scholars is that the term "lower class" in a class identification question has a stigma attached to it that may drive respondents away from this category and thus may squeeze more respondents into the category of middle class.9 As suggested by Lester Milbrath, "almost no one had the lack of pride to call himself lower class."10

Using this subjective approach, empirical studies have found that in Western societies, more than a half of their population registered identification with the middle class, about 30 per cent with the working class, and less than 10 per cent with the upper class.11

The objectivists argue for the importance of such objective socioeconomic indicators as income, education, and occupation in the conceptualization of class structure.12 Within the objective approach, there are two conceptual branches. One branch emphasizes the quantitative, cumulative property of the objective indicators.13 This branch, the "quantitative" branch, suggests that the best way to capture an individual's class identification is to form a quantitative index of income, education, and

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10 Milbrath, Political Participation, 91.
11 For example, see Hodge and Treiman, "Class Identification in the United States;" Hayes, "The Impact of Class on Political Attitudes."
occupation, and then to identify the person with a social class according to the person’s position in the overall scale of the index. As a result, the middle class usually consists of those who are in the middle range of the scale. For example, Milbrath has suggested that, “persons who scored high on all three factors would be placed in the upper class; those who scored high on two factors but medium or low on one factor would be in the next rank. Those who scored high on only one factor would be in the next rank, and so forth.”

In a comparative study of five nations (the United States, Britain, West Germany, Italy, and Mexico), Norman Nie and his associates formed a weighted, quantitative index of such objective indicators as education, income, and occupation, and determined the middle class to be those who were in the middle third of the index. They found that, in the United States, about a half of its population belongs to the middle class; while, in the less developed Mexico, only 16 per cent of the population belongs to the middle class.

The other branch, the “qualitative” branch, of the objective approach stresses the qualitative property of the various objective indicators of social class. This branch argues that the middle class is composed of those who possess a set of certain socio-political attributes, which qualitatively distinguish them from the other social classes. As Martin Oppenheimer says, “class is not a quantitative measurement along some mathematical continuum, but a qualitative measurement representing groupings that are distinct and separate from one another.”

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15 Nie, Powell, and Prewitt, “Social Structure and Political Participation, Part I,” and “Part II.”
Within the qualitative branch of the objective approach, the neo-Marxist measurement is the one most often used. The neo-Marxist measurement developed by Erik Olin Wright employs three sub-dimensions to form class categories: means of production, position in authority structure (based on managerial and supervisory responsibilities), and possession of skills and expertise. In the first sub-dimension, those having means of production are classified as owners; owners can be further divided into two categories: bourgeoisie and petite bourgeoisie, depending on the size of the means of production. In the second sub-dimension, those who supervise other workers are classified as managers. In the third sub-dimension, those possessing skills and expertise are classified as professional. The remaining society will be classified into working class, peasants, and unemployed depending on whether they are employed or unemployed, or whether they are employed in industry, service, or agriculture. The middle class is defined as the petite bourgeoisie, managers and professionals. More specifically, the petite bourgeoisie is referred to as the “old middle class”, while managers and professionals are referred to as the “new middle class”.

Based on this qualitative measurement, Wright found that, after lumping together the three occupational groups consisting of the petite bourgeoisie (including small employers), managers and professionals (including skilled workers), over half of the American population (about 57 per cent) belongs to the middle class.

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18 Wright, *Class, Crisis, and the State*; and idem, *Classes*; and idem, *Class Counts*.
20 Wright, *Class Counts*. 

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THE RELATIONSHIP AMONG THE THREE MEASUREMENTS

Which measurement is the most valid for the identification of the middle class? There is no consensus on this question in the Western literature. Furthermore, empirical studies have reported that these three measurements can be used interchangeably, because these measurements are intercorrelated with one another internally.21

In this section, I will discuss the relationship among these measurements, especially the relationship between the objective and subjective measurements. First, it is clearly understood why the two branches (quantitative and qualitative) of the objective approach are highly correlated. In Western societies, the upper and middle class individuals qualitatively defined by occupation are more likely to have high-level or middle-level incomes and attain a higher level of educational achievement than the members of the lower class or working class.22 Thus, there will be a large overlap between the middle class qualitatively defined by occupation and the middle class quantitatively identified by the index of income, education, and occupation.

Second, there is also a correlation between the objective and subjective approaches. In reality, the subjective identification can not be separated from the objective characteristics; indeed, the subjective identification has its roots in the objective characteristics. Moreover, empirical studies have found a strong positive association.

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22 For example, Erik Olin Wright found that mean income increase monotonically from the working class to the managers and the petty bourgeoisie to the capitalist class, see his article “What is Middle about the Middle Class?” in Analytical Marxism, ed. John Roemer (Cambridge: Cambridge University Press, 1986), 114-40. Richard Centers found that the mean educational attainment of the middle class, especially the managers and professionals, is higher than the working class or the lower class, see his book The Psychology of Social Classes. For more on this point, please also see Erik Olin Wright and Luca Perrone, “Marxist Class Categories and Income Inequality,” American Sociological Review 42, no. 1 (1977): 32-55; Mary R. Jackman and Robert W. Jackman, “An Interpretation of the Relation between Objective and Subjective Social Status,” American Sociological Review 38, no. 5 (1973): 569-82; Eulau, “Identification with Class and Political Perspective;” and idem, “Identification with Class and Political Role Behavior.”
between objective class status and subjective class identity. For example, Centers found that "nearly three-quarters of all business, professional and white collar workers identify themselves with the middle or upper classes," and "an even larger proportion of all manual workers, 79 per cent, identify, on the other hand, with the working and lower classes."\(^{24}\)

According to Mary Jackman and Robert Jackman, objective socioeconomic status is the primary determinant of subjective class identification, with other variables (i.e., social contacts) playing a mediating role.\(^{25}\) They believe that objective class status is the salient factor in dictating "the pattern of individuals' social lives," and they suggest that, "people mix primarily with others of the same socioeconomic status." Thus, they conclude that "such patterns of social contact in turn lead to psychological identification with the relevant (socioeconomic) group."\(^{26}\)

According to their argument, the individuals' subjective perception of their own position in the class structure should meet a number of requirements: first, the individuals must identify themselves with the class to which they belong according to the objective definition; second, they must feel united with others in the same objective position; third, they must feel separated from, or must disidentify with, people in different objective class positions.\(^{27}\)


\(^{25}\) Jackman and Jackman, "An Interpretation of the Relation between Objective and Subjective Social Status."

\(^{26}\) Ibid., 570-571.

\(^{27}\) Please also see, Morris Rosenberg, "Perceptual Obstacles to Class Consciousness," *Social Forces* 32, no. 1 (1953): 22-27.
Thus, Jackman and Jackman hypothesize that objective class status works through social contacts to exert impacts on subjective class identification. The empirical studies of American respondents supported this hypothesis and found that, first, the status of one’s social contacts increased substantially with one’s own objective social class position and, second, the effects of one’s objective class status on subjective class identification was channeled through the status of one’s social contacts.28

On the one hand, subjectivists like Heinz Eulau and Bernadette Hayes admit the fact that subjective identification is highly correlated with objective class status; on the other hand, they insist that the subjective identification can not be equated with the objective class characteristics.29 As Hayes has said, “subjective class identities can not be simply reduced to objective class positions.”30 Moreover, they suggest that we should treat the subjective identification as the intervening variable between objective class status and political orientations and action.

“It can be successfully argued that meaningful explanation of the relationship between people’s objective position in the social structure and their political behavior requires the introduction of an ‘intervening variable’ in the form of their self-identification with a particular social class.”31

In other words, the objective conditions of socioeconomic status are necessarily filtered by the process of self-identification. Via this subjective process, objective conditions, like raw materials, are transformed into perceived conditions, which, in turn, are the basis of the formation of class identification. This finding has important theoretical implications for the identification of the middle class in Chinese

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28 Jackman and Jackman, “An Interpretation of the Relation between Objective and Subjective Social Status.”
29 Eulau, “Identification with Class and Political Perspective;” and idem, “Identification with Class and Political Role Behavior;” Hayes, “The Impact of Class on Political Attitudes.”
30 Hayes, “The Impact of Class on Political Attitudes,” 77.
31 Eulau, “Identification with Class and Political Role Behavior,” 516.
society. As the following discussion of the Chinese people’s class consciousness shows, the social differentiation and division since the beginning of the post-Mao reform offer the necessary raw material for the formation of class consciousness and class identification; furthermore, this formation is influenced by the Chinese people’s perception of this social division.

THE CHINESE PEOPLE’S CLASS CONSCIOUSNESS

The objective social conditions offer the raw materials for the formation of class consciousness and class identification in a society. Thus, in order to provide a fuller understanding of the class consciousness of the Chinese people, I will briefly examine the evolution of the Chinese social structure during the period in which the CCP has controlled China.

After the establishment of the People’s Republic of China in 1949, the CCP embarked on a set of sociopolitical programs to eliminate the economic bases of the private economy and also the independence of the urban middle class. In the rural areas the CCP adopted a land reform program to eradicate the economic basis of the landlord class and a collectivization program to eradicate the economic basis of the rich peasant class. In the urban areas the CCP adopted a nationalization program to eradicate the economic basis of the capitalist class and a collectivization program to eradicate the economic basis of the small businessmen, self-employed laborers and independent intellectuals. The CCP also adopted the system of unified job assignment (tongyi fenpei) and controlled occupational advancement, turning urban managers and professionals into

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33 Ibid.
a stratum of salaried civil servants who needed to be obedient to CCP superiors." 34

Finally, the CCP initiated the Hundred Flowers Campaign and the Cultural Revolution to increase its control over the urban professionals, intellectuals, and managers ideologically. 35

As the direct result of such CCP policies, the private economy was gradually eliminated, and private entrepreneurs, small businessmen, and self-employed laborers disappeared in Chinese society as legitimate economic actors. 36 Meanwhile, the professionals, intellectuals, and managers "became fundamentally dependent on the party-state in every sphere of life" and were "reduced to a politically subordinate stratum of the salaried civil servants", whereas before 1949, "there had been more physical and social space where such professionals and managers could escape state control and supervision." 37 In conclusion, in the period 1949-1978, the Chinese party-state successfully transformed China from a strong class-divided society to a statist one in which "the objective economic bases of antagonistic classes were eroded." 38

During this period, there was no significant objective class difference among different social segments, and Chinese society was, to some extent, a highly egalitarian society in socioeconomic terms. The Maoist regime proclaimed that the Chinese government is led by the workers and peasants and that the government intends to realize


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a classless and egalitarian society.\textsuperscript{39} Paradoxically, even though the economic bases of social classes were eroded during this period, the Maoist regime still “used the terms ‘classes’ and ‘class struggles’ all the time in their political campaigns.”\textsuperscript{40} The Chinese people were categorized into several classes “based on the occupation or political affiliations of one’s father or grandfather in 1949,” and “former exploiting classes, and members of Nationalist party organizations, and relatives of political detainees suffered systematic discrimination.”\textsuperscript{41} Overall, the working class was favored by the Maoist regime and was granted socio-political privileges.

Since 1978 Chinese society has become differentiated and divided. First, the CCP gradually legitimized the existence of the private economy in Chinese society and took measures to encourage its development. The development of the private economy in China has experienced three major stages. The first stage (1978-1983) is marked by the official revival of private business. However, in this stage the CCP only officially recognized the individual businesses (getihu).\textsuperscript{42} For example, Article 11 of the 1982 Chinese Constitution states that “the individual economy of urban and rural working people, operated within the limits prescribed by law, is a complement to the socialist public economy.”\textsuperscript{43} The second stage (1984-1992) is characterized by the rise of private enterprises (siying qiye),\textsuperscript{44} as distinguished from individual businesses. In April 1988, the National People’s congress revised the 1982 Chinese Constitution and allowed private businesses to hire more than the previously permitted eight non-family employees,

\textsuperscript{39} Lu, ed., \textit{Social Mobility in Contemporary China}.
\textsuperscript{40} So, “The Changing Pattern of Classes and Class Conflict in China,” 364.
\textsuperscript{42} The individual businesses are only permitted to employ less than eight non-family employees.
\textsuperscript{43} Changfu Wang, \textit{Gaige kaifang hou de zhongguo siying jingji} (Chinese Private Economy since Reform and Openness) (Beijing: Zhongguo renmin daxue chubanshe, 1997).
\textsuperscript{44} The private enterprises are those which employ more than eight non-family employees.
thus officially recognizing the existence of private enterprises.\textsuperscript{45} The third stage (1993 to the present) starts from Deng Xiaoping’s famous southern tour in September 1992. In September 1997, private enterprise was recognized by the CCP as an important component of the socialist economy and in March 1999, the National People’s congress revised the 1982 Chinese Constitution and incorporated the right of private ownership.\textsuperscript{46} As a consequence of these policies, private entrepreneurs and self-employed individual businesses reemerged within Chinese society, and became the great beneficiary of the Dengist reform.\textsuperscript{47}

Secondly, the CCP de-emphasized the importance of political loyalty and activism in educational opportunity and occupational advancement, and gradually abandoned the system of unified job assignment and the monopolization of occupational advancement. As a consequence of such policy changes, managerial and professional strata began attaining more and more autonomy and independence from the Chinese state and came to be the central players in the rising market economies of urban China.\textsuperscript{48} As I will discuss in Chapter III, four factors contributed to the dramatic growth of these two groups: the expansion of the opportunity for college education, the development of the private economy, the inflow of foreign direct investment, and the reform of state-owned firms.

\textsuperscript{45} International Finance Corporation, \emph{China’s Emerging Private Enterprises}; Wang, \emph{Chinese Private Economy since Reform and Openness}.


\textsuperscript{48} For more on this point, please see Bian, “Chinese Social Stratification and Social Mobility;” Lu, ed., \emph{Social Mobility in Contemporary China}; Qiu, \emph{The Changes of Social Stratification in Contemporary China}; Zheng and Li, \emph{Social Structure of the Cities in Contemporary China}. Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.
Thirdly, the working class, as a whole, is losing the privileges that were guaranteed them under the Maoist regime and is becoming proletarianized. As summarized by Yanjie Bian, in the Maoist regime, the working class was officially and politically recognized as a ‘leading class’. However, the post-Mao reforms eroded this status recognition and differentiated the working class as wage labor in the private sector, unprotected labor in the state sector, layoff labor in search of a job, and deprived migrant peasant-labor.

Based on this discussion, it is evident that Chinese society was transformed from a statist society (1949-1978) to an unequal society (after 1978). As I will discuss in Chapter III, the Dengist regime (after 1978) regards social inequalities as necessary and has abandoned the Maoist goal of establishing an egalitarian socialist China. For example, Deng Xiaoping has emphasized that in order to build a socialist nation with Chinese characteristics, “some people in rural areas and cities should be allowed to get rich before others,” and “to let some people and some regions become prosperous first is a new policy that is supported by everyone.”

From this brief examination of the history of the CCP class policy and the evolution of the Chinese social structure, it seems evident that objective class division has come into being in Chinese society. However, the subjective perception of class division

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50 Bian, “Chinese Social Stratification and Social Mobility,” 96.

is different from the objective measurement of class division. Do the Chinese people perceive China as an unequal, class-divided society or as a classless society?

It is my belief that since 1978, the Chinese people have gradually come to perceive China as an unequal society. The recent empirical study conducted by Xin Liu confirms this belief. In surveying Wuhan residents’ class consciousness, Xin Liu found that about three quarters of the people surveyed are aware that they live in an unequal society. Chunling Li found in his 2000 study that most Chinese people perceived the existence of socioeconomic differences and inequalities. In fact, Chinese society has in the last two decades become one of the most unequal societies in the world. As Alvin So has said, “in the early 1980s, China was among the world’s most egalitarian societies. By the mid-1990s, the inequalities of income distribution in China not only already exceeded the inequality found in the transition economies in Eastern Europe and the high-income countries of Western Europe and North America, but also those in China’s Asian neighbors such as India, Pakistan, and Indonesia.” For example, in 2000, the Gini index of Chinese society was 44.7, which is beyond the international poverty alarm point of 40.

However, the consciousness of social inequalities is not the same thing as class consciousness. Class consciousness is a quite different concept. According to Centers,

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52 Xin Liu, “Zhuanxingqi zhongguo chengshi jumin de jieceng yishi” (The Stratum Consciousness of Chinese Citizens during the Transitional Period), in Zhongguo shehui fenceng (Social Stratification in China’s Today), ed. Peilin Li, Qiang Li, and Liping Sun (Beijing: Shehui kexue wenxian chubanshe, 2004), 207-24.
53 Chunling Li, “Dangqian zhongguoren de shehui fenceng yishi” (The Social Stratum Consciousness of Contemporary Chinese People), Human shehui kexue (Human Social Science) 2003, no.5: 76-79.
55 Gini index measures the extent to which the distribution of income (or consumption) among individuals within a country deviates from a perfectly equal distribution. A value of 0 represents perfect equality and a value of 100 represents perfect inequality. Please see United Nations Development Programme, Human Development Report 2000 (New York: Oxford University Press, 2002).
class consciousness "implies that a person’s status and role with respect to the economic processes of society imposes upon him certain attitudes, values and interests relating to his role and status in the political and economic sphere. It holds, further, that the status and role of the individual in relation to the means of production and exchange of goods and services gives rise in him to a consciousness of membership in some social class which shares those attitudes, values and interests." In other words, class consciousness depends on "the extent to which members of the group are aware of the reality of the group and of their own membership in it."  

Do the Chinese people realize that they are members of a social class and, if so, do they cognitively identify with their class? Chunling Li suggests that many Chinese people still do not acknowledge the appropriateness of the concept of class in Chinese society and only a few of them have grasped the meaning of social class and the criteria by which to identify different social classes. For example, when asked to name some different social classes in Chinese society, those in the less-educated occupational groups could only identify three groups: “rich people”, “powerful people”, and “ordinary people”; those in the well-educated occupational groups could identify some groups in more specific terms, such as “government or party cadres”, “private entrepreneurs”, and “professionals”. However, few of the respondents identified the different social segments in terms of “upper class”, “middle class”, and “lower class”.

Several factors contribute to the Chinese people’s lack of class consciousness in the period after 1978. First, since the beginning of the Dengist reform, the CCP banned the discussion of the concept of class. Paradoxically, even though the economic bases of

57 Ibid., 75.
58 Li, "The Social Stratum Consciousness of Contemporary Chinese People."
social classes were eroded during the Maoist period, the Maoist regime still used the terms ‘classes’ and ‘class struggles’ in the political campaigns and insisted that the class struggle was the central task of the CCP.\textsuperscript{59} After 1978 Deng Xiaoping shifted the focus of the CCP’s work from class struggle to economic development and formulated the goal of a “well-off society” (xiaokang shehui) and the strategy of allowing certain people to get rich before others. As a result of this policy change, the Dengist reform has reconstructed the economic bases of social classes. On the other hand, the CCP has given little attention to the re-emergence of class differentiation in Chinese society.

For example, it was not until July 1, 2001 that President Jiang Zemin officially acknowledged the emergence of multiple social strata in Chinese society:

“Since China adopted the policy of reform and opening-up, the composition of China’s social strata has changed to some extent. There are, among others, entrepreneurs and technical personnel employed by scientific and technical enterprises of the non-public sector, managerial and technical staff employed by foreign-funded enterprises, the self-employed, private entrepreneurs, employees in intermediaries and freelance professionals. Moreover, many people frequently move from one ownership, sector or place to another, changing their jobs or capacity from time to time. This trend of developments will continue.”\textsuperscript{60}

It was in this July 1 speech that the CCP fully recognized the change in social structure that had occurred since the beginning of the Dengist reform and officially acknowledged that social strata other than the working class and peasants had emerged.

Second, the older people rejected the application of the concept of social classes to Chinese society because of the tragic memory of the Cultural Revolution. Before 1978, especially during the Cultural Revolution, the use of the concept of social classes was highly politicized. The Maoist regime used the term “class struggle” to launch a

\textsuperscript{59} Qiu, The Changes of Social Stratification in Contemporary China; Lu, ed., Social Mobility in Contemporary China; So, “The Changing Pattern of Classes and Class Conflict in China.”

\textsuperscript{60} Please see “Full Text of Jiang’s Speech at CPC Anniversary Gathering,” \textit{Renmin ribao} (People’s Daily), 2 July 2001.
nationwide campaign of discrimination against those people who were labeled as the “exploiting class” or the “anti-revolutionary class”.\textsuperscript{61} The tragic memory of the Cultural Revolution, especially for those who were discriminated against, made the older generation sensitive to the use of the concept of social classes. For example, when answering the question “do you agree that class is a valid concept to identify different social segments?” the reaction of older people was very cautious and not a few of them denied the validity of the concept of class in Chinese society.\textsuperscript{62}

THE IDENTIFICATION OF THE CHINESE MIDDLE CLASS: WHICH APPROACH IS THE MOST VALID?

\textit{A. Subjective Measurement}

Based on the discussion above, it is evident that objective class differentiation exists in Chinese society; on the other hand, the individuals’ subjective perception of belonging to a class has not yet emerged. Such a conclusion leads to the proposition that the subjective approach is not a valid type of measurement for the identification of the middle class in Chinese society.

To test this proposition, I examined several survey results of the subjective measurement of social classes conducted by Chinese scholars.\textsuperscript{63} These scholars


\textsuperscript{62} Some interviewees even asked interviewers, “Why do you ask the question of the validity of the class term in Chinese society?” or “Is the CCP going to change its policy?” They were quite cautious and even refused to answer this question. Please see Li, “The Social Stratum Consciousness of Contemporary Chinese People.”

\textsuperscript{63} Li, “The Social Stratum Consciousness of Contemporary Chinese People;” Liping Chou, “Zhiye diwei: shehui fenceng de zhishiqi” (Occupational Status: The Designation of Social Stratification), in \textit{Zhongguo...
employed the following question to identify the social class of the Chinese respondents: "There is a lot of discussion about class these days. Do you think of yourself as being part of the upper class, the upper-middle class, the lower-middle class, or the lower class?" The use of the term "lower class" rather than "working class" in the survey question can be problematic, but there are two theoretical justifications for the use of this term. First, there is no stigma in China associated with the concept of the lower class. Instead, according to the CCP's ideology, the lower class is the "leading class" in China. Second, the concept of the working class is quite vague in the Chinese context. In the Maoist era, it was the position of the CCP that only those people who worked in the state-owned enterprises or collective-owned enterprises belonged to the category of "working class". However, during the same period most urban residents who had no objective working class status also tended to subjectively identify with the working class to avoid political discrimination. After the commencement of the reform, the CCP officially did not make a clear statement on the change in China's social structure and the composition of the working class. As a result, the concept of working class is quite vague and most urban residents still claim publicly that they belong to the working class in order to avoid political problems.

Two important findings from these studies support my argument. First, there is a very high percentage of "Do not know (DK)" answers among Chinese respondents. For example, in the early 1990s, surveying the subjective class identifications of Shanghai respondents, Hanlong Lu and Yanjie Bian found that about 16 per cent of Shanghai residents could not identify their class status, while there were only 0.5 % of respondents.

who could not identify themselves with a class group in American society.\textsuperscript{64} Such findings support my conclusion that the Chinese people’s class consciousness has not yet emerged. In a nationwide survey conducted almost 10 years later (2001), Chunling Li found that about 9.2\% of China’s respondents still could not register their class status subjectively, despite the fact that, by 2000, the Chinese people had become much more conscious about social differentiation and inequalities.\textsuperscript{65}

Second, many studies reported that almost 40\% of Chinese respondents subjectively identified themselves with the middle class. For example, in the early 1990s, surveying the subjective class identifications of Shanghai respondents, Hanlong Lu and Yanjie Bian found that around 42\% of Shanghai residents identified themselves as middle class.\textsuperscript{66} Based on a nationwide survey conducted in 2001, Chunling Li found that about 40\% of Chinese respondents subjectively identified themselves as middle class.\textsuperscript{67}

The WVS 2001 China survey used the same question as previous China scholarship has employed to probe the subjective identification of Chinese respondents. The result is presented in Table 1. There are two major findings: first, about 7\% of Chinese respondents could not identify their social class position; second, 51\% of Chinese respondents subjectively expressed agreement with the category of middle class. Such findings are consistent with the previous China scholarship.

\textsuperscript{64} Hanlong Lu and Yanjie Bian, “Cong shimin diwei guankan gaige yu shehui jingji bupingdeng” (Reform and Socioeconomic Inequality from the Perspective of Town-dweller Status), in Zhongguo shehui fenceng (Social Stratification in China’s Today), ed. Peilin Li, Qiang Li, and Liping Sun (Beijing: Shehui kexue wenxian chubanshe, 2004), 160-77.

\textsuperscript{65} Li, “The Composition and Size of China’s Contemporary Middle Class.”

\textsuperscript{66} Lu and Bian, “Reform and Socioeconomic Inequality from the Perspective of Town-dweller Status.”

\textsuperscript{67} Li, “The Composition and Size of China’s Contemporary Middle Class.”
Table 1. Distribution of Chinese Respondents’ Self-Identified Social Classes (WVS 2001 China Survey)

<table>
<thead>
<tr>
<th>Subjective Class Identity</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper Class</td>
<td>4</td>
<td>.4</td>
</tr>
<tr>
<td>Upper-middle Class</td>
<td>27</td>
<td>2.7</td>
</tr>
<tr>
<td>Middle Class</td>
<td>510</td>
<td>51.0</td>
</tr>
<tr>
<td>Lower-middle Class</td>
<td>220</td>
<td>22.0</td>
</tr>
<tr>
<td>Lower Class</td>
<td>174</td>
<td>17.4</td>
</tr>
<tr>
<td>Missing</td>
<td>65</td>
<td>6.5</td>
</tr>
<tr>
<td>Total</td>
<td>1000</td>
<td>100.0</td>
</tr>
</tbody>
</table>

As I have previously indicated, in the Western settings, the subjective identification cannot be separated from the objective characteristics; furthermore, the subjective identification has its roots in the objective characteristics. Accordingly, the subjective identification with middle class depends on an individual’s awareness of objective class divisions and the salience of these divisions and also his/her belonging to middle class. However, in Chinese society, the individuals’ subjective perception of class membership has not yet emerged, even though the objective bases of class differences have formed in the period since the beginning of the post-Mao reform. Based on this argument, my hypothesis was that there would be no correlation between the objective and subjective measurements. Upon testing the bivariate correlation between subjective and objective indicators (i.e., the qualitative measurement of the middle class) from the WVS 2001 China survey, I found that the result supports my expectation: there

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is a very weak positive correlation (Tau-b = 0.072) between these two indicators. This finding is different from the one in the Western settings.

The Crosstab between the subjective and objective measurements from the WVS 2001 China survey presented in Table 2 indicates that those Chinese respondents having an objective middle class status are more likely to identify themselves as middle class, while those respondents not having an objective middle class status also tend to identify themselves as middle class.

Table 2. Crosstab between Subjective and Objective Measurements of Middle Class in Chinese Settings (WVS 2001 China Survey)

<table>
<thead>
<tr>
<th>Objective Measurement</th>
<th>Subjective Measurement</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-Middle Class</td>
<td>50.4%</td>
<td>49.6%</td>
</tr>
<tr>
<td></td>
<td>Middle Class</td>
<td>39.7%</td>
<td>60.3%</td>
</tr>
</tbody>
</table>

Note: Kendall’s Tau-b = 0.072, Sig. = 0.022.

Why do half of Chinese respondents having no objective middle class status still identify themselves as middle class? There are at least two possible explanations. First, the self-perception of middle class status may be influenced by other subjective orientations. For example, when explaining the perceptual obstacles to class consciousness, Morris Rosenberg argues that false class consciousness may emerge when “the individual identifies with his future self, e.g., an ambitious young worker who hopes

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69 Lu Xueyi and his associates also find the same pattern: there is weak correlation between objective indicator and subjective evaluation of social class. Please see Lu, ed., Research Report on Contemporary China’s Social Classes, 33.
by diligence and initiative to elevate himself to supervisory capacity or eventually own his business."\textsuperscript{70} Thus, it may be the case that most people in a developing country such as China are longing to become members of the middle class and therefore may subjectively (or wishfully) identify themselves with the middle class, even they do not have objective middle class characteristics. As Table 2 indicates, over 50% of Chinese respondents subjectively identified themselves with the middle class, while only 13% of them were objectively qualified to be included in the middle class category.

Second, cultural contexts may also become an obstacle to the formation of class consciousness in different societies. In the Chinese setting, Confucian culture may exert a negative influence on the Chinese people’s subjective class identification.\textsuperscript{71} Influenced by the traditional Confucian culture, Chinese people tend to be “face-saving” (aimianzi) and believe in the doctrine of the mean (zhongyong), and thus Chinese people are more likely to identify with the “middle class” subjectively. Those who belong to the lower class objectively may identify with “middle class” subjectively to save face; on the other hand, those belong to the upper class objectively may identify with the “middle class” since they believe in the doctrine of the mean and do not want to be boastful.\textsuperscript{72}

\textbf{B. Quantitative Branch of the Objective Approach}

Along with the subjective measurement, objective measurements have been widely used by China scholars to define the middle class of the Chinese population.

\textsuperscript{70} Rosenberg, “Perceptual Obstacles to Class Consciousness,” 27.
\textsuperscript{72} Shen, “Middle Class Identity and Structure;” Chou, “Occupational Status.”
Among these objective measurements, income is the one most often used. For example, David Goodman asserts that, as of 1997, in the more developed, coastal parts of South and East China, a person with a monthly income of above 5,000 to 6,000 RMB is regarded as being a member of the middle class; whereas, in the less developed parts of West China, a person with a monthly income of above 3,500 to 4,500 RMB is regarded as a being a member of the middle class. Alastair Iain Johnston uses monthly household income to determine middle class status. He says that “the middle class is constituted by respondents whose monthly household income is 3,000 RMB or more.” Hangsheng Zheng and Lulu Li assert that, as of 2000, an urban citizen living outside Beijing with a monthly income of 1,000 to 10,000 RMB is a member of the middle class; while for Beijing residents, a person with a monthly income of 2,000 to 20,000 RMB is a member of the middle class.

However, this income-based, quantitative measurement of middle class status has serious drawbacks in both practice and theory. In practice, it is very hard to achieve any consensus on the criterion of income when defining middle class, since first, actual personal income is hard to determine. There tends to be a huge gap between reported (or nominal) and actual incomes in many occupational groups in China, and the latter is often kept secret for various reasons, such as tax evasion (which is highly prevalent in China). Beyond that, in Chinese society income does not necessarily represent a person’s real socioeconomic status. To quote Jie Chen: “most private entrepreneurs have much higher

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73 Goodman, “The New Middle Class.”
75 Zheng and Li, Social Structure of the Cities in Contemporary China.
incomes than government bureaucrats. [However,]...members of both groups may enjoy very similar living standards (in many cases, bureaucrats may enjoy even higher living standards than average private entrepreneurs)....While the entrepreneurs usually use their monetary resources to maintain such living standards, the bureaucrats in general achieve these standards through their administrative power and government perks.\textsuperscript{77}

Secondly, income varies dramatically among geographical areas in a fast changing society such as China.\textsuperscript{78} For example, the average monthly income of residents in developed areas is 2.5 times higher than the average of those in underdeveloped areas. And the average monthly income of urban residents in China is 2.5 times higher than the average of those in rural China. Moreover, the average monthly income of urban residents in developed areas is 5.4 times higher than the average of rural residents in underdeveloped areas.\textsuperscript{79} Table 3 documents the income difference among different areas in contemporary China.

Table 3. The Distribution of Monthly Income in Different Regions

<table>
<thead>
<tr>
<th>Regions</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed Urban Area</td>
<td>1250.02</td>
<td>1285.99</td>
</tr>
<tr>
<td>Less Developed Urban Area</td>
<td>631.79</td>
<td>702.15</td>
</tr>
<tr>
<td>Underdeveloped Urban Area</td>
<td>741.02</td>
<td>1466.10</td>
</tr>
<tr>
<td>Developed Rural Area</td>
<td>638.28</td>
<td>828.54</td>
</tr>
<tr>
<td>Less Developed Rural Area</td>
<td>350.47</td>
<td>1074.02</td>
</tr>
<tr>
<td>Underdeveloped Rural Area</td>
<td>233.45</td>
<td>612.45</td>
</tr>
</tbody>
</table>

Note: Developed regions include Beijing, Shanghai, Zhejiang, and Jinagsu; less developed regions include Shangdong, Hei’longjiang, and Hebei; underdeveloped regions include Guizhou, Sichuang, He’nan, Jiang’xi, and Nei’menggu.

\textsuperscript{77} Chen, \textit{Popular Political Support in Urban China}, 90.  
\textsuperscript{78} Li, “The Composition and Size of China’s Contemporary Middle Class;” Zheng and Li, \textit{Social Structure of the Cities in Contemporary China}.  
\textsuperscript{79} Li, “The Composition and Size of China’s Contemporary Middle Class.”

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In theory, as I have discussed, the middle class is not a quantitatively defined middle layer in a society, but a qualitative category comprising a set of social-political characteristics that make the middle class distinctive, that is, owning small properties, supervising others, possessing professional expertise. The income-based definition of the middle class offered by China scholars is lacking any theoretical basis upon which to explain whether such measurement of the Chinese middle class also includes those social-political characteristics.

Within the quantitative branch of objective measurement, education has also been used by China scholars to define the middle class in China. Zheng and Li assert that an urban citizen with some university-level education or graduate-level education is a member of the middle class. The education-based class scheme offered by Zheng and Li is presented in Table 4. In this table, we can see that in 10 Chinese cities, the middle class constitutes about 26% of the Chinese population.

Table 4. Objective Middle Class by the Education-Based Measurement in 10 Chinese Cities

<table>
<thead>
<tr>
<th>Objective Class Identity</th>
<th>Highest Education Received</th>
<th>10 Chinese Cities (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Class</td>
<td>Elementary School and Below</td>
<td>13.7</td>
</tr>
<tr>
<td></td>
<td>Middle School</td>
<td>24.7</td>
</tr>
<tr>
<td></td>
<td>High School and Equivalent Education</td>
<td>35.6</td>
</tr>
<tr>
<td>Middle Class</td>
<td>Higher Education(^1)</td>
<td>25.7</td>
</tr>
</tbody>
</table>

Note: \(^1\) Higher education includes middle-level and high-level vocational education, college-level education, and graduate-level education.

80 Zheng and Li, *Social Structure of the Cities in Contemporary China.*
However, this education-based measurement excludes most self-employed individuals, who do not necessarily possess a higher education. As I will discuss in Chapter III, most Chinese self-employed individuals are not well-educated, especially those who started their businesses in the 1980s. However, self-employed individuals have been regarded as a backbone of the middle class in Western society. The European self-employed small business person has, since the seventeenth century, presented himself as the most steadfast supporter of democracy, has greatly resented the monarchial intrusions on his properties and has thus engaged in and political struggles to defend his economic interest, which eventually contributed to the emergence and rise of lawful democracy.\textsuperscript{81}

C. Qualitative Branch of the Objective Approach

On the other hand, in the qualitative branch of the objective approach, Lu Xueyi and his associates present a comprehensive picture of social stratification in China mainly by drawing upon the neo-Marxist measurement. In addition to Erik Olin Wright's three sub-dimensions (means of production, position in authority structure, and possession of skills and expertise), Lu and his associates include the sub-dimension, within or outside the political system (tizhinei or tizhiwai).\textsuperscript{82} They argue that, unlike Western societies, political institutions have exerted a tremendous impact on the pattern of social stratification in Chinese society.\textsuperscript{83} In the Chinese context, those positioned in the core of

\textsuperscript{81} Glassman, \textit{China in Transition}; and idem, \textit{The Middle Class and Democracy in Socio-Historical Perspective}; and idem, \textit{The New Middle Class and Democracy in Global Perspective}.

\textsuperscript{82} Lu, ed., \textit{Research Report on Contemporary China's Social Classes}; and idem, ed., \textit{Social Mobility in Contemporary China}.

\textsuperscript{83} For example, from 1949 to 1978, the Chinese party-state successfully transformed Chinese society from a strong class-divided one which characterized before-1949 Chinese society to a statist one in which the
the political system usually enjoy much more socio-political privileges than those positioned outside the political system. As I have discussed, government bureaucrats may not earn more income than private entrepreneurs, but they may nonetheless have higher living standards by virtue of their administrative power. Lu and his associates have distinguished three positions in the political system in China today: the core of the political system, the periphery of the political system, and outside the system.84 The core of the political system includes most government agencies (zhengfu bumen) within the party and state apparatus, and some advantaged public organizations (shiye danwei), which are nonprofit organizations in the public domain. The core of the political system monopolizes the power of redistributive benefits and enjoys a large portion of redistributive benefits. The periphery of the political system includes disadvantaged public organizations and enterprises owned by the central government or local governments (guoyou qiye). The periphery of the political system has little redistributive power, enjoys only a small portion of redistributive benefits, and has had to extract resources from their market activities. Most collective enterprises (jiti qiye), private enterprises, foreign-related enterprises, self-employed businesses, and peasants are positioned outside of the political system and thus enjoy little redistributive benefits.

Lu and his associates identified 10 social classes based on occupational differences in contemporary Chinese society: (a) administrative personnel of state affairs and social affairs, (b) managerial personnel, (c) private entrepreneurs, (d) professionals, (e) civil servants, (f) self-employed individuals, (g) service workers, (h) industry workers, (i) peasants, and (j) unemployed and semi-unemployed. Table 5 documents the positions

objective economic bases of social classes were eroded. I will discuss more in detail how political institutions influence the pattern of social stratification within Chinese society in Chapter III.84 Lu, ed., Social Mobility in Contemporary China.

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of each occupational group in the Chinese social structure in terms of the means of production, position in authority structure, possession of skills and expertise, and position in the political system.\textsuperscript{85}

According to Lu and his associates, administrative personnel of state affairs and social affairs are bureaucrats in government agencies.\textsuperscript{86} They are positioned in the core of the political system, monopolize the political resources, and enjoy most of the redistributive benefits.\textsuperscript{87} Private entrepreneurs are those owners of enterprises that employ more than eight non-family employees and that were legitimized as a part of the Chinese economy only after 1988. Private entrepreneurs own the large means of production, and even though they were positioned outside the political system, they were gradually co-opted by the party-state.\textsuperscript{88}

Managerial personnel include all managers in state-owned enterprises, private enterprises, and joint-venture enterprises. They do not own the means of production; rather, they have the responsibility of managing the means of production. Most of them are well-educated and possess some cultural capital.

Professionals are those occupations that involve specialized training and skills such as engineers, accountants, lawyers, doctors, university professors, researchers, and so on. Since the professional occupations require specialized training, most professionals possess cultural capital.


\textsuperscript{86} Ibid.

\textsuperscript{87} In the Chinese bureaucratic system there are four bureaucratic ranks: \textit{bu} (ministry), \textit{ju} (bureau), \textit{chu} (division), and \textit{ke} (section). In specific, administrative personnel of state affairs and social affairs include those bureaucrats having bureaucratic ranks higher than \textit{chu} in the central government or provincial governments, and those having bureaucratic ranks higher than \textit{ke} in the local governments.

\textsuperscript{88} Dickson, \textit{Red Capitalists in China}. 

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Table 5. A Formal Model on Social Class in China offered by Lu Xueyi and His Associates

<table>
<thead>
<tr>
<th>Position in Labor Division</th>
<th>Position in Authority Structure</th>
<th>Means of Production</th>
<th>Inside/Outside the Political System (tizhinei/tizhiwai)</th>
<th>Major Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative personnel of state affairs and social affairs</td>
<td>High and Middle-level professional and technical rank</td>
<td>High and Middle-level management</td>
<td>Agents (Do not possess means of production, but control or dispose)</td>
<td>The core of the political system</td>
</tr>
<tr>
<td>Managerial personnel</td>
<td>High and Middle-level professional and technical rank</td>
<td>High and Middle-level management</td>
<td>Employee (Do not possess means of production, but control or dispose)</td>
<td>The periphery of the political system or outside the system</td>
</tr>
<tr>
<td>Private entrepreneurs</td>
<td>High-level management</td>
<td></td>
<td>Employer (Possess means of production)</td>
<td>Outside the political system</td>
</tr>
<tr>
<td>Professionals</td>
<td>High and Middle-level professional and technical rank</td>
<td>Self-managed or be managed (Independent to some extent)</td>
<td>Employee or self-employed (Not possess means of production)</td>
<td>Inside the political system or outside the system</td>
</tr>
<tr>
<td>Civil servants</td>
<td>Middle and low-level professional and technical rank</td>
<td>Being managed or middle and low-level management</td>
<td>Employee (Do not possess means of production)</td>
<td>Inside the political system or outside the system</td>
</tr>
<tr>
<td>Self-employed labors (getihu)</td>
<td>Management or self-managed</td>
<td>Self-employed or employer (possess means of production)</td>
<td>Outside the political system</td>
<td>Some economic</td>
</tr>
<tr>
<td>Commercial and Service workers</td>
<td>Skilled, semi-skilled and unskilled labors</td>
<td>Being managed or low-level management</td>
<td>Employee or self-employed (Do not possess means of production)</td>
<td>Inside the political system or outside the system</td>
</tr>
<tr>
<td>Industry workers</td>
<td>Skilled, semi-skilled and unskilled labors</td>
<td>Being managed or low-level management</td>
<td>Employee or self-employed (Do not possess means of production)</td>
<td>Inside the political system or outside the system</td>
</tr>
<tr>
<td>Peasants</td>
<td>Skilled, semi-skilled and unskilled labors</td>
<td>Self-managed</td>
<td>Employee or self-employed (possess some means of production)</td>
<td>Inside the political system or outside the system</td>
</tr>
<tr>
<td>Unemployed</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>
Civil servants include staff members in the government and party agencies, and office workers in all types of enterprises and organizations. They hold white-collar jobs and most of them have at least a university-level education.

The self-employed individuals are those owners of businesses that employ less than eight non-family employees. They own some means of production and manage their businesses by themselves. Unlike the private entrepreneurs who own a large amount of economic capital, most self-employed individuals own only a small amount of economic capital. In the Chinese context, most self-employed individuals are not well-educated, especially those who started their businesses in the 1980s.

Service workers are those who work in the wholesale or retail trade, or other service-related occupations. Industry workers include all types of workers in all types of production-related enterprises. In most instances, China scholars will combine service workers and industry workers into one category as “workers”. Peasants are agricultural workers who live in rural China. Generally, peasants possess no means of production and are not in a position to access government distributive benefits. Unemployed and semi-unemployed refer to those who do not have a job at all or who do not have a stable occupation.

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89 Most workers are not well educated and have a lower economic status than other social segments such as administrative personnel of state affairs and social affairs, managerial personnel, private entrepreneurs, professionals, civil servants, and self-employed individuals and they are becoming increasingly proletarianized. Please, see Whyte, “The Changing Role of Workers;” Weston, “China’s Labor Woes;” Lee, “Pathways of Labor Insurgency.”

90 Since the 1950s, the Chinese party-state designed a household registration (hukou) system to divide China into two parts: rural and urban. The household registration (hukou) system was established by the Chinese party-state in 1955 as “one of its procedures for solidifying administrative control” and it distinguished rural from urban and restricted the migration from rural to urban. Moreover, urban residents enjoyed certain privileges such as access to education, housing, health care, all but the most menial jobs and so on. There was little chance for a rural peasant to become an urban resident. Please see Xiaogang Wu and Donald J. Treiman, “The Household Registration System and Social Stratification in China: 1955-1996,” *Demography* 41, no. 2 (2004): 363-84.
This dissertation mainly draws upon the *qualitative* branch of the objective approach to identify the Chinese middle class. This branch of the objective approach does not suffer from a significant drawback of the quantitative branch. This is mainly because, in contemporary China, occupations are much easier to determine and are more consistent across regions than personal income, and they tend to present "groupings that are distinct and separate from one another."\(^9\) Therefore, the occupation-based, qualitative measurement (of the objective approach) should be a more reliable and useful indicator of the middle class in the Chinese setting. In addition, such a measurement seems to be more suitable for cross-nation comparison, since the modern occupations used in this measurement (i.e., white-collar professional, private entrepreneur, managerial personnel, and white-collar office workers) arise largely from the general trends of modernization and industrialization at the global level, and hence have commonalities across countries.\(^9\)

Furthermore, in the Western literature, the middle class is meant to refer to a group of persons who carry a set of distinctive social-political characteristics (i.e., owning small properties, supervising others, and possessing professional expertise). Thus when I define the middle class in China, it is crucial that my definition of the middle class include those same characteristics. Consequently, based on the qualitative branch of the objective approach, I operationalize the middle class in China by combining four occupational groups typically used in the Western settings: self-employed laborers (i.e., private entrepreneur of small or medium-sized business in the Chinese context),

managerial personnel, professionals, and civil servants (i.e., white-collar office workers in the Chinese context).

Based on this qualitative branch, I group the 10 occupational categories presented by Lu Xueyi and his associates into three social classes: upper class, middle class, and lower class.

Table 6. Class Scheme Used in Analyzing the Chinese Middle Class

<table>
<thead>
<tr>
<th>The Original Scheme as used by Lu Xueyi and his associate</th>
<th>Revised Chinese Class Scheme by this Dissertation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I Administrative Personnel of State Affairs and Social Affairs</td>
<td>I+II Upper Class</td>
</tr>
<tr>
<td>II Private Entrepreneurs</td>
<td></td>
</tr>
<tr>
<td>III Managerial Personnel</td>
<td>III+IV+ Middle Class</td>
</tr>
<tr>
<td>IV Professionals</td>
<td>V+VI</td>
</tr>
<tr>
<td>V Self-Employed Laborers (Getihu)</td>
<td>VII+</td>
</tr>
<tr>
<td>VI Civil Servants</td>
<td>VIII+ Lower Class</td>
</tr>
<tr>
<td>VII Service Workers</td>
<td></td>
</tr>
<tr>
<td>VIII Industry Workers</td>
<td>IX+X</td>
</tr>
<tr>
<td>IX Peasants</td>
<td></td>
</tr>
<tr>
<td>X Unemployed and Semi-Unemployed</td>
<td></td>
</tr>
</tbody>
</table>

I classify four occupational groups as belonging to the category of the middle class: self-employed laborers, managerial personnel, professionals, and civil servants. There are several reasons to include civil servants in the category of “middle class”. First, in China today, the group of white-collar office workers is composed mainly of civil servants that include staff members in the government and party agencies, public organizations, and office workers in all types of enterprises. Secondly, in the Western settings, civil servants are often recognized as an integral component of the middle class.
Lastly, in the Chinese context, as I have just discussed, most civil servants hold white-collar jobs and possess some cultural, economic, and political capital.

This dissertation draws upon the 2000 Beijing Survey on “Election and Urban Local Self-Governance” to identify the Chinese middle class objectively according to the qualitative branch of objective measurement. The 2000 Beijing survey reports that in 2000 approximately 15% of Beijing respondents belonged to the objective middle class category according to the qualitative branch.

### Table 7. Distribution of Social Classes among Beijing Residents in Objective Term

<table>
<thead>
<tr>
<th>Qualitative Class Identity</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper Class</td>
<td>47</td>
<td>5</td>
</tr>
<tr>
<td>Middle Class</td>
<td>138</td>
<td>14.6</td>
</tr>
<tr>
<td>Lower Class</td>
<td>761</td>
<td>80.4</td>
</tr>
<tr>
<td>Total</td>
<td>946</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Furthermore, as will be discussed in the following chapter, due to the continued importance of the state institutions in influencing ordinary Chinese citizens’ life opportunities during the reform era, the formation of the middle class in contemporary China follows two distinct paths. The first is through the state institutions, where middle class positions in government and party agencies, state-owned enterprises and public organizations are considered to be “closed” positions, and the access to these positions is subject to screening for political loyalty and party membership. This subgroup of the middle class includes the managers in the state-owned enterprises,

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professionals in the public organizations, and staff members in the government and party agencies and public organizations. The second path is through the market institutions, where middle class positions in the private sector are considered to be “open” positions, and the access to these positions is determined by the workings of the market institutions. This sub-group of the middle class includes the managers in the private and foreign-related enterprises, professionals in the private sector, self-employed laborers, and white-collar office workers in the private entities.

Table 8. The Occupational Distribution of the Chinese Middle Class by Sector

<table>
<thead>
<tr>
<th>Occupations</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers in the state-owned enterprises</td>
<td></td>
</tr>
<tr>
<td>Professionals in the public organizations</td>
<td></td>
</tr>
<tr>
<td>Staff members in the government and party agencies and</td>
<td></td>
</tr>
<tr>
<td>public organizations</td>
<td>Public Sector</td>
</tr>
<tr>
<td>Managers in the private and foreign-related enterprises</td>
<td></td>
</tr>
<tr>
<td>Professionals in the private sector</td>
<td></td>
</tr>
<tr>
<td>Self-employed laborers</td>
<td></td>
</tr>
<tr>
<td>White-collar office workers in the private entities</td>
<td>Private Sector</td>
</tr>
</tbody>
</table>

Based upon the 2000 Beijing Survey, I calculate the percentage of these two subgroups in the Chinese middle class as follows: about 55% of the Chinese middle class belongs to the first subgroup, which is employed in the public sector, whereas about 45% of the Chinese middle class belongs to the second subgroup, which is employed in the private sector.
CONCLUSION

This chapter answers the critical question: Who are the people who constitute the middle class in today’s China? Based on the qualitative branch of the objective approach, I operationalize the middle class in China by combining four occupational groups typically used in Western settings: self-employed laborers (i.e., private entrepreneur of small or medium-sized business in the Chinese context), managerial personnel, professionals, and civil servants (i.e., white-collar office workers in the Chinese context). Moreover, the Chinese middle class can be divided into two subgroups: public sector and private sector. I find that, as of 2000, approximately 15% of Chinese urban residents belonged to the objective middle class category, with half of them being employed in the public sector and the other half being employed in the private sector. I will now summarize the major points made in this chapter.

First, in Western settings, there are two dichotomous approaches to the conceptualization of the middle class: objectivist and subjectivist. Furthermore, within the objective approach, two branches are recognized: quantitative and qualitative. All three measurements are valid approaches to the identification of the middle class in Western settings; furthermore, these three measurements are interchangeable in studying the effects of social class status on political attitudes and behaviors.

Second, with the commencement of the Dengist reform in 1978, the objective socio-economic bases of social class differences have formed in Chinese society, whereas the individuals’ subjective perception of class membership is still far from coming into being. Two major factors contribute to the underdevelopment of the Chinese people’s lack of class consciousness. First, since the beginning of the Dengist reform the CCP
banned the discussion of the concept of social class, which tended to blur the Chinese citizen’s perception of himself/herself as a member of a social class; second, the tragic memory of class struggle in the Cultural Revolution made Chinese citizens abhor the concept of social class. The existence of the Chinese citizen’s lack of class consciousness validates my suggestion that objective measurement is the most valid approach for the identification of the middle class in the Chinese context.

Third, within the objective approach, the income-based quantitative branch has been found to have severe drawbacks in the identification of middle class positions. First, it is very hard to achieve a consensus on the criterion of income when defining middle class since actual personal income is hard to determine and varies dramatically among geographical areas in a fast changing society such as China. Second, this income-based measurement tends to find only a quantitatively-determined middle layer in Chinese society rather than a true middle class. The education-based quantitative branch also has been found to have severe drawbacks, as it excludes those self-employed individuals who do not have higher education.
CHAPTER III
THE BACKGROUND OF THE EMERGENCE OF THE CHINESE MIDDLE CLASS

This chapter discusses the emergence of the Chinese middle class in the context of the evolution of Chinese social stratification since 1949 and provides a general framework to explain the relations between the Chinese party-state and the newly rising middle class. This is important because the unique socio-political background of the emergence of the Chinese middle class has played an important role in shaping the attitudinal and behavioral orientations of this class.

This chapter begins with a brief introduction to the pyramid-shaped social structure before 1949 in which a small number of big bourgeoisie and landlords occupied the apex, and then turns to a detailed discussion of how the years immediately after 1949 changed the patterns of social stratification and the social structure that had existed before 1949. Beginning in 1949, the CCP embarked on a set of socio-political programs to eliminate the economic bases of the private economy and also the independence of the urban middle class. Between 1949 and 1978, the CCP successfully transformed China into a statist society in which the party-state reached into every aspect of ordinary citizens' lives.

The post-Mao reform era that beginning in 1978 represented a rupture in the political system that had defined the Maoist period (1949-1978), and it changed the patterns of social stratification in Chinese society dramatically. During the era of post-Mao reform, the emerging market forces have challenged and gradually diminished the importance of state influence in the patterns of social stratification through the
introduction of new mechanisms of resource allocation and the alteration of the
opportunity structure that was monopolized by the Party-state. According to market
transition theory, state and market represent two fundamentally different systems of
resource allocation. Market transition theory suggests the rise of market institutions in
the era of post-Mao reform creates alternative sources of rewards not controlled by the
state institutions, and such a shift reduces dependence on the state. Moreover, this
theory suggests that as power—control over resources—shifts progressively from state
institutions to market institutions, there will be a change in the distribution of rewards
favoring those who hold market rather than state power. Based on this theory, one
would expect that the Chinese middle class, the majority of whom hold market power,
will grow more independent and will gain an increasingly larger share of the distribution
of rewards.

By contrast, the state-centric model illustrates the continued influence of state
institutions on ordinary citizens' lives during the reform era. The premise of the state-
centric model is based on an insight from new institutionalism theories that the state plays

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3 Nee, "The Emergence of a Market Society;" and idem, "A Theory of Market Transition."

a crucial role in setting up institutional contexts within which social forces interact.5

Based on this insight, the state-centric model suggests that, “given the historical role of the state in China, and the prevalence of vested interests associated with existing institutions, there is no reason to doubt that the remaking of institutional rules in China’s economic transformations will be heavily influenced by the vested interests and the state’s own interests.”6

The state-centric model helps us understand why, despite the societal transformations wrought by market forces in the post-Mao China, state institutions have continued to play an important role in determining the patterns of social stratification, and it identifies and conceptualizes the unique forms of China’s market economy, in which all kinds of economic agents cultivate relations with political institutions and are involved in a wide variety of rent-seeking behaviors.7 The state-centric model refines the logic of China’s economic transformations and suggests that the newly emerging social strata such as the private entrepreneurs and middle class are still dependent on the state institutions. In fact, the Chinese party-state has evolved in response to the challenges posed by market institutions, creating a set of new institutions—the so-called corporatist institutions—to regulate the unleashed social forces.8 As Margaret Pearson points out, China’s new corporatist institutions reflect “the evolution of socialist systems away from a highly penetrated, Party-dominated Leninist system to one in which a degree of


7 Parish and Michelson, “Politics and Markets.”
autonomy for economic interests outside the Party-state structure is deemed by the state to be necessary for industrialization, at the same time that the state finds it desirable to prevent the independent organization of the societal groups that might undermine the state."\(^9\)

**THE PRE-1949 CHINESE SOCIETY**

The pre-1949 Chinese society may be divided into urban and rural sectors. The rural social structure was characterized by the dominance of a small number of gentry and landowners over the large number of peasants. On the other hand, the urban social structure was characterized by the dominance of a small number of big bourgeoisie and comprador capitalists over a large number of the proletariat.

In his "Analysis of the Various Strata of Chinese Peasantry and Their Attitudes toward Revolution," Mao Zedong identified eight categories of persons in rural China: big landlords, small landlords, owner peasants, semi-owner peasants, semi-hired peasants, poor peasants, hired peasants and rural handicraft workers, and vagabonds.\(^{10}\) These eight categories of persons can be grouped into three classes: landlords and rich peasants, middle peasants, and poor peasants. Big and small landlords belonged to the upper class of landlords and rich peasants and they occupied the apex of the pyramid-shaped social structure in rural China.\(^{11}\) The landlords and rich peasants, who prior to 1949 owned more than 70 percent of the arable land despite constituting less than 10% of the rural

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\(^8\) Dickson, *Red Capitalists in China*; Goodman, "The New Middle Class;" Pearson, *China's New Business Elite*.


population (Table 9), relied on the exploitation (e.g., high rents) of poor peasants for their living. Owner peasants belonged to the class of middle peasants and most of them owned enough land to be self-sufficient. Semi-owner peasants, semi-hired peasants, poor peasants, hired peasants and rural handicraft workers, and vagabonds all belonged to the category of poor class and they owned little land or no land at all. According to Mao Zedong, semi-owner peasants were better off than other components of poor peasants who owned no land at all. Overall, the semi-hired peasants, poor peasants and hired peasants were vulnerable to exploitation by the class of landlords and rich peasants for whom they worked. The vagabonds referred to those who did not work. Before 1949, the class of middle and poor peasants owned less than 30 percent of arable land despite constituting more than 90 percent of the rural population (Table 9).

In the urban areas, there were four major categories of social groups: big bourgeoisie, middle bourgeoisie, petty bourgeoisie, workers and unemployed. The big bourgeoisie referred to bureaucratic capitalists (guanliao zibenjia) whose capital was tied to the Nationalist Party (kuomingdang) and comprador capitalists (maiban zibenjia) whose capital was tied to foreign capitals. The middle bourgeoisie were the so-called national capitalists (minzu zibenjia) whose capital had nothing to do with the Nationalist Party and/or foreign capitals. The middle bourgeoisie were the so-called national capitalists (minzu zibenjia) whose capital had nothing to do with the Nationalist Party and/or foreign capitals.

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12 Mao, “Analysis of the Various Strata of Chinese Peasantry and Their Attitudes toward Revolution.”
14 Before 1949, the Nationalist Party (kuomingdang) was the ruling party of the Republic of China. After the civil war (1946-1949), the Communist Party defeated the Nationalist Party and established the People’s Republic of China in 1949.
Table 9. The Ownership of Lands in Rural China Before and After Land Reform

<table>
<thead>
<tr>
<th></th>
<th>Landlord and Rich Peasants</th>
<th>Middle Peasants and Poor Peasants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>East China</td>
</tr>
<tr>
<td><strong>Before</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of Rural Population</td>
<td>&lt;10</td>
<td>4</td>
</tr>
<tr>
<td>Average Possession of Arable Lands</td>
<td>—</td>
<td>14.26</td>
</tr>
<tr>
<td>Lands $per$ Person (mu$^1$)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of Arable Lands</td>
<td>&gt;70</td>
<td>36.49</td>
</tr>
<tr>
<td><strong>After</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of Rural Population</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Average Possession of Arable Lands</td>
<td>—</td>
<td>2.12</td>
</tr>
<tr>
<td>Lands $per$ Person (mu$^1$)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of Arable Lands</td>
<td>8</td>
<td>2.76</td>
</tr>
</tbody>
</table>

Source: Qiu, The Changes of Social Stratification in Contemporary China, 40.

Note: $^1$. Mu is a traditional unit of area, and is equal to 6.667 ares or 0.165 acre.
The petty bourgeoisie included teachers, lawyers, doctors, low-level business and government employees, small merchants, and handicrafts operators and so on. The workers mainly consisted of industrial workers and the so-called urban coolie laborers (*kuli*). There is no reliable data describing the percent of each group in the urban population.

The class of big bourgeoisie and landlords were the ruling class during the period of the Republic of China (1911-1949). Three things should be noted here: first, the social structure in the cities was also pyramid-shaped, with the class of big bourgeoisie occupying the apex and the other social groups at various levels beneath them; second, over 80 percent of Chinese population lived in the rural areas and less than 20 percent lived in the cities; third, with economic development and the gradual industrialization in the first part of twentieth century, the middle class, including managerial personnel, professionals, small businessmen, and white-collar office workers, emerged in the cities.

Based on the estimate offered by Lu Xueyi and his associates,15 I calculated the percent of middle class in Chinese society in 1949. If we group managers, civil servants, professionals and self-employed laborers together, the middle class constituted approximately 7% of Chinese population (Table 10). This small but gradually rising middle class had gained some economic and/or political independence under the rule of the Nationalist Party and had a greater degree of self-determination in regard to such matters as their life style and occupational advancement, much like their counterparts in Western societies.16

15 Lu, ed., *Social Mobility in Contemporary China.*
Table 10. The Distribution of Social Groups in Chinese Society in 1949

<table>
<thead>
<tr>
<th>Social Groups</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Personnel of State Affairs and Social affairs</td>
<td>0.48</td>
</tr>
<tr>
<td>Capitalists</td>
<td>0.37</td>
</tr>
<tr>
<td>Managers</td>
<td>0.37</td>
</tr>
<tr>
<td>Civil Servants&lt;sup&gt;1&lt;/sup&gt;, Professionals</td>
<td>2.57</td>
</tr>
<tr>
<td>Self-employed laborers (&lt;i&gt;getihu&lt;/i&gt;)&lt;sup&gt;2&lt;/sup&gt;</td>
<td>3.70</td>
</tr>
<tr>
<td>Service workers</td>
<td>0.45</td>
</tr>
<tr>
<td>Industry workers</td>
<td>2.86</td>
</tr>
<tr>
<td>Peasants</td>
<td>88.0</td>
</tr>
<tr>
<td>Unemployed</td>
<td>1.29</td>
</tr>
<tr>
<td>Total</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Lu, ed., <i>Social Mobility in Contemporary China</i>, 40.

Note: 1. The group of civil servants equals the sector of white-collar office workers in the middle class.
2. The group of self-employed laborers equals the sector of medium and small-size businessmen in the middle class.


A. The Destratification of the Maoist Era

The new policies of the post-1949 Maoist regime represented a major departure from the policies of the pre-1949 era: under the Maoist regime, the government was committed to the elimination of class differences in order to create a classless and equal society. The direct consequence of these policies was the so-called “destratification”, in which the observed class lines of the prior-1949 era were eliminated.<sup>17</sup>

To achieve this goal, the Communist Party first took measures to eliminate the economic bases of private economy. The CCP had already begun implementing a policy

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of land reform in 1946 in the rural areas of northern China that were under its control and in 1950-1953 it brought this campaign to the rest of China. In the land reform campaign, the Party classified the rural population according to five categories: landlords, rich peasants, middle peasants, poor peasants, and hired peasants and other workers, based upon Mao Zedong’s analysis of the various strata of Chinese peasantry. The Party confiscated most of the wealth and land of the landlord and rich peasant classes and redistributed them to the poor peasant and hired peasant classes. The direct result of the land reform campaign was a dramatic change in the distribution of land: before the land reform, the landlord and rich peasant classes owned more than 70 percent of the arable land, whereas after the land reform, they owned only 8 percent; the middle and poor peasant classes occupied less than 30 percent of the arable land before reform, whereas after the land reform they owned more than 90 percent (Table 9).

During the land reform campaign, the Party also identified two new classes of people—the so-called “counter-revolutionaries” and “bad element.” These “counter-revolutionary” or “bad element” classes referred to those people who, prior to 1949, had been members of the local Nationalist Party political authorities, landlords’ henchmen, active opponents of the Communist Party, or simply bullies and bandits.18 These counter-revolutionaries and bad elements together with the landlords and rich peasants formed the so-called “four bad categories” (silei fenzi) that were the officially designated enemies of the middle and poor peasant classes. According to the official policy, the wealth and land of these “four elements” had to be taken away.19

18 Whyte, “Inequality and Stratification in China,” 699.
19 Qiu, The Changes of Social Stratification in Contemporary China; Whyte, “Inequality and Stratification in China.”
Immediately after the land reform, the Party initiated socialist collectivization in the rural areas. There were three rationales behind this campaign of agricultural collectivization: first, the private land owned by the peasants after the land reform was not compatible with a socialist economy; second, the Party believed that collectivization was the only means by which the economic inequalities that continued to exist among peasants in the rural areas after the land reform could be rectified; and, third, collectivization was designed to mobilize peasant labor for the purpose of increasing agricultural growth.20 Beginning in 1952, the Party took measures to set up mutual aid teams, “lower level” agricultural producers’ cooperatives and “high level” agricultural producers’ cooperatives. As of 1952, about 40 percent of the peasant households participated in the mutual aid teams, 0.1 percent had joined the “lower level” agricultural producers’ cooperatives, and less than 0.1 percent had joined the “high level” agricultural producers’ cooperatives.21 In 1955-1956, the collectivization program was carried to completion. The “high level” agricultural producers’ cooperatives were widely established; as of 1957, about 1.2 hundred million peasant households were members of these “high level” cooperatives (Table 11). In 1958, most of these cooperatives were transformed into people’s communes (renmin gongshe). After that, almost all of rural land was owned by the people’s communes collectively and the basis of the private economy in the rural areas was eliminated: individuals did not have ownership of land and could not buy or sell land.

Table 11. The Development of Agricultural Producers’ Cooperatives

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Cooperatives (in ten thousands)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High level Cooperatives</td>
<td>0.0001</td>
<td>0.0002</td>
<td>0.02</td>
<td>0.05</td>
<td>54.4</td>
<td>75.3</td>
</tr>
<tr>
<td>Lower Level Cooperatives</td>
<td>0.4</td>
<td>1.5</td>
<td>11.4</td>
<td>63.3</td>
<td>21.6</td>
<td>3.6</td>
</tr>
<tr>
<td>Number of Peasant Households in Cooperatives (in ten thousands)</td>
<td>5.9</td>
<td>27.5</td>
<td>229.7</td>
<td>1692.1</td>
<td>11782.2</td>
<td>12105.2</td>
</tr>
<tr>
<td>in High level Cooperatives</td>
<td>0.2</td>
<td>0.2</td>
<td>1.2</td>
<td>4.0</td>
<td>10742.2</td>
<td>11945.0</td>
</tr>
<tr>
<td>in Lower level Cooperatives</td>
<td>5.7</td>
<td>27.3</td>
<td>228.5</td>
<td>1688.1</td>
<td>1040.1</td>
<td>160.2</td>
</tr>
</tbody>
</table>

Source: Qiu, *The Changes of Social Stratification in Contemporary China*, 44.

In the urban areas, by 1950, the Party had nationalized the enterprises owned by the bureaucratic and comprador capitalists. Over time, most of these enterprises evolved into state-owned enterprises under the direct administration of the central government. In 1950, the government began to make efforts to reduce the control of national capitalists over their enterprises. In the same period, the number of these private enterprises and their output increased, reaching a peak in 1954 (Table 12). During this same period, the government also launched a program of collectivization of the industrial and commercial enterprises owned by the petite bourgeoisie—the so-called handicraft industry (*shou gongye*). As a consequence of these policies, the number of private enterprises declined to only 869, and their output declined to the value of 2.9 million Chinese yuan (Table 12).

Most of the self-employed small merchants and handicrafts operators joined the handicraft cooperatives: as of 1956, about 92 percent of the self-employed small merchants and handicrafts operators had joined the handicraft cooperatives, with about 8


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percent maintaining the status of self-employment. \textsuperscript{22} Over time, most of these jointly managed enterprises and handicraft cooperatives evolved into collective enterprises under the administration of local government. \textsuperscript{23}

After 1958, national capitalists "became ordinary employees in their enterprises if they continued to work, but they were eligible to draw interest on the much reduced official valuation of their previous capital investment." \textsuperscript{24} Most of the small merchants and handicrafts operators became ordinary salaried employees in the handicraft cooperatives.

\begin{table}
\centering
\begin{tabular}{llll}
\hline
Year & Number & Employees (in 10,000) & Gross output (in hundred million yuan) \\
\hline
1949 & 123165 & 164.4 & 68.28 \\
1950 & 133018 & 181.6 & 72.78 \\
1951 & 147650 & 202.3 & 101.08 \\
1952 & 149571 & 205.7 & 105.26 \\
1953 & 150275 & 223.1 & 131.90 \\
1954 & 133962 & 179.6 & 103.41 \\
1955 & 88809 & 131.0 & 72.66 \\
1956 & 869 & 1.6 & 0.29 \\
\hline
\end{tabular}
\caption{The Socialization of Capitalist Industry (\textit{ziben zhuyi gongye})}
\end{table}

\textit{Source}: Qiu, \textit{The Changes of Social Stratification in Contemporary China}, 47.

In the cities, the Party informally classified the urban population according to five categories: bureaucratic and comprador bourgeoisie, national bourgeoisie, petite bourgeoisie, workers and unemployed, based upon Mao Zedong's analysis of the classes.

\textsuperscript{21} Hsiao, "Agricultural Strategies and Rural Social Changes in Communist China since 1949," 270.
\textsuperscript{22} Qiu, \textit{The Changes of Social Stratification in Contemporary China}, 49.
\textsuperscript{23} Zhou, \textit{The State and Life Chances in Urban China}.
\textsuperscript{24} Whyte, "Inequality and Stratification in China," 704.
in Chinese society.25 The "counter-revolutionary" or "bad element" class designations were used in the cities to refer to those who had ties with the Nationalist Party or foreign capitals and who were active opponents of the Communist Party before 1949. These counter-revolutionaries and bad elements together with the bureaucratic and comprador bourgeoisie constituted the officially designated enemies in the cities.26

The result of the land reform campaign in the rural regions and the socialization of industry and commerce in the urban areas was that the basis of the private economy was eliminated. Almost no Chinese citizens enjoyed the private ownership of productive assets (i.e., land or capital or enterprises); there was no concept of private property in the 1954 Chinese Constitution.27 In conclusion, by 1958, the economic foundations of class differentiation were almost completely eliminated from Chinese society.

Second, the Party took measures to control occupational mobility and occupational advancement in urban China. Almost all urban citizens were assigned to various types of work units (danwei), on which they were dependent for their salary, food, housing, education, welfare and other necessities. According to the official definition, the work unit is "an independent accounting unit with three characteristics: (1) administratively, it is an independent organization; (2) fiscally, it has an independent budget and produces its own accounting tables of earnings and deficits; (3) financially, it

25 Mao, "Analysis of the Classes in Chinese Society."
26 Whyte, "Inequality and Stratification in China."
27 The Chinese constitution has been changed four times due to the change of national politics. The 1954 Constitution of the People's Republic of China was promulgated by the National People's Congress on September 20, 1954. The 1954 Constitution was replaced in the midst of the Cultural Revolution by the 1975 Constitution of the People's Republic of China to reflect the politics of the Cultural Revolution. This Constitution was superseded in 1978 by the 1978 Constitution of the People's Republic of China. Both the 1975 Constitution and the 1978 Constitution suffered from the Cultural Revolution. The current Constitution is the 1982 Constitution of the People's Republic of China which was adopted by the National People's Congress on December 4, 1982. The 1982 Constitution reflects Deng Xiaoping's determination to
has independent accounts in banks and has legal rights to sign contracts with government or business entities.\(^{28}\)

In general, there were four major types of work units: (1) government and party agencies (dangzheng jiguan), (2) public organizations (shiye danwei), (3) state-owned enterprises (SOEs) (guoyou qiye), and (4) collective enterprises (jiti qiye).\(^{29}\) Government or party agencies represented the state and the Party, and included ministries, bureaus, and various departments and offices of the Communist Party from the central level down to the local level. Public organizations were nonprofit institutions in the public arena and included “education and research institutions, and organizations in the medical, publishing, broadcasting, and entertainment sectors.”\(^{30}\) Most of these public organizations were, in varying degrees, administered by the government and the Party. State-owned enterprises were enterprises in the service and production arena that generated profits and were owned by the central government. Most state-owned enterprises were administered by the central government directly; other state-owned enterprises were administered by the local governments of the areas in which they were located. Collective enterprises were not owned by the central government and consequently were not administered by the central government directly. Collective enterprises were financially sponsored and administered by the local governments of the areas in which they were located.

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lay a lasting institutional foundation for China’s modernization and it downplays the importance of class struggle and places top priority on development.


The work units not only fulfilled their administrative or production responsibilities, but also assumed important social responsibilities, including that of providing employees with housing, education, and social welfare.\textsuperscript{31} Thus, in the cities during the Maoist period, it was difficult to survive unless one was associated with a work unit “because housing, food, and other social services were hardly available through the market.”\textsuperscript{32} However, the urban citizens’ living standards and the services received from the work units depended upon the position of his/her work unit in the socialist hierarchy. Usually, the higher the position of the work unit in the hierarchy, the more resources it would have to redistribute to its employees.\textsuperscript{33} Under the socialist system, government and party agencies are distributors and all enterprises have to submit their products and profits to government or party agencies for distribution. Thus, government and party agencies have greater access to resources than public organizations and enterprises. And the socialist system “tended to favor state-owned work units because they were considered the base of the communist regime. State-owned work units had priority when acquiring resources from the government from which to provide housing and [other social services] to their employees.”\textsuperscript{34}

At the end of the 1950s, after the failure of the Great Leap Forward,\textsuperscript{35} the CCP launched a rigid registration (\textit{hukou}) system that assigned all members of Chinese society to one of two categories: urban or rural. According to this registration system, “all

\textsuperscript{32} Wu and Treiman, “The Household Registration System and Social Stratification in China.”
\textsuperscript{33} Wu, “Work Units and Income Inequality,” Zhou, \textit{The State and Life Chances in Urban China}.
\textsuperscript{34} Wu, “Work Units and Income Inequality,” 1074.
\textsuperscript{35} In 1958 the CCP launched the Great Leap Forward campaign under the new “General Line for Socialist Construction”. The Great Leap Forward was aimed at accomplishing the economic modernization in China at a vastly faster pace. In urban China, this campaign focused on steel production through collectivization.
Chinese households were registered in the locale where they resided and also were categorized as either agricultural or non-agricultural households. The agricultural or non-agricultural status was determined at birth, based on the mother’s status, and was fixed for life. The rural peasants were assigned to different people’s communes based on their current residence and worked in the agricultural production of the people’s communes in order to receive food rations for their households. Generally, the peasants were underprivileged: they had no access to the education, housing, and health care that were enjoyed by most urban employees in work units.

The direct result of the work unit program in the cities was that Chinese society became “work unit dependent”. Through the work unit program, the CCP controlled the occupational mobility and advancement of urban citizens. It was the CCP and government that assigned every citizen to the various work units; after these assignments were made, the opportunities for inter-work unit mobility were very few. For example, under the work-unit control of labor, “only half the workers could change jobs in lifetime or 1%-2% per year.”

Moreover, the occupational advancement was determined by the CCP and government. Life chances under the Maoist regime were, according to many studies, primarily determined by one’s exhibited or presumed political loyalties to the CCP. In addition, “political criteria are systematically incorporated and enforced in the allocation of mass labor. In rural China, this campaign focused on the creation of a new political-economic system—the people’s communes. However, the Great Leap Forward ended with economic failure in 1959. Wu and Treiman, “The Household Registration System and Social Stratification in China.” Wu and Treiman, “The Household Registration System and Social Stratification in China;” Kam Wing Chan and Li Zhang, “The Hukou System and Rural-Urban Migration in China: Processes and Changes,” The China Quarterly 160 (1999): 818-55. 

Bian, “Chinese Social Stratification and Social Mobility,” 93.
of opportunities for higher education, better jobs, and more power and privilege.” According to Susan Shirk, the emphasis on political loyalties “contributes to the processes of political consolidation.” The system of reward according to political loyalties is much more amenable to political control than is a system of reward according to merit. And the definition of political loyalty is very flexible, which allows the CCP elites to exploit it to promote their loyal supporters.

Generally, the Maoist period saw the transformation of Chinese society into a relatively egalitarian one in which there were no observable class differences within the Chinese society and the CCP controlled all aspects of ordinary citizens’ life. However, this does not mean that the CCP had completely eliminated inequality. New systemic patterns emerged in the Maoist society. First, economic inequalities between the rural and urban regions grew significantly, rather than shrinking. As has been mentioned, rural peasants, who were fixed to their communes, were separated from access to social welfare resources. In the Maoist period, “the urban-rural income gap grew from approximately 2:1 in the 1950s to anywhere from 3:1 to 6:1.” Second, economic inequalities among different work units in the urban areas became significant. The quality and availability of social welfare resources such as housing, health care, and other services varied significantly according to the type and hierarchical status of the work units.

40 Cao, “Careers Inside Organizations,” 687.
Even the economic bases of social classes were eroded; the Maoist regime still constantly emphasized the importance of "class struggles". In the early period of the regime, the family class background was adopted as the main indicator of a class enemy. In the rural areas, the families belonging to the so-called "four bad categories" were heavily struggled against and discriminated against during the whole Maoist period. For example, "the systematic discrimination against former landlords and rich peasants in rural areas was so severe that it was almost impossible for males of this status to marry."43 In the urban areas, the families belonging to the bureaucratic and comprador bourgeoisie together with the counter-revolutionaries and bad elements suffered systematic discrimination. In both the rural and the urban areas, the Maoist policies did not seem to "have encouraged the pre-1949 elites and their offspring to blend into the rest of society."44 In the 1960s, this ascriptive definition was de-emphasized, as Mao Zedong shifted toward greater reliance on behavioral manifestations of political attitudes to define class enemies. During the Cultural Revolution, many government and Party cadres were "struggled against" as the agency of capitalists within the Party based on their behavioral manifestations.45 According to Mao Zedong, there were two exploiting classes within the country: one was the old exploiting class remaining from the pre-1949 society; the other was a new exploiting class that had emerged from within the Party.46

43 Ibid., 418.
44 Whyte, "Inequality and Stratification in China," 705.
B. The Elimination of the Middle Class

In the period prior to 1949, when there was a greater amount of “physical and social space where such [class] could escape state control and supervision,” a small middle class had emerged and gained some economic and/or political independence. In the Maoist era, however, this class was transformed into one that was “fundamentally dependent on the party-state in every sphere of life,” and was “reduced to a politically subordinate stratum of the salaried civil servants [or workers].”

There were several aspects to this transformation. First, the land reform campaign in the rural region and the socialization of industry and commerce in the urban region eliminated the private economy. As a result, most of the self-employed small merchants and handicrafts operators lost control of their businesses and became ordinary employees of handicraft cooperatives. Thus, one important element of the middle class—the petite bourgeoisie—was transformed into a politically subordinate stratum of salaried workers.

Second, the Party controlled the occupational mobility and advancement of urban workers through the system of work units, assigning managers and professionals to positions in the various types of work units and determining their occupational advancement based on their political loyalties. Additionally, immediately after 1949, the CCP adopted the system of unified job assignment (tongyi fenpei) and, as a result, college graduates lost their autonomy in regard to employment. Thus, the remainder of the middle class—managers and professionals—was transformed into the politically subordinate stratum of the salaried civil servants and college-educated students, who had previously constituted a significant part of the middle class, were forced into the role of salaried civil servants. After the founding of the PRC, the Party announced a national
policy for allocating jobs for college students graduating in 1950, and by 1953—"the first year when all university students were post-1949 matriculants—the system was a standard routine of university life from which no graduate was exempt."48

Thirdly, the Party launched political campaigns to strengthen its control over managers and professionals. The 1958 Hundred Flowers Campaign classified more than 500 thousand managers and professionals as "rightists" and most of these "rightists" were sent to rural China to be reeducated by the peasants. In the political campaigns that followed, these rightist households suffered systematic discrimination. The Maoist regime overtly discriminated against intellectuals, and their social status declined dramatically, culminating in the Cultural Revolution. Additionally, many professionals and managers were "pulled down" from their places and "replaced with new cadres (workers, peasants, and soldiers) who lacked the education, professional training, and know-how to manage the specific tasks at hand."49 During the Cultural Revolution, the educational system was completely disrupted. Between 1966 and 1969, no new students were admitted to college. From 1970 to 1977, colleges recruited only those students who had been recommended by their work units, a decision that was made solely on the basis of students’ political loyalties and family backgrounds.50

Finally, the homogenization of consumption patterns and lifestyles in the Maoist era eliminated the distinctive lifestyle of the middle class.51 This homogenization of consumption patterns and lifestyles was primarily caused by two factors: first, the system of rationing used in the distribution of consumption items, housing, and other social

48 Ibid., 258.
49 Lin and Xie, "Occupational Prestige in Urban China," 797.
50 Ibid.
services, could not form the basis for widely differing consumption patterns; second, the distinctive middle class consumption patterns and lifestyles were politically risky. For example, during the Cultural Revolution, distinctive lifestyles were used as one of the major indicators of class enemies. For this reason, well-educated professionals and managers were careful to adopt, to the extent possible, the lifestyle of the working class. This need to repress the distinctive lifestyles and cultural consumptions that the pre-1949 Nationalist Party had left relatively unrestricted meant that “the professional and managerial stratum lost important resources with which to define and reproduce themselves socially.”

With the elimination of the ownership of private property and with the assertion of complete control over occupational employment in the urban areas, the CCP successfully transformed the pre-1949 independent middle class into an obedient stratum. Furthermore, the CCP banned all middle class civic organizations (such as professional organizations or recreational clubs), as a result of which the ability of the members of the middle class to interact with each other in significant ways was eliminated.

REFORM CHINA (1978-): DIFFERENTIATION AND THE RISE OF THE NEW MIDDLE CLASS

A. Social Differentiation in the Reform Era

The post-Mao reform (since 1978) era represented a rupture from the Maoist period (1949-1978) and it changed the patterns of social stratification in Chinese society

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52 Whyte, “Inequality and Stratification in China,” 696.
dramatically: Maoist China was characterized by the so-called “destratification”; however, post-Mao China was characterized by the return of the pre-1949 social stratification patterns. Since 1978, Chinese society has become differentiated and divided and clear class lines have emerged.

First, the CCP gradually legitimized the existence of private economy in Chinese society and took measures to encourage its development. The development of private economy in China has experienced three major stages: The first stage (1978-1983) is marked by the official revival of private business. However, in this stage the CCP only officially recognized the individual businesses (getihu). For example, Article 11 of the 1982 Chinese Constitution states that, “the individual economy of urban and rural working people, operated within the limits prescribed by law, is a complement to the socialist public economy.” Originally, the sector of individual businesses was “intended to play a marginal, stopgap role and to act as a ‘supplement’ to the state and collective sectors, ‘filling the gaps’ they left in the economy, particularly in the distribution of consumer goods and services and in employment.” And the Chinese government’s decision to recognize the individual economy was also a reaction to a practical need, that is, to solve the severe problem of urban youth unemployment. During the Cultural Revolution, Mao Zedong sent millions of urban students to rural China to accept re-education from peasants. Since reform, most of these young people have returned to urban areas. This put unprecedented pressure on the government and the Party for

55 The individual businesses are only permitted to employ less than eight non-family employees.
employment. To absorb such a great influx of youth labor, the government adopted the policy of developing individual economy to absorb these unemployed youths.\(^{58}\)

The second stage (1984-1992) is characterized by the rise of the private enterprises (siying qiye),\(^ {59}\) which are distinguished from the individual business. In April 1988, the National People's Congress revised Article 11 of the 1982 Chinese Constitution and allowed private business to hire more than the previously permitted eight non-family employees, thus officially recognizing the existence of private enterprises.\(^ {60}\) The new Article 11 states that, "the government allows the private economy to exist and develop within the limits prescribed by law." Accordingly, in June 1988, the State Council issued the "Tentative Stipulations on Private Enterprises" to govern the activities of private firms. According to the "Tentative Stipulations", private enterprises are profitable economic organizations that are owned by individuals and employ more than eight people.\(^ {61}\)

The individual economy has grown rapidly since the CCP's new policy of developing the individual economy. Table 13 indicates that in 1980 the share of the individual economy in national gross industrial output was almost negligible, while at the end of 1980s the share of the individual economy increased to 5.4 percent. In 1978 when the CCP relaxed control over the individual economy, only 150,000 people in urban areas were involved in individual businesses; however, by the end of 1980s this number had increased to 806,000.\(^ {62}\) The striking growth of the individual economy laid a

\(^{58}\) Ibid.

\(^{59}\) The private enterprises are those who employ more than eight non-family employees.

\(^{60}\) Wang, *Chinese Private Economy since Reform and Openness.*


considerable amount of wealth in individual hands. And the accumulation of capital in private hands prepared for the emergence of private enterprises. Some successful individual economy grew and took on more employees and became private enterprises. And, "it was estimated that by the end of 1988, China had 500,000 [individually owned businesses] that could be called private firms." Meanwhile, some private enterprises grew out of the leasing of small and medium state or collective enterprises to individuals.


<table>
<thead>
<tr>
<th>Year</th>
<th>State-owned enterprises %</th>
<th>Collective-owned enterprises %</th>
<th>Individually owned enterprises %</th>
<th>Other types of enterprises %</th>
<th>Total %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>76.0</td>
<td>23.5</td>
<td>0</td>
<td>0.5</td>
<td>100</td>
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<tr>
<td>1985</td>
<td>64.9</td>
<td>32.1</td>
<td>1.9</td>
<td>1.2</td>
<td>100</td>
</tr>
<tr>
<td>1990</td>
<td>54.6</td>
<td>35.6</td>
<td>5.4</td>
<td>4.4</td>
<td>100</td>
</tr>
<tr>
<td>1991</td>
<td>56.2</td>
<td>33.0</td>
<td>4.8</td>
<td>6.0</td>
<td>100</td>
</tr>
<tr>
<td>1992</td>
<td>51.5</td>
<td>35.1</td>
<td>5.8</td>
<td>7.6</td>
<td>100</td>
</tr>
<tr>
<td>1993</td>
<td>47.0</td>
<td>34.0</td>
<td>8.0</td>
<td>11.1</td>
<td>100</td>
</tr>
<tr>
<td>1994</td>
<td>37.3</td>
<td>37.7</td>
<td>10.1</td>
<td>14.8</td>
<td>100</td>
</tr>
<tr>
<td>1995</td>
<td>34.0</td>
<td>36.6</td>
<td>12.9</td>
<td>16.6</td>
<td>100</td>
</tr>
<tr>
<td>1996</td>
<td>33.7</td>
<td>36.5</td>
<td>14.4</td>
<td>15.4</td>
<td>100</td>
</tr>
<tr>
<td>1997</td>
<td>29.8</td>
<td>35.9</td>
<td>16.9</td>
<td>17.4</td>
<td>100</td>
</tr>
<tr>
<td>1998</td>
<td>26.5</td>
<td>36.0</td>
<td>16.0</td>
<td>21.5</td>
<td>100</td>
</tr>
</tbody>
</table>


It was not until 1988 that Chinese government officially recognized the existence of private enterprises. Thus, at this stage, private enterprises had to circumvent the official prohibitions in two ways: first, they falsely registered as individually owned business but in practice they employed more than 8 employees. For example, many of

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the specialized rural households (zhuanye hu) were originally registered as individual economy and became so specialized that there was no difference between their activities and those of private enterprises. Second, they falsely registered as collective enterprises—the so-called “red hat enterprises”. Individuals usually “obtained collective registration by arrangement with state or collective enterprises, or with organizations such as street committees or township and village business corporations” and they paid a regular “administration fee” to these organizations. By doing so, private entrepreneurs were able to circumvent the official limits set by the government, and also to take advantage of benefits enjoyed by state-owned or collective enterprises such as tax concessions in the first few years of operation.

The third stage (1993 to the present) starts from Deng Xiaoping’s famous southern tour in September 1992. In this famous southern tour, Deng Xiaoping called for a continued reform of China’s economy and determined China’s future transition to a market economy. In the following Fourteenth CCP Congress in 1993, the socialist market economy was first endorsed as China’s goal of reform. After Deng Xiaoping called for further market oriented reforms in 1992, attitudes toward private economy changed. The government made genuine measures to encourage the development of private economy. As a result the social status of private entrepreneurs and individual businesses were increased in Chinese society. All these changes and the greater profits generated by private economy attracted more Chinese citizens, and even party cadres and government officials became involved in the sector of private economy. After Deng’s

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65 Ibid., 110.
southern tour in 1992, party cadres and government officials were allowed, even encouraged to become involved in the activities of private economy—the so-called “plunging into the sea of commerce” (xiahai). At the end of 1992 party cadres and government officials was the second largest group in the private economy sector, but by the mid-1990s they had become the largest group among private entrepreneurs.67

In September 1997, the Fifteenth CCP Congress recognized the sector of non-state economy as an important component of the socialist economy. And in March 1999, the National People’s Congress revised the 1982 Chinese Constitution and legalized the status of non-state economy and private ownership.68 The reform of SOEs since 1995 accelerated the pace of privatization of the state economy. As I will discuss later, in 1995 the central government formulated a policy—the so-called “keep the large ones and let the smaller ones go” (zhuada fangxiao) to reform SOEs. The direct result of such policy was that most of the small and medium state-owned enterprises or collective enterprises were privatized.69 And in March 1998, the government issued a directive requiring all the red hat enterprises to take off the red hat to show their private ownership. Private entrepreneurs no longer needed the red hat to do their business.

As a consequence of these policies, private entrepreneurs and self-employed individual businesses expanded rapidly in the 1990s and became the greatest beneficiary of the Dengist reform.70 Table 13 indicates that the gross industrial output from the state-owned enterprises declined from 55 percent in 1990 to 27 percent in 1998, while that by

66 International Finance Corporation, China’s Emerging Private Enterprises.
70 Pearson, China’s New Business Elite; Dickson, Red Capitalists in China.
individually owned enterprises increased from 5 percent to 16 percent during the same period. And the other types of enterprises, comprising private enterprises and joint venture enterprises, increased to 22 percent.

Second, the importance of work units in urban citizens’ life declined. The post-Mao period represents “a fundamental break from the state socialist redistributive system in the Mao era.” The Chinese government has initiated administrative reform since the 1980s to restructure the state apparatus to suit market oriented reform and has reduced the scope of state participation in the economy. By 1998, most industrial ministries of the State Council had been abolished, and these ministries were transformed into enterprises, or trade associations (hangye xiehui) or macro-regulatory agencies. The Chinese government also pushed most public organizations to become enterprise entities and expelled them from the state ranks. Before reform, most people who worked in the public organizations were classified as state cares and thus lived on the government payroll. After reform, most public organizations became financially independent and the government only subsidized a few of them.

The reform of SOEs was the most difficult. Since the early 1980s, the CCP has taken measures to reform SOEs and gradually granted SOEs greater autonomy. In the beginning, the government intended to invigorate SOEs by yielding a proportion of profits to the enterprises. In 1987, the government introduced the contract responsibility system (CRS). According to the CRS, “SOEs were contracted to pay

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73 Dittmer and Gore, “China Builds A Market Culture.”
income tax and adjustment tax on a specific level of profit. If they exceeded the contracted level of profit, they were taxed at a lower rate on their additional profit....The CRS aimed to improve enterprise performance by strengthening financial responsibility, emphasizing profitability, and giving enterprises greater autonomy in decision-making.\textsuperscript{76}

In the late 1980s, the government realized that SOEs should have greater authority in planning their production activities and developed a form of “separation of ownership rights from operating rights”. Thus, the SOE managers were granted more autonomy with regard to the management of enterprises. For example, in January 1992, all SOEs were given freedom to hire and fire staff “without consulting a municipal labour plan or obtaining the approval of their own bureaucratic superiors as had been general practice since the late 1950s.”\textsuperscript{77}

Beginning in 1995, the government formulated a new policy—“keep the large ones and let the smaller ones go”. According to this policy, the government will only keep under its ownership 500 to 1,000 large state firms, while the smaller SOEs will be re-organized through a package of policy measures including mergers, acquisitions, leasing, and sales. The direct result of such policy was that most of the small and medium state enterprises or collective enterprises were privatized. Meanwhile, since 1990, the government has also stripped SOE workers of their privileges such as life-time employment, housing, medical care and pensions.\textsuperscript{78} By 1997, tens of millions of SOE workers have been “laid off” (\textit{xiagang}) as the result of the “keep the large ones and let the smaller ones go” policy.

\textsuperscript{75} Chen, \textit{Economic Transition and Political Legitimacy in Post-Mao China.}
\textsuperscript{76} Zheng, \textit{Globalization and State Transformation in China}, 111.
The direct result of the decline of the role of work unit in the urban cities was that the CCP no longer monopolized occupational mobility and ordinary Chinese citizens had greater freedom to choose their own occupations. Before 1978 Chinese urban citizens were fixed to work units for lifetime and the opportunities for inter-work units mobility were very few. With the deepening of reform, Chinese citizens gradually obtained their own discretion to determine their own job. In September 1992 the Chinese government announced that “employees could henceforth move at their own discretion between state, private and collective enterprises,” which is “a clear blow to the administrative barriers that has previously obstructed [job mobility].” The empirical studies by Deborah Davis indicated that “between January 1990 and July 1995, 41 per cent [of Shanghai residents] had changed employer at least once; 5 per cent [of them] had changed three or more times. Moreover in most cases switching employers simultaneously involved changing to a different line of work, a pattern that stands in clear contrast with past practice where many people spent an entire career with one employer.”

The second result is that the occupational advancement was no longer determined by the CCP and government. After 1978 more and more Chinese citizens worked outside of work units, such as initiating their own business or working in private, foreign and joint-venture enterprises. Thus, the Party and government could not influence the occupational advancements of this part of the population. As for those who still worked in work units, the party has gradually de-emphasized the importance of political loyalties.

78 Dittmer and Gore, “China Builds A Market Culture.”
80 Ibid., 34.
to determine one’s upward advancement.\textsuperscript{81} Because of the need to promote economic modernization, the pattern of cadre recruitment and advancement has been changed. For example “many new middle-level and high-level cadres are professionals because recruitment in the state bureaucracy now favors university degree holders, professional training, and other forms of human capital.”\textsuperscript{82}

Generally speaking, in the post-Mao period, because of the large-scale implementation of the self-responsibility system and market-oriented reforms and processes, the value and prestige of certain occupations changes accordingly.\textsuperscript{83} There is a clear trend toward assigning better benefits to those professional and managerial positions commanding knowledge and education. The status hierarchy that places white-collar work above blue-collar work has formed: the managerial-professional persons are better paid than the blue-collar workers and lead a unique lifestyle and consumption culture from the blue-collar workers.

In sum, during the whole period of the post-Mao China, Chinese society was transformed from a relatively equal society before 1978 to a severely unequal one after 1978 in which the CCP relaxed its control of Chinese ordinary citizens’ life chances. And some clear class differences are observed within Chinese society and analyzing this emerging class society has been an important theme in the research among Chinese scholars. As I have mentioned in Chapter II, the latest study on China’s social classes was done by a research team led by a well-known Chinese sociologist Lu Xueyi at the

\textsuperscript{81} For more on this point, please see Cao, “Careers Inside Organizations;” Parish and Michelson, “Politics and Markets;” Walder, “Career Mobility and the Communist Political Order;” Walder, Li, and Treiman, “Politics and Life Chances in a State Socialist Regime.”

\textsuperscript{82} So, “The Changing Pattern of Classes and Class Conflict in China,” 371.

The Institute of Sociology, Chinese Academy of Social Science. The research team found a social stratification with ten social strata: a) administrative personnel of state affairs and social affairs, (b) managerial personnel, (c) private entrepreneurs, (d) professionals, (e) civil servants, (f) self-employed individuals, (g) service workers, (h) industry workers, (i) peasants, and (j) unemployed and semi-unemployed.  

B. The Rise of New Middle Class

The post-Mao reform changed the social structure and consequently paved the road for the emergence of the middle class. As I defined in Chapter II, China's middle class includes mainly four occupational groups: private entrepreneur of small or medium business (i.e., self-employed laborers in the Chinese context), managerial personnel, professionals, and white-collar office workers (i.e., civil servants in the Chinese context). The distribution of each occupational group in Chinese society is summarized by the following Table 14.

First, the managerial stratum began attaining more and more autonomy and independence from the Chinese state and represented the central players in the rising market economies in urban China. There are three sub-types of the managerial stratum: the first is the cadres of SOEs and collective enterprises; with the enterprise reform, most of them became professional managers of these enterprises. The second is the managers of private enterprises; and the third is the managers of foreign-related enterprises (i.e.,

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84 Lu, ed., Research Report on Contemporary China's Social Classes; and idem, ed., Social Mobility in Contemporary China.


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equity joint venture, contractual joint venture, and solely foreign-owned enterprises)—the so-called sanzi qiy'e. According to the estimate offered by Lu Xueyi and his associates, until 2000, the managerial stratum occupied around 1.5 percent in the structure of Chinese society (Table 14).

Table 14. The Distribution of Four Middle Class Occupational Groups in Chinese Society, 1999

<table>
<thead>
<tr>
<th>The Composition of the Chinese Middle Class</th>
<th>Occupations</th>
<th>Percent of each occupational group in Chinese Society</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managerial Personnel</td>
<td>The cadres of SOEs and collective enterprises; the managers of private enterprises; the managers of foreign-related enterprises</td>
<td>1.5</td>
</tr>
<tr>
<td>Professionals</td>
<td>Scientific researchers, all kinds of technicians and managerial personnel of scientific and technical work and their assistants, economic and legal professionals (i.e., accountants, lawyers and so on), teaching staff and cultural and sports workers.</td>
<td>5.1</td>
</tr>
<tr>
<td>Civil Servants(^1)</td>
<td>The staff members in the government and party agencies; the office workers and staff members in public organizations and all types of enterprises</td>
<td>4.8</td>
</tr>
<tr>
<td>Self-Employed Laborers(^2)</td>
<td>Small business owners (having enough capital to hire less than 8 non-family employees but they themselves participate in management), self-employers (having enough capital to run a business but hiring no employees), small share speculators and share holders and those who live on bank interest</td>
<td>4.2</td>
</tr>
</tbody>
</table>

Source: Lu, ed., Research Report on Contemporary China’s Social Classes, 44.
Note: \(^1\). The group of civil servants refers to the sector of white-collar office workers in the middle class in the Chinese context.
\(^2\). The group of self-employed laborers refers to private entrepreneurs of medium and small-size businessmen in the middle class in the Chinese context.

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\(^{86}\) Zheng, Will China Become Democratic? Elite, Class and Regime Change, 286.
Second, professionals are those occupations that involve specialized training and skills. This stratum engaged exclusively in various types of professional and scientific, technical and service work in various economic entities, including government and party agencies, public organizations, and state-owned enterprises as well as various types of nonpublic entities. It mainly includes scientific researchers, all kinds of technicians and managerial personnel of scientific and technical work and their assistants, economic and legal professionals (i.e., accountants, lawyers and so on), teaching staff and cultural and sports workers. This stratum is characterized by the possession of human capital. According to the estimate offered by Lu Xueyi and his associates, until 2000, the professional stratum comprised around 5.1 percent of Chinese society (Table 14).³⁸

Third, private entrepreneurs of small or medium businesses are those owners of businesses that employed less than eight non-family employees. This stratum includes small business owners (having enough capital to hire less than 8 non-family employees but they themselves participate in management), self-employers (having enough capital to run a business but hiring no employees), as well as small share speculators and share holders and those who live on bank interest.³⁹ According to the estimate offered by Lu Xueyi and his associates, until 2000, the group of private entrepreneurs of small or medium business made up around 4.2 percent of Chinese society (Table 14).³⁰

Finally, the group of white-collar office workers is mainly composed of civil servants that include staff members in the government and party agencies, public organizations, and office workers in all types of enterprises. There are two sub-groups of

³⁸ Ibid.
civil servants: one is the so-called *gongwuyuan*, the staff members in the government and party agencies; the other is the group of office workers and staff members in public organizations and all types of enterprises. In specific, *gongwuyuan* refers to those staff members in the government and party agencies whose bureaucratic ranks are lower than *chu* in the central government or provincial governments, and whose bureaucratic ranks are lower than *ke* in the local governments.\(^9\) There are two reasons to include civil servants in the category of the middle class. First, in Western settings, civil servants in most circumstances are recognized as an integral component of the middle class.\(^9\) Second, in the Chinese context, as I have discussed before, most civil servants hold white-collar jobs and possess some cultural, economic, and organizational capital.

According to the estimate offered by Lu Xueyi and his associates, until 2000, the group of civil servants comprised around 4.8 percent in the structure of Chinese society (Table 14).\(^9\)

Four factors contribute to the dramatic expansion of China's middle class: the enlargement of college education, the development of private economy, the inflow of foreign direct investment (FDI), and the reform of enterprises and public organizations.\(^9\)

First, as I have discussed, since 1978 the government legalized the existence of the private economy and made efforts to encourage its development and thus, the private sector re-emerged in Chinese society and grew rapidly. The tremendous growth of the private sector created a large population of private entrepreneurs of small or medium...
business and created positions for managerial personnel and professionals in big private enterprises.

Second, in Western society, education is the essential accelerator of the formation of the middle class. Since 1978, the rapid expansion of higher education has resulted in a rapid expansion of the size of the new middle class. Table 15 illustrates that there was only a tiny number of students in higher education (85.6 ten thousands students) in 1978. However, since 1978 this number has greatly expanded. University admission rates increased rapidly after 1998, with 43 percent increase in 1999, and another 20 percent increase in 2000. Table 15 indicates that from 1999 to 2003, the total enrollment in higher education nearly tripled. These graduates from higher education formed the backbone of the formation of the managerial and professional strata. Meanwhile, the system of unified job assignment was gradually phased out and graduates from higher education became gradually autonomous in job-seeking and career pursuit. By 1993, “70 per cent of that year's graduates had found employment on their own.” By 1995, the old system of unified job assignment was almost abolished. After that, colleges only helped students find job offers and students had to compete for jobs on their own. And increasingly more college graduates found a job through “labor markets” (the so-called rencai shichang).

Structure of the Cities in Contemporary China; So, “The Changing Pattern of Classes and Class Conflict in China.”


96 So, “The Changing Pattern of Classes and Class Conflict in China;”

97 In post-Mao China the correlation between educational attainment on the one hand and occupational advancement and income on the other hand re-emerges and becomes apparent, see, Lu, ed., Research Report on Contemporary China’s Social Classes.


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Third, the inflow of foreign capital created a large population of managerial persons and civil servants for China. Since 1978, the FDI flow into China is soaring high:

"[f]rom 1979 to 1999 China pulled in over $306 billion in utilized FDI, second only to the United States worldwide. Compared with other socialist or post-socialist economies, China’s ability to attract FDI has been unprecedented."99

Table 15. 1978-2004 The Enrollment of Students in 4-Year Colleges and Universities

<table>
<thead>
<tr>
<th>Year</th>
<th>Yearly Enrollment (in 10,000)</th>
<th>Total Enrollment (in 10,000)</th>
<th>Yearly Graduate (in 10,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978</td>
<td>40.2</td>
<td>85.6</td>
<td>16.5</td>
</tr>
<tr>
<td>1980</td>
<td>28.1</td>
<td>114.4</td>
<td>14.7</td>
</tr>
<tr>
<td>1985</td>
<td>61.9</td>
<td>170.3</td>
<td>31.6</td>
</tr>
<tr>
<td>1986</td>
<td>57.2</td>
<td>188.0</td>
<td>39.3</td>
</tr>
<tr>
<td>1987</td>
<td>61.7</td>
<td>195.9</td>
<td>53.2</td>
</tr>
<tr>
<td>1988</td>
<td>67.0</td>
<td>206.6</td>
<td>55.3</td>
</tr>
<tr>
<td>1989</td>
<td>59.7</td>
<td>208.2</td>
<td>57.6</td>
</tr>
<tr>
<td>1990</td>
<td>60.9</td>
<td>206.3</td>
<td>61.4</td>
</tr>
<tr>
<td>1991</td>
<td>62.0</td>
<td>204.4</td>
<td>61.4</td>
</tr>
<tr>
<td>1992</td>
<td>75.4</td>
<td>218.4</td>
<td>60.4</td>
</tr>
<tr>
<td>1993</td>
<td>92.4</td>
<td>253.6</td>
<td>57.1</td>
</tr>
<tr>
<td>1994</td>
<td>90.0</td>
<td>279.9</td>
<td>63.7</td>
</tr>
<tr>
<td>1995</td>
<td>92.6</td>
<td>290.6</td>
<td>80.5</td>
</tr>
<tr>
<td>1996</td>
<td>96.6</td>
<td>302.1</td>
<td>83.9</td>
</tr>
<tr>
<td>1997</td>
<td>100.0</td>
<td>317.4</td>
<td>82.9</td>
</tr>
<tr>
<td>1998</td>
<td>108.4</td>
<td>340.9</td>
<td>83.0</td>
</tr>
<tr>
<td>1999</td>
<td>159.7</td>
<td>413.4</td>
<td>84.8</td>
</tr>
<tr>
<td>2000</td>
<td>220.6</td>
<td>556.1</td>
<td>95.0</td>
</tr>
<tr>
<td>2001</td>
<td>268.3</td>
<td>719.1</td>
<td>103.6</td>
</tr>
<tr>
<td>2002</td>
<td>320.5</td>
<td>903.4</td>
<td>133.7</td>
</tr>
<tr>
<td>2003</td>
<td>382.5</td>
<td>1108.6</td>
<td>187.7</td>
</tr>
</tbody>
</table>

Source: Zhang, Conflict and Uncertainty, 305-306.

According to the source of Chinese government, FDI in China is expected to reach US$100 billion in every year of the 11th Five-Year Plan period (2006-2010). More than US$50 billion foreign direct investment flowed into China in 2002, with the result of China taking the American place as the world's largest recipient of foreign direct investments.\textsuperscript{100} The United Nations Conference on Trade and Development (UNCTAD) also predicts that China will overtake the US to become the largest FDI host country in the world. The inflow of foreign capital intensified the economic inequalities in Chinese society: those people who were employed in the \textit{sanzi} enterprises (i.e., equity joint venture, contractual joint venture, and wholly foreign-owned enterprises) were better paid than the rest of Chinese society. The managers of the \textit{sanzi} enterprises were the first group of \textit{de facto} professional managerial workers emerging from the post-Mao China. Until now, this group of people has been one of the major components of China's managerial stratum. As I will discuss in the following Chapters, this group of people accepted training from these foreign-related enterprises and learned foreign management practices and thus were gradually exposed to the influences of foreign culture which might change their political cultural orientations and attitudes toward political affairs.

Finally, the reform of enterprises and public organizations stimulated the formation of the middle class. The reform of state-owned enterprises and collective enterprises made all the managers in these enterprises become a part of the newly-emerging middle class.\textsuperscript{101} This group of managers is the biggest component of China's managerial stratum and it took advantage of the enterprise reform to gain tremendous


\textsuperscript{101} Goodman, "The New Middle Class;" Zheng and Li, \textit{Social Structure of the Cities in Contemporary China}; So, "The Changing Pattern of Classes and Class Conflict in China."
personal wealth and outstanding social status.\textsuperscript{102} The reform of public organizations made the previously subordinate professionals become a gradually independent stratum. Rather than remain dependent on the Party, the professional stratum became more autonomous in determining their careers and occupational mobility and generally they have much more say in the management of public organizations.\textsuperscript{103}

THE RELATIONS BETWEEN THE STATE AND THE MIDDLE CLASS

The dramatic change of social structure in the past 50 years tends to suggest the role of state institutions in influencing the patterns of social stratification in Chinese society. What is the relation between the state and the newly-emerging middle class since the outset of the Post-Mao reform? The market transition theory suggests that the Chinese middle class is expected to grow more independently and to occupy a much more favorable position, since most of the group holds market power. By contrast the state-centric framework underscores the continued importance of the state institutions in influencing ordinary Chinese citizens' life chances during the reform era.\textsuperscript{104} The premise of the state-centric model is based on an insight from new institutionalism theories that the state plays a crucial role in setting up institutional contexts within which social forces interact.\textsuperscript{105} Based on this assumption, many scholars suggest that the Chinese middle class is still far from becoming completely independent; rather this class is dependent

\textsuperscript{102} Goodman, "The New Middle Class."
\textsuperscript{103} Zhang, \textit{Conflict and Uncertainty}; Lam and Perry, "Services Organizations in China."
upon the state power. In the following section, I will discuss the dependence of the Chinese middle class from two perspectives: one is the nature of China’s economic reform; the other is the development of corporatist institutions within the Chinese society since the economic reform.

A. The Nature of China’s Economic Reform

The fundamental characteristic of China’s economic reform is that it happened without significant political reform. The party still monopolized the political control over this country. By asking the question of why Chinese economic reform could succeed without political reform, Susan Shirk uses an institutional approach by looking at patterns of competition among politicians who operate in an institutionalized political setting in Chinese context to explain the happening of Chinese economic reform. The fundamental difference between the Soviet and Chinese institutions is that Soviet economic institutions are more centralized. On the other hand, however, the Chinese economic institutions are less centralized and the local governments have more autonomy compared with the Soviet model. Many of the economic activities in China occurred outside of the national plan, which made fewer obstacles in the post-Mao economic reform. The result of this institutional difference was that the Soviet Union has to reform

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105 Evans, Rueschemeyer, and Skocpol, ed., Bringing the State Back In; North, Institutions, Institutional Change and Economic Performance; Rueschemeyer, Stephens, and Stephens, Capitalist Development and Democracy; Skocpol, States and Social Revolutions.


its centralized economic administrative structure first. The low level of centralization in the Chinese institutional setting gives Chinese leaders either at the national level or the local level more opportunities to initiate economic reforms without political reform, and encourages the local governments to pursue their own development.\textsuperscript{109}

Starting in 1980, China implemented a fiscal revenue-sharing system between any two adjacent levels of governments. The basic idea is that a lower-level regional government contracts with an upper-level regional government on the total amount (or share) of tax and profit revenue to be remitted for the next several years; the lower-level government keeps the rest.\textsuperscript{110} These fiscal contracts were fixed so that the division of revenues among different levels of governments could be predicted. Rights to flows of revenues were clarified among different levels of governments. Thus each level of government was allowed to retain a specified proportion of revenues collected over a targeted amount and each level of government had to be responsible for their own financial budget.\textsuperscript{111} The importance of this institutional setting is that it induces a strong positive relationship between local interests and local economic prosperity at all levels of governments. This local autonomous system generates considerable pressure on local governments to compete with each other in supporting profit-making enterprises and pro-

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\textsuperscript{111} Walder, “Sociological Dimensions of China’s Economic Transition.”

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growth policies. As argued by Shirk, such a decentralized structure has been the institutional foundation for rapid economic growth in post-Mao China.\textsuperscript{112}

These financial changes provide for substantial independence of the local governments in China, from the provincial to the township, which ensures that governments in each region assume primary responsibility for economic development in that region.\textsuperscript{113} Hence, these governments possess both significant fiscal autonomy from the central government and considerable independent authority over their economies. Therefore, the fundamental characteristic of Chinese economic reforms is that the intended reform fuses the economy with profit incentives and limited market functions on a decentralized basis.\textsuperscript{114} However, this reform produced a hybrid system that still retains some of the fundamental features of a command economy. This halfway place between planned economy and market economy has the effect of lodging a web of interests between local governments and enterprises under their jurisdiction. This web of interests, in turn, dictates a pattern of mutually beneficial behavior between these two crucial actors in the Chinese economy.\textsuperscript{115}

For example, the development of the sector of private enterprises in Wenzhou was the result of compromise and cooperation between the local society and the agents of the local government. Local government and party cadres played a vital role, often colluding with local society to circumvent those policies adopted in Beijing that might constrain the

\textsuperscript{112} Shirk, \textit{The Logic of Economic Reform in China}.
\textsuperscript{113} Montinola, Qian, and Weingast, "Federalism, Chinese Style: The Political Basis for Economic Success;" Shirk, \textit{The Logic of Economic Reform in China}.
\textsuperscript{114} Yasheng Huang, "Web of Interests and Patterns of Behaviors of Chinese Local Economic Bureaucracies and Enterprises during Reform," \textit{The China Quarterly} 123 (1990): 431-58; Shirk, \textit{The Logic of Economic Reform in China}.
\textsuperscript{115} Jean Oi termed this collusive pattern between local governments and enterprises under their jurisdiction "local state corporatism", see Oi, "Fiscal Reform and the Economic Foundations of Local State
growth of private business. In Wenzhou, one of the widespread forms which private business took in the 1980s was known as the *guahu* (the so-called “red hat enterprises”). *Guahu* firms attached themselves to an established collective or state unit, trying to avoid the restrictions of private business. Kristin Parris argues that such new local economic practices as *guahu* firms illustrate that even under the existing state institution and ideology, the local society was able to “work the system” for its own benefit. And he further suggests that in the local level of China there exists the interpenetration of state and private business interests, and he calls this close relationship that developed between them “local state corporatism”.

This collusive pattern of behavior between local bureaucrats and private enterprise may lead to the formation of an implicit political coalition between them. As a result, “the emerging state-capitalist relation is characterized by the fusion of political capital of the cadres, [and] the economic capital of the capitalists.” The direct result of the de-centralization without political reform is the continued importance of state power in the distribution of resources to different social groups. As suggested by

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Ibid.


For more on this point, please see, Bian and Logan, “Market Transition and the Persistence of Power;” Nee and Matthews, “Market Transition and Societal Transformation in Reforming State Socialism;” Parish and Michelson, “Politics and Markets;” Zhou, “Economic Transformation and Income Inequality in Urban China;” Zhou, Tuma, and Moen, “Stratification Dynamics under State Socialism;” Walder, Li, and Treiman, “Politics and Life Chances in a State Socialist Regime.” However, on the other hand, the market transition theory focuses on new market institutions whose advance forges new interests and pushes aside the importance of political institutions and emphasizes that the emergence of a market economy will substitute the role of state power in the distribution of resources within Chinese society, for example see, Nee, “A
William Parish and Ethan Michelson, the newly-emerged social groups still have a continuing “need to have linkages with state bureaucrats and state-run enterprises.”\textsuperscript{121}

Figure 1 clearly indicates that the formation of different social class groups involves both the role of state institutions and market institutions. Those people who sit in the top of the hierarchy of both state institutions and market institutions formed the upper class and it mainly included administrative personnel of state affairs and social affairs, and private entrepreneurs. This is an all-powerful hybrid which can be called a “cadre-capitalist” class. This hybrid state-capitalist class has “monopolized political capital, economic capital, and social/network capital in the Chinese society”, and its members are “the beneficiaries of the existing arrangements of partial reforms, mixed economy, and hybrid ownership.”\textsuperscript{122} Those people who sit in the bottom of the hierarchy of both state institutions and market institutions form the largest population of lower class. The middle class is composed of those who had medium positions along the hierarchy of both state institutions and market institutions.

Accordingly, the formation of the middle class in contemporary China follows two distinct paths. The first is through the state institutions, where middle class positions in government and party agencies, state-owned enterprises and public organizations are considered to be “closed” positions, and the access to these positions is subject to screening for political loyalty and party membership.\textsuperscript{123}

\textsuperscript{121} Parish and Michelson, “Politics and Markets,” 1044.
\textsuperscript{122} So, “The Changing Pattern of Classes and Class Conflict in China,” 369.
\textsuperscript{123} Walder, Li, and Treiman, “Politics and Life Chances in a State Socialist Regime.”
This sub-group of the middle class employed in the public sector, which includes the managers in the state-owned enterprises, professionals in the public organizations, and staff members in the government and party agencies and public organizations, is, in varying degrees, still affected by state power. The second path is through the market institutions, where middle class positions in the private sector are considered to be “open” positions, and the access to these positions is determined by the workings of the market institutions. As suggested by Victor Nee and Rebecca Matthews: “the shift to markets opens up alternative sources of rewards not controlled by the redistributive state, and this
shift thereby reduces dependence on the state."\textsuperscript{1,2,4} Thus, this sub-group of the middle class employed in the private sector, which includes the managers in the private and foreign-related enterprises, professionals in the private sector, self-employed laborers, and white-collar office workers in the private entities, is much more independent than the first one in terms of its relationship to state power.

\textit{B. Corporatist Institutions and the Autonomy of the Middle Class}

Philippe Schmitter in his milestone academic work, "Still the Century of Corporatism?" defines neo-corporatism\textsuperscript{1,2,5} as "a system of interest representation in which the constituent units are organized into a limited number of singular, compulsory, noncompetitive, hierarchically ordered and functionally differentiated categories, recognized or licensed by the state and granted a deliberate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands and supports."\textsuperscript{1,2,6}

With the rise of neo-corporatism research in developed countries, there is a group of scholars who focus on state corporatist practices in the less developed countries. Even

\textsuperscript{1,2,4} Nee and Matthews, "Market Transition and Societal Transformation in Reforming State Socialism," 408. 
\textsuperscript{1,2,6} Schmitter, "Still the Century of Corporatism?"
though both neo-corporatism and state corporatism\(^{127}\) concentrate on the relations between the state and society, neo-corporatism emphasizes the compromise and consensus between them, while state corporatism emphasizes state control of society. Alan Cawson adopts the measure of interest contestation to make distinctions among state corporatism, neo-corporatism, and pluralism.\(^{128}\) The variable underlying this continuum is the intensity of interest contestation (See Figure 2). Within the framework of pluralism, there is complete interest contestation; neo-corporatism stands in the middle, in which the interest contestation has to be mediated by the corporatist organizational arrangements; on the other extreme, within the framework of state corporatism, there is very limited interest contestation and interest representation is controlled by the state.

![Figure 2. The Relations between State Corporatism, Neo-Corporatism and Pluralism](image)

\(^{127}\) It is Philippe Schmitter that first elaborates on the concept of corporatism and makes distinctions between two subtypes of corporatism: societal corporatism and state corporatism. State corporatism is also used as authoritarian corporatism. Since state corporatism and authoritarian corporatism refer to the same concept, this study adopts state corporatism for the sake of clarity.

\(^{128}\) Cawson, *Corporatism and Political Theory*. 

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The theory of corporatism can explain a) state involvement in the national economy and b) the dynamics of interaction between the state and society. When explaining economic origins of political decline in the Communist world, scholars propose that the Communist countries also practice state corporatism to restructure the state-society relations to promote economic development. The Communist countries practice state corporatism not only for economic development, but also for continued control of society. The Communist state creates vertical centralized associations in each specific sector and places them under strict state control, with the purpose of pre-empting any horizontal coalescing of societal interests resulting from economic development.

As suggested by David Goodman, the organic theory of state and society, the acceptance of "natural" inequalities among people, and the effort to establish corporate organizations as intermediaries between private entrepreneurs and state agencies are evidence of state corporatism in China. Margaret Pearson also emphasizes that the establishment of corporatist arrangements in post-Mao China is in the process of devolving some of the state's power to society so as to stimulate economic development. Generally speaking, this process has gone through two stages with different characters: a) local state corporatism (1978-1992), and b) organized state corporatism (1992 - now). The period of local state corporatism is characterized by the workings of local government that coordinates economic enterprises in its territory as if it

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130 Unger and Chan, "China, Corporatism, and the East Asian Model."

131 Goodman, "The New Middle Class."

132 Pearson, *China's New Business Elite.*
was a diversified business corporation. As I have discussed, the decentralization provides incentives and institutional foundations for a strategy of local state-led development. This local state corporatism has the effect of lodging a web of interests between local state agencies and economic actors under their jurisdiction and thus, in turn, dictates a pattern of mutually beneficial behaviors between them.

Since 1992, when Deng Xiaoping campaigned to promote the development of a socialist market economy in China, the Chinese government adopted a series of measures to restructure the relations between social and economic actors and the state. First, the Party has made genuine efforts to use corporatist organizations (e.g., Self-Employed Labourers' Associations, the Industrial and Commercial Federation, and the Private Enterprises Association) to link the state with the social and economic actors with the intention of thereby being able to control. The second measure of the CCP to connect the society is to encourage party members to plunge into the sea of business, a step widely known as xiahai. The third measure of linking the state and society is to recruit the newly-emerged social groups (e.g., private entrepreneurs, middle class) into the CCP. Even the Chinese government does not use the corporatist terminology to describe the changing relations between the state and society; corporatist structures may exist even in the absence of an awareness of corporatism in the state's doctrine.

First, these corporatist associations have a dualist nature. On the one hand, the associations are licensed by the state and under the directives from the state; on the other

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133 See Oi, "Fiscal Reform and the Economic Foundations of Local State Corporatism in China;" and idem, "The Role of the Local State in China's Transitional Economy;" and idem, Rural China Takes Off. 
134 Huang, "Web of Interests and Patterns of Behaviors of Chinese Local Economic Bureaucracies and Enterprises during Reform;" Oi, "Fiscal Reform and the Economic Foundations of Local State Corporatism in China;" and idem, "The Role of the Local State in China's Transitional Economy;" and idem, Rural China Takes Off; Parish, "Local Initiative and National Reform."
135 Dickson, Red Capitalists in China, 107.
hand, the associations have a limited degree of delegated self-regulation of the interests of their sectors. According to Bruce Dickson, the associations in China have a dual function: they are designed to give the state a right to control over organized interests in society, and also to represent their members' interests. For example, in the sector of foreign enterprises, the China Association for Enterprises with Foreign Investment (CAEFI) works as a bridge which links foreign enterprises with the government, in which the government exerts the control function and foreign enterprises articulate their interests. Pearson argues that the CAEFI's role is genuinely Janus-faced and fits the criteria central to state corporatism: (1) the state sanctioned and established the CAEFI and its branches; (2) it has granted the CAEFI a de facto monopoly—there is only one national association in the foreign sector, and each locality has only one branch; (3) a clear hierarchy exists between the national association and local branches.

The direct result of such corporatist institutions is that most middle class persons are assigned to different corporatist associations, and these associations provide a two-way conduit between the Party-state and the middle class: by top-down transmission of state directives and control, mobilization of the middle class to register political support of the Party-state; and by bottom-up transmission of the interests of the middle class. As I will discuss in Chapter V, currently, most formal organizations are corporatist associations, thus, the sector of middle class lacks organizational resources to act collectively to challenge the rule of the Party-state.

136 Ibid., 61.
137 Ibid.
Second, because of the fact that the Party encouraged party members to plunge into the sea of business and took efforts to recruit members from the newly-emerged social groups, the percent of party memberships in the private sector has increased dramatically. For example, by the mid-1990s, former party cadres had become the largest group among private entrepreneurs. I have mentioned that the Chinese middle class can be divided into two sub-groups: public sector and private sector. With the increase in the percent of party memberships in the private sector, and given the fact that most managers and staff members in the public sector hold party memberships, one would expect that the percentage of party membership within the group of middle class is quite high. For example, in a southern city, Shenzhen, around 36 percent of managers have party credentials, 27 percent of professionals are party members, and around 14 percent of small and medium-size private businessmen hold party membership (Table 16). From Table 16, we see a clear trend: first, the political elites in China—the group of administrative personnel of state affairs and social affairs all have party credentials; second, the sector of the middle class, including managers, professionals, staff members in the public sector, and small and medium-size private businessmen, ranks second in terms of the percent of party membership; third, the traditional leadership class, workers and peasants, has been made peripheral, and the party membership of this class has declined since the beginning of the post-Mao reform. The holding of party memberships by middle class individuals indicates the close relations between the group of middle class and the Party.


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Table 16. The Distribution of Party Members in Ten Social Strata in 4 Cities

<table>
<thead>
<tr>
<th>Administrative Personnel of State Affairs and Social Affairs</th>
<th>Shenzhen</th>
<th>Hefei</th>
<th>Hanchuan</th>
<th>Zhenning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managerial Personnel</td>
<td>100.0</td>
<td>77.5</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Private Entrepreneurs</td>
<td>35.7</td>
<td>58.8</td>
<td>53.8</td>
<td>--</td>
</tr>
<tr>
<td>Professionals</td>
<td>22.2</td>
<td>24.4</td>
<td>9.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Civil Servants¹</td>
<td>27.2</td>
<td>25.2</td>
<td>17.8</td>
<td>24.0</td>
</tr>
<tr>
<td>Self-Employed Laborers</td>
<td>28.2</td>
<td>40.7</td>
<td>54.5</td>
<td>46.3</td>
</tr>
<tr>
<td>(Getihu)²</td>
<td>13.7</td>
<td>10.4</td>
<td>7.7</td>
<td>5.2</td>
</tr>
<tr>
<td>Service Workers</td>
<td>10.4</td>
<td>7.6</td>
<td>10.6</td>
<td>3.9</td>
</tr>
<tr>
<td>Industry Workers</td>
<td>0.0</td>
<td>13.3</td>
<td>5.9</td>
<td>10.3</td>
</tr>
<tr>
<td>Peasants</td>
<td>--</td>
<td>--</td>
<td>4.3</td>
<td>5.2</td>
</tr>
<tr>
<td>Unemployed and Semi-Unemployed</td>
<td>2.0</td>
<td>9.1</td>
<td>1.8</td>
<td>3.9</td>
</tr>
</tbody>
</table>

Note: ¹. The group of civil servants equals the sector of white-collar office workers in the middle class.
². The group of self-employed laborers equals the sector of medium and small-size businessmen in the middle class.

CONCLUSION

The evolution of the middle class in Western societies has experienced three stages and its composition changed accordingly. During the period of capitalist revolution (which is, from seventeenth to eighteenth century), free-farmers, artisans, and urban bourgeoisie constituted the main components of the middle class in Western societies.¹⁴⁰ With economic development, the early trade capitalism has been replaced by industrial capitalism, and the composition of the middle class has changed accordingly. Starting from the industrial-capitalism in the late nineteenth and early twentieth century, “a moderately prosperous middle class of small business people and shopkeepers

¹⁴⁰ Glassman, The Middle Class and Democracy in Socio-Historical Perspective; and idem, The New Middle Class and Democracy in Global Perspective.
replaced the artisans as the middle class of the industrial-capitalist system."\textsuperscript{141} During this period, small businessmen, merchandized farmers, and some professionals constituted the majority of the middle class. Since World War II, high-tech industrial capitalism replaced industrial capitalism, and a new type of middle class has emerged and become the backbone of the middle class: technocrats, professionals, managers, bureaucrats, and white-collar office workers,\textsuperscript{142} and the old middle class of industrial capitalism (i.e., small businessmen and merchandized farmers) dramatically shrunk in the composition of the middle class. The evolution of the middle class in Western societies can be better demonstrated by Table 17.

### Table 17. The Evolution of Western Middle Class

<table>
<thead>
<tr>
<th></th>
<th>Trade-Capitalism (seventeenth and eighteenth century)</th>
<th>Industrial-Capitalism (nineteenth and twentieth century before WWII)</th>
<th>High-Tech Industrial-Capitalism (since WWII)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Composition of Middle Class</td>
<td>Artisans and Free-farmers</td>
<td>Small Businessmen, Shopkeepers, Farmers and Professionals</td>
<td>Old Middle Class, Technocrats, Professionals, Managers, Bureaucrats, and White-Collar Workers</td>
</tr>
</tbody>
</table>

Unlike the Western middle class, the development of China's middle class was extremely influenced by national politics and government policies. In the past one

\textsuperscript{141} Glassman, The Middle Class and Democracy in Socio-Historical Perspective, 158.
\textsuperscript{142} Glassman, The Middle Class and Democracy in Socio-Historical Perspective; and idem, The New Middle Class and Democracy in Global Perspective; Kahl, The American Class Structure; Mills, White Collar; Poulantzas, Classes in Contemporary Capitalism; Wright, Class Counts.
hundred years, the change of state institutions and government policies dictated the patterns of social stratification in Chinese society. Until the early twentieth century, China was still far away from the modern world in any sense. Industrial output represented only a tiny part of GDP; and most Chinese people were peasants. With economic development and slow industrialization in the first part of the twentieth century, a middle class emerged in China, including managerial personnel, professionals, small businessmen, and white-collar office workers. Before the establishment of People’s Republic of China in 1949, managerial personnel, professionals, small businessmen, and white-collar office workers constituted approximately 7% of Chinese population.

After 1949, China’s society has been characterized by a statist society which was ruled by a strong Leninist Party, and private economy has been gradually eliminated, and private entrepreneurs, small and medium-size businessmen, and independent professionals had disappeared within Chinese society.\textsuperscript{143} During this period, the Party successfully transformed the pre-1949 independent middle class into an obedient stratum. However, since the onset of post-Mao reform, Chinese society has become differentiated and divided. Obvious patterns of social stratification re-emerged within Chinese society. The middle class has emerged and become an important social force and will increasingly characterize China’s social stratification. The more independent managerial and

\textsuperscript{143} Davis, “Social Class Transformation in Urban China;” Kraus, Class Conflict in Chinese Socialism; Lu, ed., Social Mobility in Contemporary China; Qiu, The Changes of Social Stratification in Contemporary China.
professional strata, the expanding civil servants, and the newly emerging small and medium-size businessmen constitute the majority of this newly emerging middle class.\textsuperscript{144}

The composition of China's new middle class is different from its Western counterparts. Free-farmers or merchanized farmers never became an important part of China's middle class. More importantly, the rise of the middle class in China is a direct consequence of rapid state-led economic development in the last two decades. The activities of the party-state have been the primary source of the formation of the middle class in China: those civil servants and managerial and professional strata from the government and Party agencies, government-affiliated administrative units and state-owned enterprises constitute more than half of China's new middle class.\textsuperscript{145}

Given this unique social context, I expect that the political orientations of the Chinese middle class are not unified but divided and I emphasize that the division of the middle class between the public sector and the private sector tends to produce different views toward democracy. The middle class individuals employed in the public sector have close relations with the Communist Party and government and enjoy many privileges sanctioned by the Party and government, thus they have a vested interest to maintain the status quo. As Luigui Tomba observed, members of the Chinese middle classes whose social status is dependent upon the Party-state (e.g., professionals in the public sector) "are generally supportive of the present national leadership and feel that their social status today is largely dependent on the reform policies and the present


\textsuperscript{145} Zheng and Li, \textit{Social Structure of the Cities in Contemporary China}. 

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program to manage the economy. As a result, they may not demand a transparent, democratic political system; instead they are concerned about that the dramatic change of current political system may endanger their interests since they may lose those privileges that they are currently enjoying from the Party-state.

On the other hand, the subgroup of the middle class employed in the private sector (i.e., the managers in the private and foreign-related enterprises, professionals in the private sector, self-employed laborers, and white-collar office workers in the private entities) can reasonably be expected to champion the cause of democracy. These middle class individuals employed in the private sector are much more independent from the Communist Party and government, since the career successes of this subgroup of middle class were dependent upon their market power rather than upon patron-client relations with the Party-state.

CHAPTER IV

DOES CHINA'S MIDDLE CLASS SUPPORT DEMOCRACY?

This chapter attempts to address the crucial question of whether the middle class in China thinks democratically by examining the attitudinal orientations of the middle class toward a variety of political issues and compares the middle class' political attitudes toward these issues with the rest of the Chinese population. The individual-level theory of the middle class in the West suggests that middle class individuals do think democratically; that is, they have attitudes in support of democratic principles. This argument is based on three explanations: rational choice theory, learning-generalization theory, and social interaction theory.

This dissertation argues that the Chinese middle class has a divided view on democracy. As documented in the previous chapter, due to the continued importance of the state institutions during the reform era, at least one half of the Chinese middle class is employed in the public sector. The middle class individuals employed in the public sector have close relations with the Party-state and enjoy many privileges sanctioned by the Party-state; on the other hand, the middle class individuals in the private sector are much more independent from the Party-state and generally they are not entitled to the government benefits that are enjoyed by the group of the public-sector middle class. This division within the Chinese middle class, of course, has important theoretical implications: the two sub-groups of the middle class may have different views on self-interest and socio-political life. In this chapter, I will continue my discussion of the
differences between the two sub-groups of the middle class and compare their attitudinal orientations toward democracy.

WHY POLITICAL ATTITUDES MATTER?

When explaining the conditions that give rise to American democracy, Alexis de Tocqueville emphasized the importance of egalitarian norms in American society,\(^1\) and thereby ignited the research on the role of political culture in democracy. Contemporary democracy theorists have achieved a consensus that a set of pro-democratic values held at the individual level is conducive to the establishment and consolidation of democracy. Democracy theorists identify certain distinctive clusters of democratic attitudes that are widely held among individuals, such as the belief in popular sovereignty, commitment to the equality of citizens, and the principle of majoritarian decision-making.\(^2\) These clusters of democratic attitudes are durable and form subjective orientations that are seen as the driving force for the emergence and maintenance of democracy.\(^3\)

Traditional Chinese political culture has always been regarded as an obstacle to democratic transition.\(^4\) Confucian culture “emphasized the group over the individual,

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authority over liberty, and responsibilities over rights” and “lacked a tradition of rights against the state.” Within the Confucian society, “harmony and cooperation were preferred over disagreement and competition” and “the maintenance of order and respect for hierarchy were central values.” Therefore, traditional Chinese political culture is attributed as being non-democratic or anti-democratic. Moreover, the Chinese people have often been characterized by political apathy, ignorance of politics, fear of politics, and political intolerance.6

In addition, some China analysts suggest that the Chinese people will choose socio-political stability over democracy because they are afraid that the transition to democracy may cause socio-political chaos.7 Moreover, the CCP has used the example of socio-political chaos in former Soviet Republics and East European countries after the fall of communist regimes to persuade the Chinese people that political stability is a prerequisite for national economic health and the individual’s general well-being.8 Furthermore, since 1990, nationalism has become increasingly popular within the Chinese population; indeed some empirical studies report that the Chinese people have demonstrated strong nationalist sentiment.9 It is argued that the Chinese government has made efforts to promote nationalism in order to block Western influences and buttress its

legitimacy in the 1990s.\textsuperscript{10} The direct result of such strong nationalist sentiment is that China’s state-led nationalism has triumphed over the appeal of democracy.\textsuperscript{11}

However, some recent field observations on contemporary Chinese political culture suggest that there is evidence for the emergence of democratic values in China.\textsuperscript{12} These studies based their conclusions on the results of public opinion surveys and suggest that Chinese political culture is in transition. As summarized by Suzanne Ogden, China shows some signs of a democratic political culture.\textsuperscript{13}

THEORETICAL DISCUSSION AND HYPOTHESES

What is the political orientation of the Chinese middle class? Specifically, does the Chinese middle class have the same democratic attitudes as its counterparts in the developed countries?

The predominant view, within the individual-level studies of the middle class in the West, suggests that middle class individuals do think democratically: that is, they


\textsuperscript{11} Zhao, “We are Patriots First and Democrats Second.”


\textsuperscript{13} Ogden, \textit{Inklings of democracy in China}. 

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have attitudes in support of democratic principles. This argument is based on three explanations: rational choice theory, learning-generalization theory, and social interaction theory. These general arguments form the theoretical basis for my assessment of the political attitudes of the middle class people in urban China.

A. Rational Choice Theory

The fundamental assumption of rational choice theory is that political interaction is basically an economic transaction that is guided in its course by the actor’s rational choices among alternative outcomes. In the political realm, rational individuals pursue “utility maximization, or under conditions of uncertainty, expected utility maximization.” Democracy theorists (e.g., Seymour Lipset, Ronald Glassman) employ rational choice theory to argue that middle class individuals support democracy because they perceive democracy to be the best form of government to protect their interests.

Class theorists believe that social class status determines the interests of the people, that individuals have full knowledge of their interests, and that they know which form of government will best help them to secure these interests. For example, according to the radical Marxist thinkers, the working class’ interest is to liberate itself from the fetters of the political system implemented by the exploitative class and to form an equal

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16 Green and Shapiro, Pathologies of Rational Choice Theory.
and classless society, while the exploitative class' interest is to perpetuate their ownership of the means of production and preserve their exploitative relations with the working class. Accordingly, the working class is more supportive of a socialist government, while the exploitative class is more supportive of a repressive state.

The quasi-Marxist scholar Barrington Moore has argued that the class of large landlords is the most implacable advocate of a repressive state because they rely heavily on state power to maintain their "labor repressive" production. He has also suggested that the bourgeoisie class might be a democratic force. As owners of large-size business, the bourgeoisie has an interest in less state intervention in their market activities and in a well-functioning and independent market for business. However, the democratic impulse of the bourgeoisie can be overestimated. On many occasions, the bourgeoisie has relied on the power of a repressive state to acquire monopolies, government subsidies, favorable market position and cheap labor.

Unlike members of other social classes, middle class individuals have strongly supportive attitudes toward democracy because they realize that democracy thus far is the best system to protect their individual rights and property. Unlike members of the upper classes who not only own much larger properties but usually enjoy formal or informal clientelist ties with the state power that could be used to protect their properties and other interests, those of the middle class generally lack these close connections with powerful

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political patrons.\textsuperscript{20} Without these political connections, middle class citizens have to rely on such democratic institutions as the popular election of leaders and the limitation of state power to protect their own rights and property from the actions of powerful intruders (e.g., the government and its officials).\textsuperscript{21}

According to the conceptualization employed in this dissertation, the middle class in urban China includes mainly four occupational groups—self-employed laborers, managerial personnel, professionals, and civil servants. Like their counterparts in Western societies, most members of these groups own a relatively substantial amount of property: all entrepreneurs own their businesses, while most managerial personnel, professionals, and white-collar office workers possess at least their apartments.\textsuperscript{22} Does the Chinese middle class perceive democracy as the best form of government to protect its property?

Two sub-groups of the Chinese middle class have different opinions in regard to this question. The middle class people employed in the public sector have close relations with the Party-state and thus they may rely on those ties with the Party-state to assure the protection of their property. Moreover, the public-sector middle class enjoys many privileges sanctioned by the Party-state; thus it has a vested interest in maintaining the status quo. For example, my interview with Mr. B, a middle-level manager in a state-owned enterprise, reflects this orientation. Mr. B said:

“If my interest was impinged on, I have many ways to solve the problem. And I believe that I am situated in a good position in this society to be able to protect

\textsuperscript{20} Glassman, \textit{The Middle Class and Democracy in Socio-Historical Perspective}; and idem, \textit{The New Middle Class and Democracy in Global Perspective}.

\textsuperscript{21} Ibid.

However, the middle class people employed in the private sector show a completely different attitude toward democracy. This group of the middle class in the private sector usually does not have close relations with the Party-state, and its material well-being mainly derives from the market institutions; thus it does not have to be dependent on the Party-state. On many occasions, when their interests are impinged on, the private-sector middle class people lack any powerful political patron to help them and very often have to rely on legal weapons; thus the private-sector middle class people have a fairly strong demand for an institutionalized democracy. For example, my interview with Mr. D, an owner of small company which employed 6 people, reflects this orientation. Mr. D said:

“Government does not respect the interest of private enterprises, especially the small ones. The policy-making process is not transparent, and the policies change so fast….My company is very small, and I have many parents such as Bureau of Industry and Commerce, Bureau of Tax and so on. To maintain good relations with these parents, you have to bribe them….I hate that….Democracy is good. Under democracy, we can use our votes to express our interests, to make government respect our interests.”

As mentioned before, all middle class individuals possess at least their apartments. Prior to the period of reform, urban residents did not have the ownership of their apartments. Legally, the ownership of all apartments belonged to the Party-state. All urban residents were assigned to different work units, which offered urban residents free housing. Since 1978, the Chinese government took steps to privatize the housing and

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the Party-state no longer provided free housing. Therefore, all urban residents have to purchase apartments either through the work units at subsidized rates or through the market at higher market rates. As a result, the privatization of housing created two types of home ownerships: commercial apartment (shangping fang) ownership and work-unit subsidized apartment (danwei fuli fang) ownership. Usually, the private-sector middle class has the commercial apartment ownership; while the public-sector middle class has the work-unit subsidized apartment ownership.

Just like their Western counterparts, the Chinese middle class may also be inclined to take actions to deal with problems that affect their apartment property. But the two sub-groups react to these problems differently. The public-sector middle class tends to contact their work units to solve these problems if its apartment property is being impinged on. Such behavior perhaps reflects the underlying fact that this group has close ties with the Party-state and thus it has institutional channels to voice its concerns. On the other hand, the private-sector middle class tends to organize itself to act collectively. Many studies have documented lots of collective acts by the private-sector middle class in defending its property rights. For example, the private-sector middle class has organized its own associations, such as home-owners’ associations, to bargain

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26 For example, see Cai, “China’s Moderate Middle Class;” Read, “Democratizing the Neighborhood? New Private Housing and Home-Owner Self-Organization in Urban China;” “Yige mingxing shequ de liyi boyi” (The Rights Struggle of A Star Community), Nanfang zhoumo (Nanfang Weekend), 29 May 29 2003; “Quan Beijing youchanzhe lianhe qilai” (All Home Owners in Beijing Unite), Nanfang zhoumo (Nanfang Weekend), 14 August 14 2003.
collectively with the government and the property developing companies. Such collective act reflects the democratic aspirations of the private-sector middle class. As Mrs. H in her interview said:

“We spent our money buying our apartments. The government could not impinge on our interests on its own will. If that happens, we have no other choices but to organize ourselves and bargain with the government collectively.”

The Iron Tower (tie ta) Right Protection campaign of 2005 is a good example of the democratic impulse of the private-sector middle class. In this case, residents of the Hui’long’guan Community in Beijing’s Changping District launched a community rights campaign—the so-called Right Protection. Local government wanted to construct a telecom building close the Hui’long’guan Community. Residents of the Hui’long’guan Community believed that the electromagnetic radiation of the antenna in the telecom building may impair their health and thus they strongly opposed the construction of this building. Most of the residents are young intellectuals and business people from the private sector, and they have a strong sense of democratic values. In this case, the residents’ awareness of their rights has been awakened and they called for more democratic and transparent community self-governance. In the last five years, incidents relating to property-rights protection have increased in large and medium-sized cities. Owners of commercial apartments, most of whom are members of the private-sector middle class, have engaged in many activities to protect their property, such as collecting signatures through Internet online forum, organizing home-owners’ associations, and

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calling for a more democratic decision-making process than currently prevails in the management of community affairs.\(^{29}\)

In the 2004 Beijing survey on “Construction of Urban Residential Communities,” I asked Beijing residents the following question: “If your apartment property has been impinged on, what will you do?” It is not surprising to see that 60 percent of the public-sector middle class would choose to contact the leaders of the work units. On the other hand, more than 70 percent of the private-sector middle class would take one of the following actions: contacting the newspaper, going to court, and organizing associations of property owners to act collectively (Table 18), all of which may be regarded as more democratic in nature than the act of contacting the leaders of the work units.

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**Table 18. Comparison of Measures of Rights Resistance between the Two Subgroups of the Middle Class**

<table>
<thead>
<tr>
<th>If your apartment property has been impinged on, what will you do?</th>
<th>Public-Sector Middle Class (%)</th>
<th>Private-Sector Middle Class (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contacting the leaders of work units</td>
<td>60</td>
<td>0</td>
</tr>
<tr>
<td>Contacting government officials at all levels</td>
<td>20</td>
<td>23</td>
</tr>
<tr>
<td>Organizing associations of property owners to work collectively</td>
<td>3</td>
<td>20</td>
</tr>
<tr>
<td>Suing in court</td>
<td>5</td>
<td>14</td>
</tr>
<tr>
<td>Contacting the newspaper or other media</td>
<td>12</td>
<td>43</td>
</tr>
</tbody>
</table>

B. Learning-Generalization Theory

According to learning-generalization theory, subjective attitudes and habits cultivated in one social sphere will affect attitudes and behavior in other spheres as well. Democracy theorists (e.g., Ronald Glassman) employ this theory to argue that the democratic orientations of middle class individuals are generated by the subjective attitudes and habits that they have learned in their social lives. As small property owners, the relation of middle class individuals “was a relation not of command and obedience but of man-to-man bargaining. Any one man’s decisions, with reference to every other man, were decisions of freedom and of equality.” Middle class individuals are likely to treat others as equals and accept bargaining as a normal way of dealing with people if they want to achieve consensus in the market and their social life. This spirit of equality and bargaining can be transferred to their political life. Thus, middle class individuals who are accustomed to bargaining in their economic and social life tend to emphasize the importance of bargaining in their political life, which is one of the most important aspects of the spirit of democracy.

Moreover, according to learning-generalization theory, the job conditions of the middle class will affect their subjective attitudes through a process of learning from the job and generalizing what has been learned to other social and political realms. For

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31 Mills, White Collar, 8.
32 Ibid.
34 Ibid.
example, white-collar professionals who do intellectually demanding work will exercise their intellectual expertise not only on the job but also in their social and political lives.\textsuperscript{36} Business owners managing small or medium-sized businesses will value the concept of self-direction and independence more highly in all social and political spheres.\textsuperscript{37} Furthermore, the experience of running a business and supervising others and/or possessing intellectual expertise makes middle class people feel competent to run political organizations.\textsuperscript{38} Thus, middle class persons tend to regard political leaders as colleagues rather than god or heroes\textsuperscript{39} and consequently are inclined to regard the performance of political leaders as something to be evaluated, which, in turn, leads to democratic aspirations and appeals.

Has the Chinese middle class learned these modern attitudes? Regarding this question, two sub-groups of the Chinese middle class show different attitudes: on the one hand, the public-sector middle class carries less of the spirit of equality and compromise and registers no support for the conception of self-direction and independence. However, the private-sector middle class has a higher level of both the spirit of equality and compromise and the conception of self-direction and independence.

\begin{footnotesize}
\textsuperscript{37} Lane, \textit{Political Life}.
\textsuperscript{38} Glassman, \textit{China in Transition}; and idem, \textit{The Middle Class and Democracy in Socio-Historical Perspective}.
\end{footnotesize}
As documented in the previous chapter, the private-sector middle class mainly includes the managers in the private and sanzi enterprises, professionals in the non-public sector, private entrepreneurs of small and medium businesses and those white-collar office workers in the non-public entities. The members of the private-sector middle class are actively involved in the market economy and their success and career are determined by the market institutions.

The everyday transactions with other people in the marketplace enable the private-sector middle class to understand two of the essential characteristics of the market economy: equality and negotiation. In the marketplace, all parties involved in the transaction are equal: there is no relationship of command and obedience but rather one of bargaining between peers. The completion of any transaction depends on the willingness of all involved parties. Moreover, during the transaction, all involved parties will bargain with each other and achieve a desirable result that is acceptable for all parties. For example, my interview with Mr. M, a middle-level manager of a big private enterprise, reflects this orientation. Mr. M said:

"The market means a free transaction between two people, one of which has something to sell; and the other has the money to buy.... The relationship between them is equal. You can not force one party to sell, and you can not force the other party to buy either. The transaction shall be based on the negotiation of both parties."

In addition, the experiences of running business and supervising others and/or possessing intellectual expertise in the marketplace enable the private-sector middle class

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40 Sanzi enterprises refers to those foreign-related enterprises such as equity joint venture, contractual joint venture, and solely foreign-owned enterprises.

to attain the values of self-direction and independence. Self-employed people in small or medium-sized businesses usually make their own decisions in their daily management and it is therefore natural for them to value highly the concepts of self-direction and independence in their social life. Managers in the non-public sector such as private and sanzi enterprises are used to making their decisions without consultation with the government and Party cadres. Furthermore, their promotions and career are not determined by the Party-state, but rather by their job performance. Such independence in their daily work activities and career choices will gradually be transferred to their sense of self-direction and independence in the non-work areas of life. Professionals in the non-public sector possess intellectual expertise in their areas of work and they seek their own opportunities for upward mobility in the marketplace by using their intellectual expertise. This authority in regard to their work life and personal development endows those professionals with a sense of self-direction and independence in their non-work life.

In regard to these qualities, special attention shall be given to the group of managers in sanzi enterprises. They are the first group of the Chinese people that accepted training from these foreign-related enterprises and learned foreign management practices, and in the course of doing so brought the new idea of Western market culture to China, acting as a bridge linking the reforming China and the Western world. Because

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42 For example, see Wentao Xiao, "Zhongguo zhongjian jieceng de xianzhuang he weilai fazhan" (The Current Situation and Future Development of China's Middle Stratum), Shehuixue yanjiu (Sociological Research) 2001, no. 3: 93-98; Wei Zhang, "Zhongchan jieceng yu zhengzhi zhixu" (The Middle Class and Political Order), Jianghan luntan (Jianghan Forum) 2004, no. 1: 5-9.
43 For example, as Wei Zhang documented, the professionals and managers in the private sector have modern attitudes such as independence and self-direction. Because unlike the professionals and managers in the public sector who relied on the Party-state for employment, promotion, medical care, and housing, the professionals and managers in the private sector had to rely on themselves. Please see his book, Conflict and Uncertainty. And also, please see Lu, ed., Social Mobility in Contemporary China; Zheng and Li, Social Structure of the Cities in Contemporary China.
they were exposed to the influences of foreign culture, this group of managers in sanzi enterprises gradually acquired modern values such as those of self-direction and independence in their daily lives, and later on they spread these values to the rest of the Chinese population. Additionally, in their daily work in the foreign-related enterprises, this group of managers in sanzi enterprises became exposed to modern democratic ideas such as those of equality, individual freedom, and responsive government. As some empirical studies show, managers in sanzi enterprises function as a transmission belt for democratic ideas from the Western world to China.44

On the other hand, the public-sector middle class mainly includes the managers in the state-owned enterprises, professionals in public organizations, and staff members in the government and party agencies and public organizations. This group of the public-sector middle class is still largely involved in the state power and their success and career are determined by the state institutions.45

Unlike the marketplace, the relations within the state institution are not characterized by equality and compromise, but by command and obedience. The everyday transactions within the state institutions are not conducive to the cultivation of modern values such as the spirit of equality and negotiation. Instead, the daily practices

within the state institutions tend to reinforce those values such as obedience and respect for hierarchy.\textsuperscript{46}

In addition, the experiences of obeying orders from the Party-state make the public-sector middle class less likely to be familiar with modern values such as self-direction and self-independence. Moreover, unlike the private-sector middle class, the public-sector middle class has less control over their upward mobility and career. Rather, occupational advancement and mobility for the public-sector middle class are dictated by the Party-state.\textsuperscript{47} The little control they have over their own life opportunities makes it less likely for the public-sector middle class people to learn modern values such as those of self-direction and self-independence.

To compare the attitudinal differences between these two sub-groups of the middle class with regard to the values such as those of equality and negotiation, as well as the concepts of self-direction and independence, I asked my respondents the following questions in the 2004 Beijing survey on “Construction of Urban Residential Communities”:

1. Do you think that the interpersonal relations (or interpersonal transactions) shall be conducted in an equal way?
2. Shall we respect the idea that all people in modern society are entitled to have their own particular interest?
3. Do you think that the best way to cooperate in modern society is to negotiate with each other?

\textsuperscript{46} Zhang, \textit{Conflict and Uncertainty}.

4. To what extent do you believe that you have control over the success in your life?

As Table 19 clearly indicates, over 70 percent of the public-sector middle class does not support the idea of equal relations in the social interactions, while over 80 percent of the private-sector middle class does support this idea. With regard to the matter of their confidence in their control over their lives, more than 90 percent of the people in the private-sector middle class have this confidence, while only 30 percent of the people in the public-sector middle class register such confidence. With regard to the value of negotiation, 95 percent of the private-sector middle class people agree that all people in modern society are entitled to have their own particular interest, and 96 percent of them agree that the best way to cooperate in modern society is to negotiate with each other. On the other hand, only 43 percent of the public-sector middle class people agree that all people in modern society are entitled to have their own particular interest, and only 47 percent of them agree that the best way to cooperate in modern society is to negotiate with each other.

C. Social Interaction Theory

According to social interaction theory, people tend to interact with members of their own class and these intra-class interactions tend to strengthen the individuals' existing political attitudes. So, because the other middle class individuals that they tend to interact with typically support democracy, middle class individuals’ social interactions tend to strengthen their support for democracy.
Table 19. Comparison of Modern Spirit of Equality and Independence between the Two Sub-groups of the Middle Class

<table>
<thead>
<tr>
<th>Question</th>
<th>Private-Sector Middle Class</th>
<th>Public-Sector Middle Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you think that the interpersonal relations (or interpersonal transactions) shall be conducted in an equal way?</td>
<td>80</td>
<td>20</td>
</tr>
<tr>
<td>Shall we respect the idea that all people in modern society are entitled to have their own particular interest?</td>
<td>95</td>
<td>5</td>
</tr>
<tr>
<td>Do you think that the best way to cooperate in modern society is to negotiate with each other?</td>
<td>96</td>
<td>4</td>
</tr>
<tr>
<td>To what extent do you believe that you have control over the success in your life?</td>
<td>93</td>
<td>7</td>
</tr>
</tbody>
</table>

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Social interaction theory argues that members of different social classes have different social interaction networks, especially outside the workplace, and they will tend to acquire ways of thinking and behavior through interacting with others. As my analysis unfolds in Chapter II, social interaction is a principal mediating mechanism by which class positions affect individual political attitudes and action, because "people tend to inter-act with each other in terms of their objective class position, and such interaction is a prerequisite for the capacity to perform successfully class-related political roles." According to Heinz Eulau, class positions determine individuals' social interaction networks, and the social interaction per se influences the development of individuals' class-appropriate ways of thinking and behavior. This is a mutually reinforcing process. Once class-appropriate ways of thinking and behavior have formed, they will guide individuals' social interaction in political realms.

In the Western societies, middle class individuals have strongly supportive attitudes toward democracy because they realize that democracy is the best system to protect their individual rights and property. Social interaction among middle class individuals will tend to strengthen such attitudinal orientations. Moreover, social interaction will help middle class individuals translate such attitudinal orientations into the class-appropriate ways of political thinking: middle class individuals shall think democratically. In sum, middle class individuals tend to interact with those who are also members of the middle class and are more likely to exhibit democratic thinking in their

49 Eulau, "Identification with Class and Political Role Behavior," 524.
50 Eulau, "Identification with Class and Political Role Behavior;" and idem, "Identification with Class and Political Perspective."
everyday lives. If this is true, class-appropriate ways of political thinking would arise “through mechanisms of social learning and reinforcement.”51 Does this hold true for China’s newly rising middle class?

The two sub-groups of the Chinese middle class have distinctively different social networks. First, the people in the private-sector middle class tend to interact with those who are also from the private sector. For example, private entrepreneurs of small and medium-sized businesses tend to interact with each other, and they exchange information regarding business opportunities through such networks. In the 2004 Beijing interview on “Middle Class and its Political Attitudes and Behavior” I asked my respondents the following interview question: “In your social networks, who do you interact with most often and closely?” Most private entrepreneurs of small and medium businesses have chosen “private entrepreneurs of small and medium businesses” as the people with whom they interact most often and closely.

And also, I observed that managers in the private sector tend to interact with other managers in the private sector; and professionals in the private sector tend to interact with other professionals in the private sector. The close interaction within the private-sector middle class has created a class-appropriate culture, including lifestyles, attitudes and behaviors. For example, my interview with Mrs. O, a middle-level manager of a big foreign enterprise, typically conveyed this pattern. Mrs. O said:

“We have different social networks (guanzi). And there are different cultures and norms for different social networks. It is natural for middle class in the private sector to gather around....People usually call the middle class in the private sector ‘bourgeoisie (xiaozhi),’ since we have very distinctive social lifestyles.”

Since the private-sector middle class tends to interact with each other, this close interaction may reinforce these modern values such as those of equality and negotiation, as well as of self-direction and independence, and may reinforce the perception of democracy as the best form of governance.

Second, the people in the public-sector middle class tend to interact with those who are also from the public sector. In my 2004 Beijing interview on “Middle Class and its Political Attitudes and Behavior”, I observed that managers in the public sector tend to interact with other managers in the public sector, professionals in the public sector tend to interact with other professionals in the public sector, and white-collar office workers in the public sector tend to interact with other white-collar office workers in the public sector. Moreover, the people in the public-sector middle class clearly understand the difference between them and those in the private sector. As Mrs. P, a university professor, said:

“It is very clear that those middle class in the private sector are different from us. And we have different social networks. I seldom make friends with those middle class individuals from the private sector….We still rely on the government, and they rely on the market. Thus, it is so natural that they have their own networks and form their own culture; and we have our own networks and form our own culture.”

Since the public-sector middle class tends to interact with each other, this close interaction may reinforce those traditional orientations such as the values of respect for hierarchy and the concepts of reliance on the Party-state, and may also reinforce their undemocratic orientations.

Based on these observations, I am positing the following hypothesis:
Hypothesis: The middle class in the private sector has strong democratic attitudes; on the other hand, the middle class in the public sector has significantly weaker democratic attitudes.

DEPENDENT VARIABLE: DEMOCRATIC VALUES

What is the best method to measure the degree of democratic orientations among the Chinese population and its middle class in particular? There is no consensus on this question. Since Gabriel Almond and Sidney Verba, the importance of participant political culture has been recognized in democracy literature. Accordingly, several studies of Chinese politics adopted political efficacy as an important dimension to measure the degree of democratic orientations among China’s general population. However, this measurement does not directly capture democratic orientations per se.

The concept of democratic values that is central to this dissertation is based on the following synopsis by James Gibson: a “democratic citizen [is] one who believes in individual liberty and who is politically tolerant, who holds a certain amount of distrust of political authority but at the same time is trustful of fellow citizens, who is obedient but nonetheless willing to assert rights against the state, who views the state as constrained by legality, and who supports basic democratic institutions and processes.” In accordance with this understanding of what it means to be a democratic citizen, this dissertation will measure the political orientations toward democracy among China’s

52 See their seminal work, The Civic Culture.
53 For example, see Nathan and Shi, “Cultural Requisites for Democracy in China;” Shi, “Cultural Values and Democracy in the People’s Republic of China;” Wang et al., “Economic Change and Political Development in China.”
general population and its middle class in particular through an assessment of each of the following three sub-dimensions: support for competitive election, support for equal protection and rights for all people, and support for sovereignty of the people’s will.

SUPPORT FOR COMPETITIVE ELECTION

Competitive election is one of the essential characteristics of democracy.\textsuperscript{55} According to Joseph Schumpeter, democracy is a polity that is an “institutional arrangement for arriving at political decisions in which individuals acquire the power to decide by means of a competitive struggle for the people’s vote.”\textsuperscript{56} Schumpeter and other democracy theorists have even gone so far as to equate democracy with competitive elections.\textsuperscript{57} Therefore any assessment of the degree of democratic attitudes held by the general population must include a measurement of the support for competitive election.\textsuperscript{58} According to Chen and Zhong, “it is even more relevant to tap into the level of support for competitive elections in China, since Chinese political culture has been deemed inherently non-democratic.”\textsuperscript{59}

To determine the extent of Chinese citizens’ support for competitive elections, I asked my respondents the following two questions in the 2000 Beijing survey on “Election and Urban Local Self-governance”:

\textsuperscript{55} Dahl, \textit{Polyarchy}.
\textsuperscript{59} Chen and Zhong, “Defining the Political System of Post-Deng China,” 32.
1. Do you think that election is a better way to choose political leaders than Party appointment?

2. Do you think that it is time to promote direct, multi-candidate elections to choose government officials at the district level?

The respondents were asked to answer each of two questions on a 5-point scale, with "1" indicating "strongly agree", "2" indicating "agree", "3" indicating "not sure", "4" indicating "disagree", and "5" indicating "strongly disagree". I believe that these two questions are very relevant to measure the level of support for competitive elections. Because, according to Samuel Huntington, a competitive election involves at least two components—that more than one candidate can compete for votes freely, and that the electorate shall include all adults regardless of gender, race, income, education and class.60

The support for competitive elections is of particular interest in the Chinese society. Because, the direct and multi-candidate election of government officials has been a rare practice in China, limited to the elections of leaders in the urban and rural local governments and the elections of representatives to the People’s Congress at the district-level in the urban areas and at the township-level in the rural areas.61 Moreover, in the 2004 Beijing interview on “Middle Class and its Political Attitudes and Behavior”,

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60 Huntington, *The Third Wave.*

61 According to the 1982 Chinese Constitution, the National People's Congress has the highest power in China. Chinese Premier and cabinet members are elected by the National People's Congress. However, the representatives to the National People's Congress are not directly elected. Only those representatives to the People's Congress in the district-level in the urban areas and in the township-level in the rural areas are directly elected by the electorate. Article 97 of the 1982 Chinese Constitution provides that “deputies to the People’s Congresses of counties, cities not divided into districts, municipal districts, towns, nationality townships and towns are elected directly by their constituencies.” For more on this point, see Chen, *Popular Political Support in Urban China*; Shi, *Political Participation in Beijing*; Tang and Parish, *Chinese Urban Life under Reform*; Melanie Manion, “The Electoral Connection in the Chinese Countryside,” *American Political Science Review* 90 (1996): 736-48; M. Kent Jennings, “Political Participation in the Chinese Countryside,” *American Political Science Review* 91 (1997): 361-72.
I observed that many middle class people in the private sector demanded the direct, multi-candidate elections of government officials, at least at the district level. For example, my interview with Mrs. K, a middle-level manager of a big private enterprise, reflects this attitude. Mrs. K said:

“I agree that all government officials at all levels should be chosen by a process of direct, multi-candidate elections. Even the Chinese Constitution gives us the right to vote; but we can not elect representatives to the National People’s Congress, to the Provincial-level People’s Congresses, to the City-level People’s Congresses. Even though we do have the right to vote for the representatives to the District-level People’s Congresses, the election itself does not make too much sense. There are not enough candidates for us to choose from. And these candidates are always designated by the Party.”

Table 20 shows the following findings: 1). The private-sector middle class registered a higher level of support for competitive election than the lower class, the public-sector middle class and the upper class. Approximately 84 percent of the people in the private-sector middle class agreed that election is a better way to choose political leaders than Party appointment, and about 88 percent of them agreed that it is time to promote direct, multi-candidate elections to choose government officials at the district level. Furthermore, less than 10 percent of the private-sector middle class disagreed with both statements.

2). The public-sector middle class expressed a lower level of support for competitive elections than the private-sector middle class. Approximately 28 percent of the people in the public-sector middle class did not agree with the statement that election is a better way to choose political leaders than Party appointment and only 49 percent of them registered agreement with this statement. Still about 32 percent of the public-sector middle class people disagreed with the statement that it is time to promote direct, multi-
candidate elections to choose government officials at the district level and only 44 percent of them registered agreement with this statement.

Table 20. Support of Competitive Election by Class Identity

<table>
<thead>
<tr>
<th>Class Identity</th>
<th>Question 1: Election is a better way to choose political leaders than Party appointment?</th>
<th>Question 2: It is time to promote direct, multi-candidate elections to choose government officials at the district level?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Negative Response (%)</td>
<td>Positive Response (%)</td>
</tr>
<tr>
<td>Upper Class</td>
<td>30</td>
<td>44</td>
</tr>
<tr>
<td>Public-Sector</td>
<td>28</td>
<td>49</td>
</tr>
<tr>
<td>Middle Class</td>
<td>8</td>
<td>84</td>
</tr>
<tr>
<td>Private-Sector</td>
<td>8</td>
<td>84</td>
</tr>
<tr>
<td>Middle Class</td>
<td>14</td>
<td>60</td>
</tr>
</tbody>
</table>

Note: For Question 1: Pearson Chi-Square = 48.9; df = 6; p = 0.00; for Question 2: Pearson Chi-Square = 51.4; df = 4; p = 0.00.

3). The people in the lower class are less likely to support competitive elections than those in the private-sector middle class, as indicated by their responses to both questions. But they have a higher level of support for competitive elections than the people in the public-sector middle class and the upper class. About 60 percent of respondents from the lower class registered agreement with the statement that election is a better way to choose political leaders than Party appointment and 65 percent of them registered agreement with the statement that it is time to promote direct, multi-candidate elections to choose government officials at the district level.
4). The upper class people are the least democratic and they expressed the lowest level of support for competitive election. Approximately 30 percent of the upper class people disagreed with the statement that election is a better way to choose political leaders than Party appointment and 35 percent of them registered disagreement with the statement it is time to promote direct, multi-candidate elections to choose government officials at the district level.

Based on my analysis of these survey results, I find that the group of the Chinese private-sector middle class is positively associated with support for competitive elections. The Chinese private-sector middle class supports the idea that election is a better way to choose political leaders than Party appointment and believes that it is time to promote direct, multi-candidate elections to choose government officials at the district level. On the other hand, the group of the public-sector middle class shows a strong negative attitude towards the institution of competitive elections. Such findings are consistent with my theoretical discussion and support my hypothesis.

SUPPORT FOR EQUAL PROTECTION FOR ALL PEOPLE

Democracy is the political system in which the rights of all citizens are equally protected under the rule of law regardless of their origins, race, gender, income, education, and class. According to John Locke's *Two Treatises on Government*, freedom exists only when standing law protects all people. Therefore, any assessment of the degree of democratic attitudes held by the general population must include a measurement of the support for equal protection of rights for all people.
According to Jie Chen and Yang Zhong, “in China, belief in equal protection and rights is a critical indicator of democratic values, since its traditional culture still works against such democratic norms.” As suggested by Lucian Pye, there are no equal relations within the traditional Confucian culture. In Confucian culture, there is no equality, only superiors and inferiors, and there is a sharp divide between friends and foes. Moreover, the Confucian culture is extremely group-oriented. People tend to identify with their group and discriminate against those who lie outside their group.

After two decades of economic reform, support for equal protection for all people was growing in the Chinese society. For example, in 1995, around 85 percent of Beijing residents registered support for the norm of equal protection for all people. Another example is the great popularity of the newspaper—“Nanfang zhoumo (Nanfang Weekend)—in current China. “Nanfang Weekend” has been regarded by independent intellectuals as the center of liberal thoughts in current China, and it advertised its missions as “even if we do not agree with your words, we will fight to the death for your right of free speech.” It argued that all people should have the equal rights of free speech regardless of their wealth, educational attainment, and occupation. Such a concept of equal rights for all people has attracted strong responses from the Chinese urban population in the late 1990s. Moreover, my 2004 Beijing interview on “Middle Class and its Political Attitudes and Behavior” has also provided evidence of the rise of the demand for equal rights. Especially among the subgroup of the private-sector middle class, there is a very strong demand for the equal protection of rights for all people. For

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62 Chen and Zhong, “Defining the Political System of Post-Deng China,” 32.
63 Pye, The Spirit of Chinese Politics.
64 Chen and Zhong, “Defining the Political System of Post-Deng China.”
65 For example, many readers wrote letters to the editors in “Nanfang Weekend” to support all the modern democratic ideas that “Nanfang Weekend” promoted, particularly the idea of equal rights for all people.
example, my interview with Mr. W, an independent scholar, reflects this attitude. Mr. W said:

"Have you heard of the 'BMW case' which occurred in 2003? The BMW case began in October 2003 when a tractor pulling a load of green onions through a crowded market in the northern city of Harbin, in the province of Heilongjiang, scraped a BMW driven by Ms. Su Xiuwen. Ms. Su reportedly bit the peasant and his wife who had got down from their tractor to apologize, then rammed her car into the crowd, killing the peasant's wife and injuring twelve others. Ms. Su was given only a two-year suspended sentence for the so-called 'accidental traffic negligence'. This led to a great amount of disapproval, complaint, and even protest among the Chinese internet citizens because Ms. Su was reportedly a daughter-in-law of the chairman of Heilongjiang Provincial Political Consultative Conference... I was active in participating in the discussion of the BMW case in internet. And many of our friends also actively participated in the discussion of the BMW case. We all felt angry that there was no justice in this case, and it became obvious that the current government only protected those wealthy and powerful people. Of course, equal protection of rights for all people under the rule of law is the most important issue in current China. In the BMW case, it was very obvious that the current government discriminated against the poor peasant family. Today, the victim was the poor peasant family; maybe tomorrow, the victim will be my family."

To determine the extent of Chinese citizens' support for the equal protection of rights, I asked my respondents the following question in the 2004 Beijing survey on "Construction of Urban Residential Communities": "Do you agree with the following two statements:

1. All people should be entitled to vote, regardless of his/her family origin, occupation, education level, or income.
2. The judicial system should treat all people equally.

The respondents were asked to answer each of these two questions on a 5-point scale, with "1" indicating "strongly agree", "2" indicating "agree", "3" indicating "not sure", "4" indicating "disagree", and "5" indicating "strongly disagree".
Table 21 shows the following findings: 1). The people in the private-sector middle class registered a higher level of support for equal protection than those in the lower class, public-sector middle class, and the upper class. Approximately 92 percent of the people in the private-sector middle class agreed that all people should be entitled to vote, regardless of his/her family origin, occupation, education level, or income, and 95 percent of them registered agreement with the statement that the judicial system should treat all people equally.

Table 21. Support for Equal Protection and Rights by Class Identity

<table>
<thead>
<tr>
<th>Class Identity</th>
<th>1. All people should be entitled to vote, regardless of his/her family origin, occupation, education level, or income</th>
<th>2. The judicial system should treat all people equally</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Negative Response (%)</td>
<td>Positive Response (%)</td>
</tr>
<tr>
<td>Upper Class</td>
<td>33</td>
<td>54</td>
</tr>
<tr>
<td>Public-Sector Middle Class</td>
<td>27</td>
<td>59</td>
</tr>
<tr>
<td>Private-Sector Middle Class</td>
<td>5</td>
<td>92</td>
</tr>
<tr>
<td>Lower Class</td>
<td>11</td>
<td>81</td>
</tr>
</tbody>
</table>

*Note: For Statement 1: Pearson Chi-Square = 53.9; df = 6; p = 0.00; for Statement 2: Pearson Chi-Square = 61.0; df = 6; p = 0.00.*

2). The people in the public-sector middle class have a lower level of support for equal protection than those in the private-sector middle class. Approximately 27 percent of public-sector middle class registered disagreement with the statement that all people should be entitled to vote, regardless of his/her family origin, occupation, education level,
or income. Only 59 percent of the people in the public-sector middle class registered agreement with the statement that all people should be entitled to vote and only 60 percent of them registered agreement with the idea that the judicial system should treat all people equally.

3). The people in the lower class are less likely to support the equal protection of rights for all people than those in the private-sector middle class. But they have a higher level of support for equal protection than the people in the public-sector middle class and the upper class. Approximately 81 percent of respondents from the lower class registered agreement with the idea of equality of voting rights, and 75 percent of them registered agreement with the idea that the judicial system should treat all people equally.

4). The people in the upper class are the least democratic, and they have the lowest level of support for equal protection. Approximately 33 percent of the upper class disagreed with the statement that all people should be entitled to vote and 30 percent of them registered disagreement with the statement that the judicial system should treat all people equally. On the other hand, only 54 percent of respondents from the upper class registered agreement with the statement that all people should be entitled to vote, and only 55 percent of them registered agreement with the idea that people should have equal standing before the judicial system.

Based on this examination of the survey results, I find that the Chinese private-sector middle class is positively associated with support for equal protection. The Chinese private-sector middle class does support the idea of equality of voting rights and equal standing before the judicial system. On the other hand, the group of the public-
sector middle class shows a strong negative attitude towards the idea of equal protection. Such findings are consistent with my theoretical discussion and support my hypothesis.

SUPPORT FOR SOVEREIGNTY OF THE PEOPLE’S WILL

As many democracy scholars point out, democracy is a system wherein the people of a society control the government. In a democratic society, sovereignty originates from the people living in this society and is delegated to the government. In China sovereignty of the people’s will is an extremely critical indicator of democratic values because there is no tradition in China of popular influence on government. It is often argued that the political culture of China is rooted in Confucian absolutism, which was without a liberal tradition. The traditional Confucian culture emphasized authority over liberty, and lacked a tradition of rights against the state, and granted a sage with “mandate of heaven” to rule the country.

After two decades of economic reform, support for sovereignty of the people’s will was on the rise in the Chinese population, especially in the private-sector middle class. For example, my interview with Mrs. H, an independent lawyer who opened her own law company, reflects this attitude. Mrs. H said:

“The government officials at all levels (from street level to city level, and up to central government) never cared about the people’s will and voice. They made policies just by their will, and never solicited our opinion, even though they claimed themselves to be representative of the people’s interest. Of course, we need further reform. We need to reform the structure of the current political system, so that it is more attentive to the people’s will and voice.”

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In addition, a survey conducted by the Chinese Communist Youth League and the National Student Federation clearly indicated that the younger generation tended to value a set of tangible individual interests (e.g., making money and personal development), rather than national interest.\textsuperscript{68}

To determine the extent of Chinese citizens’ support for sovereignty of the people’s will, I asked my respondents to evaluate the following two statements in the 2004 Beijing survey on “Construction of Urban Residential Communities”:

1. The government policies should be guided by the people’s will.

2. When individual interests are in conflict with state interests, we should sacrifice our personal interests for the sake of state interests.

The respondents were asked to answer each of these two questions on a 5-point scale, with “1” indicating “strongly agree”, “2” indicating “agree”, “3” indicating “not sure”, “4” indicating “disagree”, and “5” indicating “strongly disagree”.

Table 22 indicates the following findings: 1). The private-sector middle class registered a higher level of support for sovereignty of the people’s will than the lower class, the public-sector middle class, and the upper class. Approximately 95 percent of the people in the private-sector middle class agreed that the government policies should be guided by the people’s will, and 98 percent of them registered disagreement with the idea that individuals should sacrifice their personal interests for the sake of state interests.

2). The public-sector middle class has a lower level of support for sovereignty of the people’s will than the private-sector middle class. Approximately 47 percent of the people in the public-sector middle class did agree with the statement that when individual interests are in conflict with state interests, the individual should sacrifice his/her

\textsuperscript{68} See the Hong Kong magazine Zhengming, no. 8 (August 2000), p. 27.
personal interests for the sake of state interests. Meanwhile, only 55 percent of the people in the public-sector middle class registered agreement with the statement that the government policies should be guided by the people’s will.

Table 22. Support for Sovereignty of People’s Will by Class Identity

<table>
<thead>
<tr>
<th>Class Identity</th>
<th>Statement 1</th>
<th>Statement 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. The government policies should be guided by the people’s will.</td>
<td>2. When individual interests are in conflict with state interests, we should sacrifice our personal interests for the sake of state interests.</td>
</tr>
<tr>
<td></td>
<td>Negative Response (%)</td>
<td>Positive Response (%)</td>
</tr>
<tr>
<td>Upper Class</td>
<td>37</td>
<td>44</td>
</tr>
<tr>
<td>Public-Sector Middle Class</td>
<td>30</td>
<td>55</td>
</tr>
<tr>
<td>Middle Class</td>
<td>3</td>
<td>95</td>
</tr>
<tr>
<td>Private-Sector Middle Class</td>
<td>12</td>
<td>73</td>
</tr>
</tbody>
</table>

Note: For Statement 1: Pearson Chi-Square = 57.6; df = 6; p = 0.00; for Statement 2: Pearson Chi-Square = 63.0; df = 6; p = 0.00.

3). The people in the lower class are less likely to support sovereignty of the people’s will than those in the private-sector middle class. But they have a higher level of support for sovereignty of the people’s will than those in the public-sector middle class and the upper class. Approximately 73 percent of respondents from the lower class registered agreement with the statement that the government policies should be guided by the people’s will, and 61 percent of them registered disagreement with the statement that individuals should sacrifice their personal interests for the sake of state interests.
4). The people in the upper class are the least democratic, and they have the lowest level of support for sovereignty of the people’s will. Approximately 37 percent of the people in the upper class disagreed with the statement that the government policies should be guided by the people’s will and 50 percent of them registered agreement with the statement that individuals should sacrifice their personal interests for the sake of state interests. On the other hand, only 44 percent of the people in the upper class registered agreement with the statement that the government policies should be guided by the people’s will and only 35 percent of them registered disagreement with the statement that individuals should sacrifice their personal interests for the sake of state interests.

Based on this examination of the survey results, I find that the Chinese private-sector middle class is positively associated with support for the sovereignty of the people’s will. The Chinese private-sector middle class supports the idea that the government policies should be guided by the people’s will and that personal interests are more important than state interests. On the other hand, the group of the public-sector middle class shows a strong negative attitude towards the institution of the sovereignty of the people’s will. Such findings are consistent with my theoretical discussion and support my hypothesis.

CONCLUSION

This chapter makes distinctions between two sub-groups of the middle class: public sector and private sector. The middle class individuals employed in the private sector are much more independent from the Party-state. Much like their Western counterparts, the middle class people in the private sector perceive democracy as the best
form of governance to protect their properties. And they strongly demand the legal-institutional constraints upon the power of Party-state to guarantee the proper functioning of the market, to reduce the widespread corruption, to protect their private property and their bourgeois lifestyle. Moreover, the middle class people in the private sector have acquired modern values such as those of equality and negotiation, as well as of self-independence in their daily lives and work. Such modern ideas are closely related to democratic values and can be easily translated into democratic attitudes. In addition, the close interaction within the private-sector middle class may reinforce such democratic attitudes.

On the other hand, those middle class individuals employed in the public sector have close relations with the Party-state and enjoy many privileges sanctioned by the Party-state; thus they have a vested interest to maintain the status quo. They do not demand a transparent, democratic political system; instead they worry that a dramatic change from the current political system may endanger their interests since they may lose those privileges that they are currently enjoying as a result of their relationship with the Party-state. Moreover, the middle class people in the public sector did not learn those modern ideas; rather they persisted in their traditional mentality, such as those of obedience and respect for hierarchy, reflecting the culture of their daily lives and work. The close interaction within the group of the public-sector middle class tends to reinforce such undemocratic attitudes.

Based on the 2000 Beijing survey on “Election and Urban Local Self-governance”, I find that the middle class in the private sector registered a higher level of support for competitive election than the middle class in the public sector and other
segments of the Chinese population. Based on the 2004 Beijing survey on “Construction of Urban Residential Communities”, I find that the middle class in the private sector registered a higher level of support for equal protection for all people and support for sovereignty of the people’s will than the middle class in the public sector and other segments of the Chinese population. Such findings are consistent with my theoretical arguments that the middle class in the private sector has strong democratic attitudes and that the middle class in the public sector has significantly weaker democratic attitudes. The middle class in the private sector is the most democratic within Chinese society in terms of these three dimensions: support for competitive elections, support for equal protection and rights for all people, and support for sovereignty of the people’s will. On the other hand, the middle class in the public sector shows a fairly strong negative attitude towards democracy in terms of these three dimensions.

It is not surprising to see that the upper class is the least democratic since this class is the greatest beneficiary of current political institutions and has a vested interest in maintaining those institutions. The lower class has shown a moderate support of democratic values. It is less democratic than the middle class in the private sector, but it is more democratic than the middle class in the public sector and the upper class. In the 2000 Beijing Survey on “Election and Urban Local Self-governance”, I find that the lower class people registered a higher level of support for competitive elections than the middle class in the public sector and the upper class. In the 2004 Beijing Survey on “Construction of Urban Residential Communities”, I find that the lower class registered a higher level of support for equal protection under the law and support for sovereignty of the people’s will than the middle class in the public sector and the upper class.
In the urban areas the lower class is mainly composed of the working class. Since 1978, the social status of China’s working class has changed fundamentally. The reform of state-owned and collective-owned enterprises has altered the pattern of “organised dependence” and paternalism characteristic of state-labor relations in Mao’s era. In Mao’s era, the Chinese working class benefited greatly from their relationship with the Party-state; by contrast, in the reform era, China’s working class is emerging as the loser. The Chinese working class has become the subordinate class and their discontent has risen consequently. Many studies have observed different forms of labor struggles—ranging from everyday workplace resistance, petitions, work stoppages and strikes to public protest, violence, independent unionism and political movements that exemplify the discontent of the Chinese working class.

China’s current regime has lost the political support of the working class. As concluded by Martin King Whyte, “China’s political leaders no longer can take comfort in their ability to turn to the workers for support in facing a crisis. Instead, they must worry about whether they can maintain control over their increasingly unhappy and fractious proletariat.” The result of China’s economic reform is paradoxical: China’s leaders’ purpose in initiating reform was to increase support for the regime; however, economic reform gradually undercut this support. The political support of China’s working class for the regime has gradually retreated in the period since 1978. Thus, China’s working class has naturally shown a strong attraction to democracy.

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69 Lee, “Pathways of Labor Insurgency.”
72 Lee, “Pathways of Labor Insurgency.”
CHAPTER V

DOES CHINA’S MIDDLE CLASS ACT IN WAYS THAT PROMOTES DEMOCRACY?

As the previous chapter delineates, the two subgroups of the middle class have shown different attitudinal orientations toward democracy. The private-sector middle class is the most democratic within the Chinese society, whereas the public-sector middle class shares, though to a lesser degree, the negative attitudes toward democracy with the upper class and is less democratic than the lower class. Does the private-sector middle class, who supports democratic values, act in ways that will promote democracy? Does the public-sector middle class, who holds negative attitudes toward democracy, act in ways that will impede the transition to democracy? This chapter is intended to address these two critical questions.

THEORETICAL DISCUSSION

According to the literature on the Western middle class, the middle class people, who support democratic principles, do act in ways that promote democracy. Under a democratic system, these middle class individuals, who have attitudes in support of democratic principle, are more likely to participate in a variety of conventional political activities that have important consequences for the proper functioning of democracy. This argument is based on the following theories:

(1) Political Efficacy Theory, which states that middle class individuals are the social group that is most likely to act on their democratic beliefs because they have a high
level of political efficacy: that is, they are more confident about their role in public affairs and are more competent to participate in politics than members of the lower class.\(^1\) Many empirical studies have reported that, "political participation and subjective competence are positively related. An increase in the level of one is accompanied by an increase in the level of the other."\(^2\)

Why do middle class individuals have a high level of political efficacy? According to previous studies of the middle class in the Western societies, this political confidence and competence come mainly from three sources. One is the experience and intellectual expertise related to the occupations and professions of middle class individuals. As Chapter IV has discussed, according to learning-generalization theory, the job conditions of the middle class affect their subjective attitudes through a process of learning from the job and generalizing what has been learned to other social and political realms. The experience of running a business, supervising others, and/or possessing intellectual expertise makes middle class people feel competent to participate in all types of actions (or "non-actions") for the rise and/or maintenance of a democratic system.\(^3\)

A second source of this political confidence and competence is the possession of a greater degree of knowledge about public and political affairs. Due to the nature and needs of their occupations, middle class people have a greater stake than the working class in the acquisition of information about public policies and politics in general. For example, owners of small/medium businesses, managers, and professionals need to have

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\(^1\) Eulau, "Identification with Class and Political Perspective;" and idem, "Identification with Class and Political Role Behavior;" Lipset, Political Man; Milbrath, Political Participation; Nie, Powell, and Prewitt, "Social Structure and Political Participation, Part I," and "Part II;" Glassman, The Middle Class and Democracy in Socio-Historical Perspective; and idem, The New Middle Class and Democracy in Global Perspective; Verba and Nie, Participation in America.

\(^2\) Milbrath, Political Participation, 59.

\(^3\) Glassman, The Middle Class and Democracy in Socio-Historical Perspective; and idem, The New Middle Class and Democracy in Global Perspective; Lane, Political Life.
timely information about changes in government policies and of political leaders at various levels, which could directly affect their immediate and long-term interests related to their occupations and professions. As Robert Luskin argues, people in the middle class have "more politically impinged occupations [that require] more political information...about what the government is doing or is likely to do...and what effects its actions are likely to have."4

A third source of the middle class's political confidence and competence is psychological security, which to a significant extent derives from economic security. On the other hand, the poorer class lacks economic security and, therefore, psychological security as well. "The lower one goes on the socioeconomic ladder, the greater economic uncertainty one finds. White-collar workers, even those who are not paid more than skilled manual workers, are less likely to suffer the tensions created by fear of loss of income....Such insecurity will of course affect the individual’s politics and attitudes."5 Empirical studies have found that people who feel quite secure economically are also likely to feel that they are politically effective and have an effective voice in political affairs.6 Thus the middle class, which has more economic security, is expected to be more confident about political participation and the effectiveness of political participation.

(2) Political Interest Theory, which states that middle class individuals are the social group that is most likely to act on their democratic beliefs because they have a greater degree of interest in political and public affairs. At least some cross-national

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5 Lipset, Political Man, 106.
6 Lane, Political Life, 224.
empirical studies have shown that those people who are more interested in and concerned about public affairs and political matters are more likely to be active participants.\(^7\)

Why are middle class individuals more interested in politics? First, there is the explanation offered by rational choice theory. Middle class individuals are small property owners. The conventional wisdom of political scientists holds that property owners have a greater stake in politics and thus they are more likely to be interested in and concerned about political matters and public affairs. Driven by economic interest, middle class individuals are more likely to be sensitive to government policies that generate negative effects on their property.\(^8\)

Second, social interaction matters. As I have discussed, members of different social classes have different social interaction networks. Since middle class individuals tend to interact with members of their own class, and since members of the middle class generally are more interested in politics and tend to be politically engaged, a middle class member is more likely to encounter more political stimuli than members of the other social classes. And when this occurs, social interaction effects would arise through mechanisms of social reinforcement.\(^9\)

(3) Resources Theory, which states that middle class individuals are the social group that is most likely to act on their democratic beliefs because they have resources (e.g., time, money and civic skills) to do so. In other words, I would rather argue that

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8 Glassman, *China in Transition*; and idem, *The Middle Class and Democracy in Socio-Historical Perspective*; and idem, *The New Middle Class and Democracy in Global Perspective*.
9 Eulau, “Identification with Class and Political Role Behavior;” Walsh, Jennings and Stoke, “The Effects of Social Class Identification on Participatory Orientations towards Government.”
middle class individuals participate in all types of actions (or “non-actions”) for the rise and/or maintenance of a democratic system since they have the resources of time, money, and civic skills to do so.\textsuperscript{10}

The middle class is characterized as a class with leisure time.\textsuperscript{11} The middle class has enough leisure time available for matters not closely related to the subsistence of daily life. Political activity “takes an amount of leisure above the minimum to ring doorbells, write letters, read magazine articles”; voting, political campaigning and contacting government officials very often require a great amount of leisure time.\textsuperscript{12} Therefore, a differential in leisure time can account for some of the differential in political activity.

Money is an important resource for all types of political actions for the rise and/or maintenance of a democratic system,\textsuperscript{13} since it “is impossible to contribute to a campaign or other political cause without some discretionary income.”\textsuperscript{14} Obviously, middle class people have more discretionary income than lower class people and so can more easily afford to participate in political activities.

Civic skills are defined in this study as “communications and organizational abilities.”\textsuperscript{15} This definition allows us to make distinctions between civic skills and a subjective feeling of efficacy. Even though there is a strong positive correlation between

\textsuperscript{10} Glassman, \textit{The Middle Class and Democracy in Socio-Historical Perspective}; Milbrath, \textit{Political Participation}; Verba, Schlozman, and Brady, \textit{Voice and Equality}.

\textsuperscript{11} Mills, \textit{White Collar}; Kahl, \textit{The American Class Structure}.

\textsuperscript{12} Lane, \textit{Political Life}, 223.


\textsuperscript{14} Verba, Schlozman, and Brady, \textit{Voice and Equality}, 289.

\textsuperscript{15} Ibid.
civic skills and a subjective feeling of efficacy, civic skills are different and relatively objective. Those persons who “can speak or write well or who are comfortable organizing and taking part in meetings”...“should find political activity less daunting and costly and, therefore, should be more likely to take part.” Moreover, those civic skills “allow participants to use inputs of time and money more effectively, making them more productive when they are active.”

The workplace is one of the most important social institutions for the development of civic skills. Owners of small/medium businesses, managers, and white-collar professionals, for example, are more likely to possess civic skills since they have more opportunities to practice managing, supervising and organizing skills and increase their intellectual expertise in their work lives. As summarized by Sidney Verba and his colleagues, “having a job is, of course, a necessary first step toward acquiring civic skills in the workplace, but the nature of the occupation is also important. Teachers or lawyers are more likely to have opportunities to enhance civic skills—to organize meetings, make presentations, and the like—than are fast-food workers or meat cutters.”

These Western individual-level theories form the theoretical basis for my assessment of the political behaviors of the middle class individuals in urban China.

A. Political Efficacy of the Two Groups of the Chinese Middle Class

It is my expectation that the Chinese private-sector middle class has a higher level of political efficacy than the public-sector middle class and other social groups. This expectation is based on the following argument.

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16 Ibid., 304.
17 Ibid., 314-315.
As documented in Chapter III, the Chinese private-sector middle class includes mainly the managers in the private and foreign-related enterprises, professionals in the private sector, private entrepreneurs who run small and medium businesses, and those white-collar office workers in the private entities. Like their counterparts in Western societies, their experiences running business, supervising others, and/or possessing intellectual knowledge make the private-sector middle class feel competent to participate in all types of political activities. For example, self-employed individuals who run small or medium businesses usually make their own decisions in the daily management of those businesses and therefore tend to see political leaders as colleagues engaged in the management of political organizations. Managers in the private sector such as those who run private or foreign-related enterprises are accustomed to making decisions without consulting the government and Party cadres, and thus acquire a strong sense of self-direction and competence that is easily transferred to the political sphere. My interview with Mr. F, a middle-level manager in a foreign-owned enterprise, has provided evidence for this argument. Mr. F said:

“I am confident to participate in politics....I have managed quite a big part of business in this company and supervised over 20 employees. Managing a political organization shall be no more difficult than managing a company. Due to the nature of my occupation, I have to keep informed about public policies. Thus I have accumulated enough political knowledge to take part in political activities.”

On the other hand, the public-sector middle class, which mainly includes the managers in the state-owned enterprises, professionals in the public organizations, and staff members in the government and party agencies as well as public organizations, is still controlled, in varying degrees, by the state power. As the previous chapter indicates,

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18 Glassman, *China in Transition.*  
19 Zheng and Li, *Social Structure of the Cities in Contemporary China,* Zhang, *Conflict and Uncertainty.*
the public-sector middle class has less control over its career and social mobility, since the occupational advancement and mobility for the public-sector middle class is largely determined by the Party-state. Moreover, the attitudes of the public-sector middle class are influenced by the values that prevail in the workplace, such as those of obedience and respect for hierarchy. Therefore, this group of the public-sector middle class is less likely to acquire a sense of social-political competence from their work experience.

To measure Chinese urban residents’ sense of political efficacy, I asked my respondents to evaluate the following two statements in the 2004 Beijing survey on “Construction of Urban Residential Communities”:

1. I feel that I have a fairly good understanding of local political and public affairs.
2. I consider myself well-qualified to participate in the decision making process of local political and public affairs.

Respondents were asked to answer each of the two questions on a 5-point scale, with “1” indicating “strongly disagree” and “5” indicating “strongly agree”. The values of these two questions were combined to form an additive index to capture residents’ sense of political efficacy, where “2” referred to the least level of political efficacy, and “10” stood for the highest level of political efficacy. This political efficacy index is then trichotomized into three categories: high, intermediate, and low levels.

Table 23 clearly indicates the following findings: 1) The middle class people in the private sector have a higher sense of political efficacy than the lower class, the public-sector middle class, and the upper class. Approximately 95 percent of the private-sector middle class individuals indicate that they have a fairly good understanding of local

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20 For example, please see Zhang, *Conflict and Uncertainty*; Lu, ed., *Social Mobility in Contemporary China*, Zheng and Li, *Social Structure of the Cities in Contemporary China.*

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political and public affairs and they are well-qualified to participate in the decision making process of local political and public affairs. Additionally, only 5 percent of them disagree with these two statements.

### Table 23. Political Efficacy by Class Identity

<table>
<thead>
<tr>
<th>Political Efficacy Index(^1)</th>
<th>Upper Class (%)</th>
<th>Public-sector Middle Class (%)</th>
<th>Private-sector Middle Class (%)</th>
<th>Lower Class (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>3</td>
<td>15</td>
<td>5</td>
<td>40</td>
</tr>
<tr>
<td>Medium</td>
<td>32</td>
<td>35</td>
<td>20</td>
<td>30</td>
</tr>
<tr>
<td>High</td>
<td>65</td>
<td>50</td>
<td>75</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

*Note: Pearson Chi-Square = 49.3; df = 6; p = 0.00*

\(^1\) The original political efficacy index is trichotomized into three categories: high, intermediate, and low levels.

2) The middle class people in the public sector have a lower level of political efficacy than the private-sector middle class. Only 60 percent of the public-sector middle class individuals indicate that they have a fairly good understanding of local political and public affairs and they are well-qualified to participate in the decision making process of local political and public affairs.

3) The lower class people are least likely to be politically efficacious. Approximately 40 percent of respondents from the lower class indicate that they have a fairly good understanding of local political and public affairs and they are well-qualified to participate in the decision making process of local political and public affairs. In addition, 40 percent of respondents from the lower class disagree with these two statements.
4) The upper class showed a fairly strong sense of political efficacy. Approximately 90 percent of respondents from the upper class agree with the statements that they have a fairly good understanding of local political and public affairs and that they are well-qualified to participate in the decision making process of local political and public affairs. This finding could be explained by the fact that the majority of the upper class people have institutional channels that facilitate their involvement in the process of government decision-making. As Chapter II indicates, the upper class is composed of the administrative personnel of state affairs and social affairs, and private entrepreneurs. The administrative personnel of state affairs and social affairs are bureaucrats in government agencies and are advantageously positioned at the heart of the political system. Private entrepreneurs possessed the large means of production and were gradually co-opted by the party-state, becoming a part of the ruling class.²¹

B. Political Interest of the Two Groups of the Chinese Middle Class

It is my expectation that the Chinese private-sector middle class has a greater degree of interest in political and public affairs than the public-sector middle class and other social groups. This expectation is based on the following argument.

As the previous chapter indicates, most members of the Chinese middle class own a relatively substantial amount of property: all small entrepreneurs own their businesses, whereas most managerial personnel, professionals, and white-collar office workers possess at least their apartments. The conventional wisdom of political scientists holds that property owners have a greater stake in politics; and so they are more likely to be interested in and concerned about political matters and public affairs.

²¹ Dickson, Red Capitalists in China.
However, the middle class people in the public sector have close relations with the Party-state and thus they may rely on those ties to assure the protection of their property. As a result, the public-sector middle class has little motivation to be interested in political affairs. On the other hand, the private-sector middle class usually does not have close relations with the Party-state; therefore, it has to rely on other methods to protect its property, such as using legal weapons, contacting government officials, and organizing associations of property owners. In addition, unlike the public-sector middle class people who buy the government-subsidized apartments through their work unit, the private-sector middle class people buy their apartments from the market for a very high market price and thus are very sensitive to those government policies that may have negative effects on the value of their apartment properties. Additionally, many empirical studies have documented a variety of actions taken by the private-sector middle class to defend their apartment properties.\textsuperscript{22}

To measure Beijing residents' interest in political and public affairs, I asked my respondents two questions in the 2000 Beijing survey on "Election and Urban Local Self-governance":

1. When you get together with your friends, do you discuss political matters and public affairs frequently?

2. How interested would you say you are in political matters and public affairs?

Respondents were asked to answer each of the two questions on a 3-point scale, with "1" indicating "not at all," "2" indicating "somewhat," and "3" indicating "very often" (for Question 1) or "very much" (for Question 2). The values of these two

\textsuperscript{22} Cai, "China's Moderate Middle Class;" Read, "Democratizing the Neighborhood? New Private Housing and Home-Owner Self-Organization in Urban China."
questions were combined to form an additive index that captures residents’ interest in
government affairs, where “2” represented the least interest and “6” represented the highest
interest in public affairs. This political interest index is then trichotomized into three
categories: high, intermediate, and low levels.

Table 24 clearly indicates the following findings: 1) The middle class people in
the private sector have a higher level of political interest than the lower class, the public-
sector middle class, and the upper class. Approximately 98 percent of the private-sector
middle class people indicate that they are at least somewhat interested in political matters
and that they will discuss political matters with their friends. In addition, only 2 percent
of them say “no” to both questions.

<table>
<thead>
<tr>
<th>Political Interest Index</th>
<th>Upper Class (%)</th>
<th>Public-sector Middle Class (%)</th>
<th>Private-sector Middle Class (%)</th>
<th>Lower Class (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>12</td>
<td>16</td>
<td>2</td>
<td>32</td>
</tr>
<tr>
<td>Medium</td>
<td>50</td>
<td>41</td>
<td>38</td>
<td>38</td>
</tr>
<tr>
<td>High</td>
<td>38</td>
<td>43</td>
<td>60</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

*Note: Pearson Chi-Square = 55.0; df = 6; p = 0.00

1. The original political interest index is trichotomized into three categories: high, intermediate, and low levels.

2) The middle class people in the public sector have a lower level of political
interest than the private-sector middle class. Only 57 percent of the public-sector middle
class individuals indicate that they are at least somewhat interested in political matters
and that they will discuss political matters with their friends.
3) The lower class people are least likely to be politically engaged. Approximately 48 percent of respondents from the lower class indicate that they are at least somewhat interested in political matters and that they will discuss political matters with their friends. In addition, about 30 percent of respondents from the lower class say “no” to both questions.

4) The upper class people are less likely to be politically engaged than the private-sector middle class, but they have a higher level of political interest than the lower class and the public-sector middle class. Approximately 88 percent of respondents from the upper class indicate that they are at least somewhat interested in political matters and that they will discuss political matters with their friends. Additionally, only 12 percent of middle class persons say “no” to both questions.

C. Resources of the Two Groups of the Chinese Middle Class

It is my expectation that the Chinese private-sector middle class has more resources (i.e., money and civic skills) than the public-sector middle class and other social groups. This expectation is based on the following arguments.

Money is an important source of all types of political actions. The private-sector middle class people, having more disposable income than the public-sector middle class and the lower class, can more easily afford to participate in political activities. Quite a few studies have documented that, as the major beneficiary of the post-Mao reform, the

23 Milbrath, Political Participation; Verba and Nie, Participation in America; Rosenstone and Hansen, Mobilization, Participation, and Democracy in America; Verba, Nie, and Kim, Participation and Political Equality; Verba, Schlozman, and Brady, Voice and Equality.

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private-sector middle class has become one of the richest social groups in the Chinese society.\textsuperscript{24}

As owners of small or medium-sized businesses, managers, and white-collar professionals, the private-sector middle class individuals are more likely to possess civic skills, since they have plenty of chance to practice managing, supervising and organizational skills in their work life. For example, my interview with Mrs. T, a low-level manager in a foreign-related enterprise, has provided evidence for this argument. Mrs. T said:

"I have been a professional manager since 1990. In my routine work, I have been exposed to lots of meetings and workshop. And I have organized meetings, and made presentations for over 10 years. So, I am confident to say that I am well equipped with communications and organizational abilities."

On the other hand, the public-sector middle class has less control over its work. In their work life, the public-sector middle class people must follow the government and Party orders and thus have little chance to practice the above-mentioned civic skills.\textsuperscript{25}

Based on the above discussions, it may be concluded that the private-sector middle class people, like their Western counterparts, are also interested in political matters, and are feel efficacious to participate in politics, and are endowed with resources (i.e., money and civic skills) to do so. In addition, as the previous chapter indicates, the private-sector middle class has strong pro-democratic orientations. Thus, I expect that the private-sector middle class is very likely to participate in various forms of political activities that will promote democratization in contemporary China. On the other hand,


\textsuperscript{25} For example, please see Zhang, Conflict and Uncertainty; Lu, ed., Social Mobility in Contemporary China; Zheng and Li, Social Structure of the Cities in Contemporary China.
the public-sector middle class people, is less interested in political matters, and has a lower level of political efficacy, and are endowed with less resources to participate in political affairs than the private-sector middle class. In addition, as the previous chapter indicates, the public-sector middle class has negative attitudes toward democracy. Therefore, I expect that the public-sector middle class will not participate in political activities that may promote democracy in China, moreover, I expect that the public-sector middle class will participate in political activities that will strengthen the rule of the current regime.

HYPOTHESES DEVELOPMENT

To test my theoretical argument that the private-sector middle class will act in ways that will promote democracy in China and that the public-sector middle class will act in ways that will impede the transition to democracy, I selected two types of political activities that explore the different political behavioral orientations of the two sub-groups of the middle class: participation in civic organizations and participation in the urban self-government system.

A. Conventional Political Participation in Current China

In the democratic societies, the middle class is more likely to participate in conventional political activities than other social groups. This participation is crucial for the maintenance and functioning of a democratic system. According to Sidney Verba and his associates, conventional political activities are "legal acts by private citizens that are more or less directly aimed at influencing the selection of governmental personnel"

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26 Dahl, Polyarchy; Lane, Political Life; Milbrath, Political Participation.
and the actions that they take". Moreover, Verba and his associates identify four modes of conventional political participation: voting, campaign activity, communal activity, and particularized contact. From the outset of the post-Mao economic and political reforms, ordinary Chinese citizens have been participating in public affairs and politics at least at the local level, even though the Chinese political system is at most semi-democratic. Studies of Chinese politics have identified several common modes of conventional political participation: voting, campaign behavior, particularized contact, and civic participation.

What are the participatory orientations of the two sub-groups of the middle class in regard to these conventional political activities? Will the two sub-groups of the middle class have different participatory orientations?

This dissertation is going to explore these two questions by examining (1) how the two sub-groups of the middle class act in the civic organizations, and (2) how the two sub-groups of the middle class act in the urban self-government system. There were several reasons to choose the civic organization and urban self-government system as the case to study the participatory orientations of the two sub-groups of middle class people. First, all Chinese middle class people are urban residents, thus it is necessary to study political behavioral orientations of the middle class people by examining how they act in

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27 Verba, Nie, and Kim, Participation and Political Equality, 46.
the public affairs and politics in the urban areas of China. People's participation in the civic organizations and the urban self-government by no means exhaust their political behaviors in urban China; nonetheless, they may serve as a good test of the relationship between people's class identity and political behavioral orientations in urban China. Second, people from all socio-economic classes of the urban areas are familiar with the civic organizations and the urban self-government system, and they tend to act in a more sophisticated way in the civic organizations and the urban self-government system. Therefore, people's participation in the civic organizations and the urban self-government may represent their fundamental political behavioral orientations. Third, in the reform era, people are free to choose to participate or not to participate in the civic organizations and the urban self-government. For this reason, survey questions about these acts were "unlikely to make respondents give interviewers false answers." Thus, people's behavioral orientations toward the civic organizations and the urban self-government provide a good opportunity to study the impact of class identity on their behavioral orientations.

B. Testable Hypotheses

Civic organizations work in several ways to help people become active in support of the rise and/or maintenance of a democratic system. First, these civic organizations may provide extensive exposure to political matters, in the form of both informal political

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30 In the Mao era, Chinese citizens were required by the party to participate in these political activities to show their support for the regime. Non-participation was punished by the party.
31 Shi, Political Participation in Beijing, 27.
discussions and formal consideration of political matters at meetings. As a result, these civic organizations "would be acting as channel of political communication or as a potential means of arousing political interest in citizens." Second, leaders of these civic organizations "often make deliberate attempts to mobilize the ranks to political action." Third, civic organizations will generate beneficial impacts on individuals' democratic orientations. Civic organizations "instill in their members habits of cooperation, solidarity, and public-spiritedness."

However, the nature of Chinese civic associations is different from those in Western societies. Most formal civic organizations in China are under the complete control of the party-state or dependent upon the party-state. On the other hand, most private organizations and informal social networks have a certain level of autonomy and independence from the party-state. Thus, the private-sector middle class individuals' democratic belief may lead them to participate in private organizations and informal social networks and are less likely to take part in formal civic organizations that are sponsored by the Party-state. Like their counterparts in Western societies, the private-sector middle class individuals have plenty of resources, such as money and civic skills, to afford them to be actively engaged in private civic organizations. Moreover, the private-sector middle class people have motivations to participate in private civic organizations, because they realize that by organizing and participating in private civic organizations, they can act collectively to protect their property and interests. For


Verba and Nie, *Participation in America*, 177.


Putnam et al., *Making Democracy Work*.

However, in the Chinese society, the distinction between "formal" and "private" civic organizations is very fuzzy. In many cases, Chinese civic organizations may have combined characters: "formal" and "private".
example, numerous studies have documented that the private-sector middle class people have formed home-owners’ associations (yèzū wèiyuànhùì) to seek the protection of their property interests and rights collectively. In addition, the private-sector middle class has a high level of social and political competence, which is a necessary condition for proactive participation in private civic organizations.

On the other hand, I expect that the public-sector middle class is more likely to participate in the government-sponsored civic organizations and less likely to participate in private civic organizations. The public-sector middle class people have close ties with the Party-state, thus they are more likely to have affective attachments to current political authority, which, in turn may lead them to participate in formal civic organizations. Besides, the Party-state has taken steps to mobilize the public-sector middle class to become members of formal civic organization, aiming to strengthen the control of the public-sector middle class. On the other hand, the public-sector middle class people are very wary about the development of private civic organizations since these organizations do not fit with their undemocratic belief. In addition, the public-sector middle class individuals do not have resources, such as money, civic skills, and socio-political competence, to organize and participate in private civic organizations.

Based on the above discussion, I am positing the following hypothesis:

**III:** Chinese middle class individuals in the private sector are less likely to participate in formal civic organizations and more likely to become involved in

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38 For example, see Cai, “China’s Moderate Middle Class;” and Read, “Democratizing the Neighborhood? New Private Housing and Home-Owner Self-Organization in Urban China.”

39 For example, see Zhang, *Conflict and Uncertainty.* And also, please see Lu, ed., *Social Mobility in Contemporary China;* Zheng and Li, *Social Structure of the Cities in Contemporary China.*

40 For example, Zhang, *Conflict and Uncertainty;* and Goodman, “The New Middle Class.”

41 For example, see Yingfang Chen, “Xíng’dòng’lì yù zhīdù xiànzhé: dushi yundòng zhòng de zhòngchān jiecèng” (Behavioral Capacity and Institutional Constraints: The Middle Class in Urban Social Movements), *Shēnxùixué yanjiu* (Sociological Studies) 2006, no.4: 1-20; Zhang, *Conflict and Uncertainty.*

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autonomous private organizations, whereas Chinese middle class individuals in the public sector are more likely to participate in formal civic organizations and less likely to become involved in autonomous private organizations.

As this chapter will discuss later, the self-government system in urban China was still semi-democratic, if not non-democratic, since it was in general dominated and controlled by the party-state. As a result, the system itself may not be consistent with the expectations of those who strongly believe in democratic principles, such as the free popular elections of leaders and equal protection for all people. Thus, the private-sector middle class people who believe that a political system should be democratically formed through competitive election may have a negative evaluation of the current forms of conventional political participation; in turn, this negative evaluation may cause the private-sector middle class to engage in non-participatory action as protest against the current system.

Based on this discussion, I am positing the following two hypotheses with regard to the participatory orientations of the private-sector middle class:

$H2$: The private-sector middle class individuals’ democratic belief that a political system should be democratically formed leads to their negative evaluation of the currently-implemented urban self-government system.

$H3$: In turn, this negative evaluation causes the private-sector middle class individuals to engage in non-participatory action.

On the other hand, since the middle class people in the public sector enjoy some formal (i.e., corporatist institutions) and informal channels (i.e., personal ties) to the party-state power, they are more likely to identify themselves with the current semi-
democratic regime and possess affective attachments to current political authority. Moreover, the public-sector middle class has strong negative attitudes toward democracy. And this undemocratic belief may lead to their positive evaluation of the current forms of conventional political participation. In turn, this positive identification with the current regime and affective attachments to current political authority will cause middle class individuals in the public sector to engage in the participatory action as support for the current system.  

Based on this discussion, I am posting the following two hypotheses with regard to the participatory orientations of the public-sector middle class:

\[ H4: \text{The public-sector middle class individuals’ undemocratic belief may lead to their positive evaluation of the currently-implemented urban self-government system;} \]

\[ H5: \text{In turn, this positive evaluation causes the public-sector middle class individuals engage in participatory action.} \]

Overall, this chapter argues that the private-sector middle class people, who have democratic orientations, will act in a democratic way; that is, they are more likely to participate in private civic organization, and less likely to participate in the urban self-government system. On the other hand, this chapter argues that, the public-sector middle class people, who have undemocratic belief, will act in an undemocratic way; that is, they are more likely to participate in the government-sponsored civic organization and urban self-government system.

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CIVIC PARTICIPATION OF THE TWO SUB-GROUPS OF THE MIDDLE CLASS

In this section, I will compare the participatory orientations in civic organizations between the two sub-groups of the middle class. Before doing that, however, it is necessary to provide an overview of the nature of Chinese civic organizations.

A. The Nature of Chinese Civic Organizations

Since the 1978 reform, the number of China’s civic organizations has increased. In the years between 1979 and 1992, the number of national civic organizations has risen sevenfold (averaging 48% a year), and the average increase of provincial civic organizations has developed even faster. By the end of 2002, there were 133,340 civic organizations in China.

Current studies of Chinese politics question the autonomy of these civic organizations. As He Baogang has suggested, the assumption that these organizations are autonomous and independent is not warranted. The expectation that China’s civil organizations will perform the same democratic functions as their Western counterparts is far from being a reality. According to He, “Chinese autonomous organizations are neither completely autonomous from the state nor completely dependent on the state .... It is the feature of partial autonomy and overlapping with the state that makes Chinese social associations a semi- or quasi-civil society.” Moreover, as Chapter III has discussed, these civic organizations are licensed by the Party-state and under the

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44 Dickson, Red Capitalists in China; Pearson, China’s New Business Elite; Unger and Chan, “China, Corporatism, and the East Asian Model.”
45 Baogang He, The Democratic Implications of Civil Society in China (New York: St. Martin’s Press, 1997).
46 Ibid., 7-8.
directives of the Party-state. According to Bruce Dickson, the civic organizations in
China have a dual function: they are designed to give the Party-state a means by which to
control organized interests in society and also to represent their members’ interests.47

On the other hand, many Chinese scholars and watchers have observed the
development of private organizations and even unofficial organizations in the Chinese
society, which are more independent from the government’s control.48 For example, as
suggested by Ian Johnson, China’s citizens “have started to demand more from their
government,” and “these sorts of demands have given rise to numerous unofficial—and
in many cases illegal—groups outside the government’s control: hence, civil society.”
Such civic groups are “pushing for change” and “China is in a transition from a society of
strong governmental control to one where civil society controls more.”49

This dissertation makes distinctions between two types of civic organizations:
state-controlled civic organizations and autonomous private organizations. The state-
controlled civic organizations include most formal civic organization such as trade unions,
associations of private entrepreneurs, and trade associations (hangye xiehui). Political
and economic civic organizations are typical state-controlled organizations.50 The
autonomous private organizations include sport or recreation organizations, art, music or
educational organizations, academic organizations and public interest organizations.
Most of these organizations have a certain level of autonomy and independence from the

47 Dickson, Red Capitalists in China.
48 Read, “Democratizing the Neighborhood? New Private Housing and Home-Owner Self-Organization in
Urban China;” Luigi Tomba, “Residential Space and Collective Interest Formation in Beijing’s Housing
Disputes,” The China Quarterly 184 (2005): 934-51; Ian Johnson, “The Death and Life of China’s Civil
50 For a detailed discussion, please see He, The Democratic Implications of Civil Society in China; Dickson,
Red Capitalists in China; Pearson, China’s New Business Elite; Unger and Chan, “China, Corporatism, and
the East Asian Model.”

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Public interest organizations refer to those autonomous organizations seeking to promote the public interest, and they are the active and robust part of civil society and play a direct role in promoting public interest.52

B. The Comparison between the Two Types of Civic Organizations

In contemporary China, all civic associations have to register with government agencies and conform to regulations issued by the Ministry of Civil Affairs. According to the “Regulations on the Management of the Registration of Societal Organizations” which was issued by the State Council in 1989, all new civic organizations have to be approved by government agencies, which have authority over the applicants’ proposed domains of activities, before they can register with the offices of the Ministry of Civil Affairs.53 In this respect, there is no significant difference between state-controlled civic organizations and private organizations. However, some public interest organizations do not register with government agencies at all. For example, some internet-based public interest networks organize most of their activities on the Internet and they do not have formal organizational structures or staff; therefore, they are completely outside the government’s control.54

52 Johnson, “The Death and Life of China’s Civil Society.”
53 Pei, “Chinese Civic Associations.”
For the state-controlled civic organizations, the leaders of these civic organizations are elected or nominated by the Chinese government, and the funding of these civic organizations come mainly from the Chinese government. Moreover, on many occasions, these civic organizations are created or initiated by the government. As a consequence, these civic organizations are highly dependent on the government and the Chinese government can institute strict control over the activities of these civic organizations. On the other hand, the private organizations can choose their own leaders, and the funding of these private organizations comes mainly from social donations and constituencies’ fees. Moreover, under most circumstances, these private organizations are created or initiated by individual Chinese citizens. As a consequence, these private organizations are very independent, even though the Chinese government can still put some limits on their activities.

The state-controlled civic organizations are designed to give the government a means of controlling the organized interests in society by regulating the activities of their members. On the other hand, the private organizations genuinely assume the function of representing their members’ interests. Unlike the state-controlled civic organizations, the private organizations do not necessarily follow the directives from the government and they are more responsive to the demands from their members.

Within the state-controlled civic organizations, there exists a hierarchical structure that guarantees that directives are effectively transferred from the top down to the local

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56 Dickson, *Red Capitalists in China.*
The local branch associations must submit to the direction of the top-level associations. Moreover, the relations between the state-controlled civic organizations and their members are neither horizontal nor voluntary. Most state-controlled organizations stipulate that membership is obligatory. For example, the Self-Employed Labourers' Association (SELA) and Private Enterprises Association (PEA) clearly state that the self-employed businessmen automatically become members when they register for the licenses from the government agencies.

Unlike the state-controlled civic organizations, most private organizations do not have local branch offices or affiliations since the government has put limits on their memberships and scope of activity. And the relations between the private organizations and their members are more horizontal and voluntary. Within the private organizations, the membership of the constituency is voluntary, and the constituencies can decide whether or not to join the organizations freely.

The comparison between the state-controlled civic organizations and private organizations can be best summarized by Table 25.

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57 Pearson, “The Janus Face of Business Associations in China.”
58 According to Putnam and his associates, the qualities of being “horizontal” and “voluntary” are essential for an organization to be a genuine civic organization. Please see their book, Making Democracy Work.
61 Johnson, “The Death and Life of China’s Civil Society.”
Table 25. The Comparison between the State-Controlled Organizations and Private Organizations

<table>
<thead>
<tr>
<th></th>
<th>Private Civic Organizations</th>
<th>State-controlled Civic Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autonomy</td>
<td>Medium or High</td>
<td>Partial or None</td>
</tr>
<tr>
<td>The Funding and Staff</td>
<td>Partially dependent on the</td>
<td>Completely dependent on the</td>
</tr>
<tr>
<td>The Funding and Staff</td>
<td>government or independent</td>
<td>government</td>
</tr>
<tr>
<td>Source</td>
<td>Independent or partially</td>
<td>Completely decided by the</td>
</tr>
<tr>
<td>Organization Leaders</td>
<td>influence by the government</td>
<td>government</td>
</tr>
<tr>
<td>Role of Civic</td>
<td>Interest accumulation and</td>
<td>Implementation of government policies and limited function of interest representation</td>
</tr>
<tr>
<td>Organizations</td>
<td>representation</td>
<td></td>
</tr>
<tr>
<td>The Relations between</td>
<td>Equal and voluntary</td>
<td>Completely Hierarchical</td>
</tr>
<tr>
<td>Organizations and their Members</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

C. Empirical Findings and Discussions

The 2004 Beijing Survey contains a standard survey question that is designed to assess Chinese citizens' level of participation in a variety of civic organizations. The standard survey question is as follows: “Now I am going to read off a list of voluntary organizations; for each one, could you tell me whether you are a member or not a member of that type of organization? 1) private social welfare groups, 2) state-initiated religious or church organizations, 3) private education and cultural groups, 4) state-initiated unions, 5) state-initiated political groups, 6) private local community organizations, 7) private rights-resistance organizations, 8) private environment groups, 9) state-initiated industry associations, 10) private sports and recreation organizations.” Among these 10 types of organizations, I define state-initiated unions, political groups, religious organizations, and industry associations as the state-controlled civic organizations.
organization, and define private social welfare groups, education and cultural groups, local community organizations, rights-resistance organizations, environment groups, as well as sports and recreation organizations as the private organizations.

Table 26 shows the participatory pattern of different class groups in the two types of civic organizations. Based on the data presented in this table, we see that the middle class people in the private sector are more likely to participate in the private organizations than are other social segments. Approximately 30 percent of the people in the private-sector middle class indicate that they have participated in at least one private organization. The middle class people in the private sector are less likely to participate in the state-sponsored civic organizations than the public-sector middle class and the upper class. Only 13 percent of the people in the private-sector middle class participated in one or more state-controlled civic organizations.

Table 26. The Participation in Two Types of Civic Organizations by Class Identity

<table>
<thead>
<tr>
<th></th>
<th>State-controlled Civic Organizations</th>
<th>Private Civic Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper Class</td>
<td>31</td>
<td>11</td>
</tr>
<tr>
<td>Public-sector Middle Class</td>
<td>32</td>
<td>9</td>
</tr>
<tr>
<td>Private-sector Middle Class</td>
<td>13</td>
<td>30</td>
</tr>
<tr>
<td>Lower Class</td>
<td>10</td>
<td>5</td>
</tr>
</tbody>
</table>

Note: Pearson Chi-Square = 20.2; df = 3; p = 0.00

2) The middle class people in the public sector are more likely to participate in the state-controlled civic organizations than the private-sector middle class and the lower
class. Approximately 32 percent of the people in the public-sector middle class indicate that they have participated in at least one state-controlled civic organization. On the other hand, only 9 percent of the people in the public-sector middle class participated in one or more private organizations.

3) The lower class people are least likely to participate in both state-controlled and private organizations. Such finding can be explained by the following two facts: first, the lower class people do not possess resources such as time, money, and civic skills to enable them to spontaneously participate in the private organizations; second, the lower class people generally do not have close relations with the Party-state thus they are less likely to be mobilized by the Party-state to be engaged in the state-controlled civic organizations.

4) The upper class is most likely to participate in the state-controlled civic organizations. Approximately 35 percent of the upper class participated in one or more state-controlled organizations. Such finding simply reflects the fact that the upper class people have the strongest ties with the Party-state.

Based on this examination of the survey results, I conclude that the Chinese private-sector middle class is more likely to participate in the private civic organizations. On the other hand, the public-sector middle class is more likely to participate in the state-controlled civic organizations. Such findings are consistent with my theoretical discussion and support my hypothesis.

The different participatory behaviors by the two sub-groups of the middle class in civic organizations have significant implications for China’s political development. The participation in the state-controlled organizations will lead the public-sector middle class
to identify with the current semi-democratic regime and form affective attachments to current political authority. Furthermore, the undemocratic nature of the state-controlled organizations may strengthen the undemocratic belief among the public-sector middle class. In addition, the participation in the state-controlled organizations will lead the public-sector middle class to be engaged in other forms of conventional political activities that support the current system.

On the other hand, the private organizations, like their Western counterparts, are voluntarily and horizontally organized; thus they are more democratic than the state-controlled civic organizations. As a consequence, involvement in the private organizations will instill democratic attitudes in their members and cause their members to become critical of the current political authority, which, in turn, may lead to their negative evaluation of the current forms of mass political participation. Finally, this negative evaluation may cause the private-sector middle class to adopt a non-participatory strategy in regard to other forms of conventional political activity as a protest against the current system.

POLITICAL PARTICIPATION IN THE URBAN SELF-GOVERNMENT SYSTEM

In this section, I will explore the different political behavioral orientations of the two sub-groups of the middle class by examining how they act in the urban self-government system. In order to achieve this objective, it is necessary to provide an overview of the nature of the system first.

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62 Johnson, "The Death and Life of China's Civil Society."
A. The Nature of the Urban Self-Government System

From the outset of the post-Mao reform, the central government has made genuine efforts to adapt the grassroots government system in the urban areas to social changes brought about by the reform in the urban neighborhoods, such as the drastic decline of the role of work units and the rapid increase in private ownership of residential properties.63 This system was anchored by its self-governing body, Residents’ Committee (RCs, jumin weiyuanhui). Residents’ Committees were first established by the government in the 1950s. Before the post-Mao reform, the central government used RCs to assist work units at the grassroots level in implementing Party and government policies, monitoring and controlling the population, and providing residents with some basic social welfare services. Moreover, the central government treated the RCs as its administrative extensions, in conjunction with work units, at the local level.

Before reform, urban residents relied more on their work units than on the RCs for their basic life needs.64 Therefore, the RCs “were seen to be performing trivial and routine tasks.”65 However, since the outset of the Post-Mao reform, the importance of the work units in meeting the residents’ basic life needs declined. More importantly, most work units no longer provided the social services, such as housing, childcare, medical

care and other social welfare services, which they did in the pre-reform era. And many urban residents do not belong to any work unit at all (e.g., those who are laid off from the work units and those who are employed in the private or foreign or joint-venture enterprises). It is in this larger context that the Chinese government initiated the revitalization of RCs.

According to the 1982 Chinese Constitutions, the RCs established among urban residents on the basis of their residence are mass organizations of self-management at the grassroots level. The Chairman, vice Chairman and members of each RC are elected by the residents. In November 1989, the Chinese National People’s Congress promulgated the “Organic Law on Organization of Residents Committees of Cities”, which became effective in January 1990. According to the Organic Law, these RCs are supposed to be elected and regularly held to account by the residents of urban neighborhoods, and are responsible for administering local socioeconomic and political affairs. The central government’s underlying rationale is that, under this system, the RCs should be more effective and efficient in settling these issues, because the RCs, which are supposed to be popularly elected, tend to enjoy greater support from residents.

However, the 1990 “Organic Law” did not stipulate clearly how the RC members (including chairman and vice-chairman) should be elected. In practice, there are three kinds of elections for RC members: direct election by all residents, election by an electorate consisting of representatives from each household, or election by an electorate

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67 Choate, “Local Governance in China, Part II.”
consisting of representatives from each of the Residents’ Small Groups. In reality, the “all residents direct election” has been a rare practice, whereas the “indirect election by an electorate consisting of RC small groups representatives” has been most widely practiced. 69 It is much easier for the local Party leaders to control indirect rather than all residents’ direct election, since most “representatives” who voted in indirect elections were actually chosen by the incumbent RC itself “from among its activists and supporters,” or designated by the local Party leaders.

As for the nomination of candidates for RC members, the 1990 “Organic Law” did not stipulate clearly how the candidates for RC members (including chairman and vice-chairman) should be nominated. In practice, there are five kinds of nominations for RC members: first, the local government/Party leaders selects the candidates; second, the RC itself selects the candidates; third, the local government/Party leaders and RC itself jointly select the candidates; fourth, the local government/Party leaders and RC itself jointly select the candidates with consultation with residents; fifth, residents jointly nominate the candidates. In reality, the nomination of candidates for RC members was also closely monitored and controlled by the local government and Party leaders, and residents almost had no influence in the nomination process.

In 2000, the Ministry of Civil Affairs issued its decree, “Views for Advancing the Construction of Urban Residential Communities,” which marked the beginning of the central government’s push for more autonomy of grassroots governing bodies in urban China. The decree called for the establishment of new grassroots governing bodies, Community Residents’ Committees (CRCs), which are supposed to be different from old

RCs. The CRCs tend to have more residents and more autonomy than old RCs. In 2004 when my survey on “Construction of Urban Residential Communities” was conducted, most of Beijing’s RCs had already been transformed into the CRCs. According to the same decree, the CRCs should operate based on the four democratic principles: “democratic election, democratic decision making, democratic management, and democratic oversight”\(^7\). However, this decree does not state clearly the procedure of selection of the leadership in the newly-established CRCs. Rather, the selection rules of the leadership in the new CRCs are also governed by the 1990 “Organic Law” for RCs, and therefore these rules remain the same as those for RCs.\(^1\)

In recent years, the Ministry of Civil Affairs (MOCA) and its local branches have taken measures to promote the direct election of the leadership in the newly-established CRCs. For example, in 2004, 182 of 2242 (approximately 8.1 percent) of Beijing’s newly-established CRCs had adopted direct elections. In practice, these directly-elected CRCs shared the following major characteristics:\(^2\) (1) the expansion of the electorate to include all residents living in the communities; (2) the residents’ right to nominate candidates for leaders in the CRCs; (3) the requirement that there be multiple candidates for any contested position in the CRCs; and (4) first-time candidates' right to run their election campaign in public. However, the majority of the CRCs still followed the old procedure for selection of the leadership.

It may be concluded that this self-government system in the urban areas was only

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\(^1\) Derleth and Koldyk, “The Shequ Experiment.”


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semi-democratic, if not non-democratic, since it was in general dominated and controlled by the Party-state. As one Chinese scholar has summarized the situation: “to date, however, the great majority of elections have been limited to voting by ‘representatives’ who are often chosen by the RC itself from among its activists and supporters. Moreover, government street officers tend to be heavily involved in the selection of RC staff; often they hire new RC members to work for a trial period of a few months, and then hold an election to confirm their choice.”

B. Participation in the Urban Self-Government System

In order to ascertain the major trends of mass political participation in the self-government system, I designed four questions that would measure four types of political behavior: (1) voting in the election of RC members, (2) participating in activities sponsored by the RC, (3) contacting RC members, and 4) serving in any position assigned by the RC. There are two theoretical justifications to choose these four categories of political participation in the urban self-government. First, even though these forms of political participation did not exhaust all types of political behaviors, they represent the dominant conventional political acts in the framework of self-government. Thus, they are most likely to represent the fundamental trends of mass political participation in the urban self-government system. Second, these forms of political behavior are legitimate in the urban self-government. As a result, the survey questions about these acts are unlikely to make respondents give interviewers false answers due to

73 Read, “Revitalizing the State’s Urban ‘Nerve Tips’,” 819.
74 For more on this topic see, Wang, ed., Residents’ Committee and Community Governance; Read, “Revitalizing the State’s Urban ‘Nerve Tips’,” Derleth and Koldyk, “The Shequ Experiment;” Zhang and Yang, ed., Grass-Roots Democracy and Social Development.
the fear of government sanctions against "illegitimate" acts. Thus, the responses to these questions are expected to be reliable. Specifically, these four kinds of political participation in urban self-government were measured by the following four questions:

1. Have you served in any position assigned by the RC in the past year?
2. Have you ever contacted RC members in the past year?
3. Have you voted in the last election of RC members?
4. Have you participated in any activities sponsored by the RC in the past year?

Respondents were asked to answer each of these four questions on a dummy scale, where "1" indicated respondents' participation, and "0" referred to their non-participation. These four items were then combined to form an additive index to capture a collective profile of a respondent's political participation in the self-government, ranging from "0", indicating non-participation in any kind of activities, to "4" indicating full participation in all kinds of activities listed in the questions. This index is used in the recursive path analysis that follows.

A factor analysis is used to test whether these four forms of political acts can be formed together to capture the trends of mass political participation in the urban self-governance system. Table 27 indicates that the factor analysis strikingly bears out my expectation. The pattern that I have discussed in theory is clearly there. The four forms of political acts form a solid base to describe the mass political participation in the urban self-governance system. Furthermore, the reliability analysis for these four items shows that the inter-item correlations are moderate, ranging from 0.29 to 0.44. This set of four items yields a reliability coefficient (alpha) of 0.70.
Table 27. Factor Analysis: Political Participation in the Urban Self-Government

<table>
<thead>
<tr>
<th>Question</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have you served in any position assigned by the RC in the past year?</td>
<td>0.693</td>
</tr>
<tr>
<td>Have you ever contacted RC members in the past year?</td>
<td>0.668</td>
</tr>
<tr>
<td>Have you voted in the last election of RC members?</td>
<td>0.794</td>
</tr>
<tr>
<td>Have you participated in any activities sponsored by the RC in the past year?</td>
<td>0.720</td>
</tr>
</tbody>
</table>

Note: Extraction Method: Principal Component Analysis.
1. 1 component extracted.
2. Initial Eigenvalues=2.075; % of Variance=51.9

It is my expectation that the middle class people in the private sector are less likely than other social segments to participate in the self-government system implemented in their neighborhoods. Since the middle-class individuals in the private sector are here considered to be likely to have negative attitudes toward the currently-implemented self-government, as hypothesized above, they may engage in non-participatory action to register their discontent with this system. On the other hand, I expect that the middle class people in the public sector are more likely to participate in the self-government system implemented in their neighborhoods than the private-sector middle class. To explore this hypothesis, I examine the bivariate correlation between social class and participation in the self-government system against the data from the 2000 Beijing survey on “Election and Urban Local Self-governance”.

Table 28 shows the participatory pattern of different class groups in the self-government system implemented in their neighborhoods. Based on the data presented in Table 28, we see that the middle class people in the private sector are least likely to...
participate in the self-government system implemented in their neighborhoods.

Approximately 52 percent of the private-sector middle class did not participate in any kind of activities, whereas only 17 percent of the upper class, 22 percent of the public-sector middle class, and 29 percent of the lower class engaged in non-participation.

2) The middle class individuals in the public sector are more likely to participate in the self-government system than the private-sector middle class. Approximately 78 percent of the middle class people in the public sector indicate that they have participated in at least one of the four types of political acts.

3) The lower class people are more likely to participate in the self-government system than all other social groups. Such finding can be explained by the fact that the lower class people have the closest ties with the urban self-government system. Since the reform, the urban grassroots government (RCs) has been encouraged to develop social welfare facilities and other social services which the work units used to provide before the reform. In particular, the Party-state expected this grassroots government to become the basic social welfare providers to those disadvantaged segments of the urban population that are living under the poverty line, retired, unemployed, and handicapped. In addition, some earlier observations of urban self-government have found that the active participants in the urban self-government system are mainly from the segment of retired or unemployed people.


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4) The upper class is more likely to participate in the urban self-government system than the private-sector middle class. Approximately 71 percent of the upper class people participated in at least one of the four types of political acts. Such finding simply reflects the fact that the upper class individuals have strong ties with the Party-state.

<table>
<thead>
<tr>
<th>Class Identity</th>
<th>Engaging in none of the four activities</th>
<th>Engaging in at least one of the four activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper Class</td>
<td>29</td>
<td>71</td>
</tr>
<tr>
<td>Public-sector Middle Class</td>
<td>22</td>
<td>78</td>
</tr>
<tr>
<td>Private-sector Middle Class</td>
<td>52</td>
<td>48</td>
</tr>
<tr>
<td>Lower Class</td>
<td>17</td>
<td>83</td>
</tr>
</tbody>
</table>

Note: Pearson Chi-Square = 23.3; df = 3; p = 0.00

Based on this examination of the survey results, I find that the private-sector middle class is less likely to participate in the self-government system implemented in their neighborhoods than other social segments in Chinese society. On the other hand, the public-sector middle class has a strong orientation to participate in this self-government system. Such findings are consistent with my theoretical discussion and support my hypothesis.

C. Attitudinal Orientations toward the Urban Self-Government System

To substantially explore the reason of why the two groups of the middle class have different participatory orientations toward the urban self-government, this section
examines how the two groups of the middle class view the current self-government system. It is my expectation that the middle class people in the private sector are more likely than other social segments to expect direct election of the self-government system because direct election is more competitive and democratic than indirect election (controlled by the Party-state), and direct election is more consistent with the general, democratic orientations that the private-sector middle class people have. On the other hand, I expect that the middle class people in the public sector are less likely to have the expectation for direct election of the self-government system that the private-sector middle class because the currently implemented indirect election is more consistent with the undemocratic belief which the public-sector middle class people have. To explore this hypothesis, I examine the bivariate correlation between social class and support for direct election of the self-government system against the data from the 2000 Beijing Survey on “Election and Urban Local Self-governance”.

In order to assess the urban citizens’ support for direct election of the self-government system, I asked my respondents two questions, as follows:

1. Do you agree that the direct election by residents is the best way to select members of the Residents’ Committee?
2. Do you agree that the Residents’ Committee should be elected by representatives selected by the Party and government?

These two questions asked respondents if the RC should be directly elected by all residents in the neighborhood or by representatives picked by the Party and government. It should be noted that direct election by the residents without the Party’s intervention here is considered a democratic principle. Respondents were asked to answer each of the
two questions on a 5-point scale. For the first question, “1” and “5” indicated, respectively, “strongly disagree” and “strongly agree”; for the second question, “1” and “5” stood for, respectively, “strongly agree” and “strongly disagree.” The values of these two questions were added together to form an additive index to capture residents’ support for direct election of the self-government system. This index is used in the recursive path analysis that follows.

Table 29 shows the bivariate correlation between social class and support for direct election of the self-government system. Based on the data presented in Table 29, we see that the middle class people in the private sector registered a higher level of support for direct election than the lower class, the public-sector middle class, and the upper class. Approximately 73 percent of the private-sector middle class people agree that the direct election by residents is the best way to select members of the Residents’ Committee.

2) The middle class people in the public sector have a lower level of support for direct election than the private-sector middle class. Approximately 58 percent of the public-sector middle class people agree with the indirect election. In addition, only 27 percent of the public-sector middle class registered agreement with the statement that the direct election by residents is the best way to select members of the Residents’ Committee.

3) The lower class people are less likely to support the direct election of leadership in the RCs than the private-sector middle class. But they have a higher level of support for direct election than the public-sector middle class and the upper class. Approximately 40 percent of respondents from the lower class registered agreement with
the statement that the direct election by residents is the best way to select members of the Residents’ Committee.

4) The upper class people are the least democratic, and they have the lowest level of support for direct election. Approximately 62 percent of the upper class individuals agree with the indirect election. In addition, only 25 percent of respondents from the upper class registered agreement with the statement that the direct election by residents is the best way to select members of the Residents’ Committee.

### Table 29. Support for Direct Elections of Residential Committees by Class Identity

<table>
<thead>
<tr>
<th>Class Identity</th>
<th>Support for the direct election</th>
<th>Support for the indirect election</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper Class</td>
<td>25</td>
<td>62</td>
</tr>
<tr>
<td>Public-sector Middle Class</td>
<td>27</td>
<td>58</td>
</tr>
<tr>
<td>Private-sector Middle Class</td>
<td>73</td>
<td>21</td>
</tr>
<tr>
<td>Lower Class</td>
<td>40</td>
<td>48</td>
</tr>
</tbody>
</table>

*Note: All percentages represent positive (“agree” and “strongly agree”) responses.*

1. The original question is “Do you agree that the direct election by residents is the best way to select members of the Residents’ Committee?”

2. The original question is “Do you agree that the Residents’ Committee should be elected by representatives selected by the Party and government?”

Based on this examination of the survey results, I find that the Chinese private-sector middle class is positively associated with support for the direct election of leadership in the self-government system. On the other hand, the public-sector middle class shows a strong negative feeling toward support for the direct election of leadership in the self-government system.
As for the evaluation of the self-government system, I expect that middle-class people in the private sector are more likely to negatively evaluate the currently implemented self-government system in their neighborhoods than other social segments, because the currently-implemented system is still dominated by the CCP, this system goes against the private-sector middle class individuals' democratic expectations mentioned above. Thus, the private-sector middle class people are more likely to have negative evaluation of the current system.

As this chapter has discussed, the currently-implemented urban self-government system is still dominated by the Party-state rather than being democratically organized by all residents. Even though the RCs are officially defined as a body through which all residents engage in “self-administration, self-education, and self-service”, their task is “not self-administration but rather the fusing of government administration with local social networks.” In sum, the major task of the RCs is not to serve the interests of their residents but rather to serve the directives from the upper-level government. When any demands from residents do arise, the RCs will not be truly responsive to such demands but rather use persuasion and pressure to defuse them.

Moreover, the procedure for election of the leadership in the RCs is still undemocratic. First, the “all residents direct election” has been a rare practice; whereas the “indirect election by an electorate consisting of RC small groups representatives” has been most widely practiced; second, the nomination of candidates for RC members was also closely monitored and controlled by the local government and Party leaders. As a result, despite much talk of democratic balloting and scattered experimentation with

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reform, elections of the leaderships in the RCs generally remain a thin facade covering appointments that are controlled by the local government and Party leaders.\textsuperscript{78}

On the other hand, I expect that middle-class individuals in the public sector are more likely to positively evaluate the currently implemented self-government system than the private-sector middle class, because: first, the public-sector middle class people are more likely to identify themselves with the current semi-democratic regime and thus they are more likely to possess affective attachments to this semi-democratic self-government system; second, this semi-democratic self-government system is more consistent with the undemocratic belief which the public-sector middle class people have. To explore this hypothesis, I examine the bivariate correlation between social class and evaluation of the self-government system against the data from the 2000 Beijing Survey on “Election and Urban Local Self-governance”.

In order to detect Chinese urban citizens’ evaluations of the currently implemented self-government system in their neighborhoods, I asked my respondents two questions, as follows:

1. Do you agree that the current election of the members of Resident’ Committee is fair?
2. Do you agree that the current election of the members of Residents’ Committee is basically dictated by the Party and government?

These two questions in essence asked respondents whether the currently-implemented system was democratic. Respondents were asked to answer each of the two questions on a 5-point scale. For the first question, “1” and “5” indicated, respectively,


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“strongly disagree” and “strongly agree”; for the second question, “1” and “5” stood for, respectively, “strongly agree” and “strongly disagree.” The scores of these two questions were combined to form an additive index to reflect residents’ evaluations of the self-government system as implemented in their neighborhoods. This index is used in the recursive path analysis that follows.

Table 30 shows the bivariate correlation between social class and evaluation of the self-government system. Based on the data presented in Table 30, we see that the middle class people in the private sector are more likely to negatively evaluate the currently-implemented self-government system than the lower class, the public-sector middle class, and the upper class. Approximately 42 percent of the private-sector middle class had a negative evaluation of the currently-implemented self-government system, whereas only 8 percent of the upper class and 12 percent of the public-sector middle class registered this negative evaluation.

2) The public-sector middle class and the upper class are most likely to positively evaluate the currently-implemented self-government system. Approximately 56 percent of the upper class and 46 percent of the public-sector middle class had a positive evaluation of the currently-implemented self-government system, whereas only 23 percent of the private-sector middle class people registered this positive evaluation. This finding simply reflects the fact that the public-sector middle class and the upper class have close ties with the semi-democratic regime and thus are more likely to identify themselves with the currently-implemented political system.

3) The lower class people are less likely to negatively evaluate the currently-implemented self-government system than the private-sector middle class. But they are
more critical of the current self-government system than the public-sector middle class and the upper class. Approximately 24 percent of the lower class negatively evaluated the currently-implemented self-government system, and only 35 percent of them positively evaluated this system.

Table 30. Evaluation of Self-Government by Class Identity

<table>
<thead>
<tr>
<th>Evaluation of Self-Government Index</th>
<th>Upper Class (%)</th>
<th>Public-sector Middle Class (%)</th>
<th>Private-sector Middle Class (%)</th>
<th>Lower Class (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>8</td>
<td>12</td>
<td>42</td>
<td>24</td>
</tr>
<tr>
<td>Medium</td>
<td>36</td>
<td>42</td>
<td>35</td>
<td>41</td>
</tr>
<tr>
<td>High</td>
<td>56</td>
<td>46</td>
<td>23</td>
<td>35</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Note: Pearson Chi-Square = 68.5; df = 6; p = 0.00

1. The original evaluation index is trichotomized into three categories: high, intermediate, and low levels.

Based on this examination of the survey results, I find that the Chinese private-sector middle class is more likely to negatively evaluate the currently implemented self-government system. On the other hand, the public-sector middle class is more likely to have a positive evaluation of this system. Such findings are consistent with my theoretical discussion and support my hypothesis.

D. Relationships among Support, Evaluation, and Participation

Based on the above observations and analysis, I have found that the Chinese private-sector middle class is less likely to participate in the self-government system...
implemented in their neighborhoods, more likely to support the direct election of leadership in the self-government system, and more likely to have a negative evaluation of this system; whereas, the public-sector middle class is more likely to participate in the urban self-government system, less likely to support the direct election of leaderships in the self-government system, and more likely to have a positive evaluation of this system.

The three Cross-Tab analyses have shown the results of the three separate bivariate relationships between the objective indicators of social class and three dependent variables. However, these three Cross-Tab analyses did not explain the relationships among the three dependent variables (i.e., support for direct election, evaluation of self-government, and participation in self-government). An analysis of such relationships will explain how the two sub-groups of the middle class internalize their attitudinal and behavioral orientations toward the current self-government.

As my hypotheses (H2, H3, H4, and H5) imply, it is my supposition that the objective middle class identity is very likely to work through the two attitudinal orientations (i.e., support for direct election, and evaluation of self-government) to influence participation in the current self-government system. That is, the private-sector middle class people’s democratic belief that a political system should be democratically formed leads to their negative evaluation of the currently-implemented urban self-government system (since under the current system the RC is not directly elected by the residents); in turn, this negative evaluation causes the private-sector middle class people to engage in non-participatory action to express their discontent with the current system that is considered by them as non-democratic; on the other hand, the public-sector middle class people’s undemocratic belief may lead to their positive evaluation of the currently-
implemented urban self-government system; in turn, this positive evaluation causes the public-sector middle class people to engage in participatory action to express their support for the current system.

To test this proposition, I ran a recursive path analysis of the structural relationship among the three dependent variables (i.e., support for direct election, evaluation of self-government, and participation in self-government) within the group of the middle class (objectively defined) respondents. In order to verify whether this proposed relationship can prevail across key demographic divisions, I include in this analysis such control variables as sex, education, and income. The results of this analysis are illustrated in Figure 3.

Overall, the findings from the recursive path analysis are consistent with my proposition regarding the relationships among the attitudinal and behavioral orientations toward self-government. Such expected relationships prevailed across major socio-demographic groupings (i.e., sex, education, and income). Specifically, and first of all, among the middle class individuals, the support for direct election significantly and negatively affected the evaluation of the current self-government system. Second, among the middle class respondents, there was a positive relationship between the evaluation of the current system and participation in the system. These findings suggest that the middle class individuals who believed in the democratic formation of the grassroots governing body (RC) tended to be critical of the current system that was still dominated by the Party and thus did not engage in various activities within the current system.

79 To test the structural relationship among the three dependent variables, we employ the analytical moment structures (AMOS) model-fitting program. For an introduction to AMOS and Structural Equation Modeling, please see Rex B. Kline, Principle and Practice of Structural Equation Modeling (New York: Guilford Press, 1998); Barbara M. Byrne, Structural Equation Modeling With AMOS: Basic Concepts, Applications, and Programming (Mahwah, New Jersey: Lawrence Erlbaum Associates, Publishers, 2001).
Figure 3. Recursive Path Model of Participation in Self-Government within the Group of the Middle Class

Note: Chi-square = 5.4; df = 10; p = 0.86; CFI = 1.00; RMSEA = 0.00; Chi-square/df ratio = 0.54. * p < 0.05; ** p < 0.01.
Whereas, the middle class individuals who did not believe in the democratic formation of the grassroots governing system tended to be supportive of this system and thus engaged in participatory action to express their support for the system.

Based on the above discussion, I can draw the following conclusions: (1) because the private-sector middle class is more democratic, its democratic belief leads to the negative evaluation of the currently-implemented urban self-government system; (2) this negative evaluation in turn causes the private-sector middle class people to engage in non-participatory action; (3) on the other hand, because the public-sector middle class is undemocratic, its undemocratic belief leads to the positive evaluation of the currently-implemented urban self-government system; (4) this positive evaluation in turn causes the public-sector middle class individuals to engage in participatory action.

CONCLUSION

This chapter has assessed the political behavioral orientations of the Chinese middle class people based on their engagement in the civic organizations and the urban self-government system. The findings of this chapter indicate that the Chinese private sector middle class is less likely to participate in the state-sponsored civic organizations and the self-government system implemented in their neighborhoods; whereas, the public-sector middle class is more likely to participate in the state-sponsored civic organizations and the self-government system.

Like their Western counterparts, the Chinese private-sector middle class people are also interested in political matters, feel efficacious in regard to participation in political and public affairs, and are endowed with the resources (i.e., money and civic
skills) to do so. As a result, the private-sector middle class is very likely to participate in various forms of political activities that are consistent with its democratic belief. The democratic behaviors of the private-sector middle class can be measured by the following two aspects:

First, the private-sector middle class is more likely to participate in the private civic organizations. The private civic organizations, like their Western counterparts, are voluntarily and horizontally organized; thus they are more democratic than the state-controlled civic organizations, and they are more consistent with the democratic principles specified in the previous chapter.

Second, since the private-sector middle class is more democratic, its democratic belief leads to the negative evaluation of the currently-implemented urban self-government system, which is still dominated by the Party-state; in turn, this negative evaluation causes the private-sector middle class people to engage in non-participatory action to express their discontent with the current system, which is not consistent with their democratic belief.

The democratic demands of the private-sector middle class have posed serious threats to the current authoritarian regime. Those politically competent and knowledgeable middle class people in the private sector have taken non-conventional actions such as forming home-owners’ associations and organizing protest to defend their property interests and rights.80 For example, not a few empirical studies and reports have documented the role of newly emerging home-owners’ associations in helping the

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private-sector middle class individuals protect their interests.\textsuperscript{81} It should be noted here that the home-owners' associations are more democratic, and are, on many occasions, initiated and self-managed by the residents. However, in many urban areas, the local governments have not legally recognized the existence of the home-owners' associations and have restricted their activities.\textsuperscript{82} Furthermore, when their demands cannot be met, those competent private-sector middle class individuals may even go forward to organize protests and demonstrations.\textsuperscript{83}

On the other hand, the public-sector middle class people are less interested in political matters, have a lower level of political efficacy, and are endowed with fewer resources to participate in political affairs than the private-sector middle class. In addition, the public-sector middle class has negative attitudes toward democracy and close ties with the Party-state, all of which will lead the public-sector middle class to act in an undemocratic way. The undemocratic behaviors of the public-sector middle class can be measured by the following two aspects:

First, the public-sector middle class is more likely to participate in the state-controlled civic organizations. The participation in the state-controlled organizations will


\textsuperscript{82} It is until July 2005 that the Chinese National People's Congress issued the “Law of Property Rights in the People’s Republic of China”. According to the “Law of Property Rights”, homeowners may establish the Home-Owners' Associations in their neighborhoods and it does endow ordinary homeowners with the right to organize the Home-Owners’ Associations. However, in practice, local governments put many limits on the organization of the Home-Owners’ Associations by ordinary homeowners. As a result, the Home-Owners’ Associations almost did not exist in many neighborhoods, and for those existed Home-Owners’ Associations, their autonomy is severely impacted by the local government. For more on this point, please see “Yezhu beida pingliang chanchu, yezhu weiyuanhui gan’ga qiusheng” (More Homeowners Were Beaten and the Home-owners’ Association was in a dilemma), \textit{Zhongguo jingji shibao} (China Economic Times), 19 June 2002; Read, “Democratizing the Neighborhood? New Private Housing and Home-Owner Self-Organization in Urban China.”

\textsuperscript{83} Dolven, “A Home Revolt at Ground Level;” Fan, “The Fight for Property Rights.”

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cause the public-sector middle class to identify with the current semi-democratic regime and form affective attachments to current political authority.

Second, since the public-sector middle class people are undemocratic, their undemocratic belief and their close ties with the Party-state contribute to their positive evaluation of the currently-implemented urban self-government system; in turn, this positive evaluation causes the public-sector middle class people to engage in participatory action to express their support for the current system.

Based on these observations, I can address the questions put forward in the beginning of this chapter: the private-sector middle class, who have democratic values, act in democratic ways that will promote democracy in China; whereas, the public-sector middle class, who hold negative attitudes toward democracy, act in undemocratic ways that will impede the transition to democracy.
CHAPTER VI
SUMMARY AND CONCLUSIONS

Using data from the two Beijing surveys 2000, 2004, and the World Values Survey 2001, I have sought to answer three fundamental questions in this study: (1) Who are the people who constitute the middle class in today’s China? (2) Does the Chinese middle class support democracy as the best form of government? And (3) what impacts does attitudinal support of democracy have on the middle class people’s political behaviors? On the one hand, since the findings from the World Values Survey are based on a national sample, I believe that these findings may be directly applied to the general population of urban China. On the other hand, since the findings from the two Beijing surveys are based only on the Beijing urban areas, I do not intend to generalize these findings to the areas of urban China outside of Beijing. Nonetheless, I believe that the findings from the two Beijing surveys and the implications of these findings can contribute to a better understanding of these important questions concerning the middle class people’s attitudinal and behavioral orientations toward democracy. In this chapter, I will summarize the empirical findings from the previous chapters concerning these three questions and then elucidate the key political and theoretical implications of these findings.

SUMMARY OF EMPIRICAL FINDINGS

In order to determine the identity of the people who constitute the current Chinese middle class, I have examined the validity of three types of measurement (i.e., the
subjective measurement, the income- and education-based quantitative measurement, and
the occupation-based qualitative measurement) of the middle class that are commonly
used in the Western literature for the purpose of assessing their applicability to Chinese
society. The results of this examination indicate that the occupation-based qualitative
measurement is the type that is applicable to the study of the middle class in today's
China.

First, in regard to the subjective measurement, I have found that the Chinese
people's subjective perception of class identification is still far from coming into being,
even though objective bases of class difference have formed since the post-Mao reform.
The findings from the World Values Survey 2001 indicate that approximately 7% of the
Chinese respondents could not recognize their social class position. Moreover, over 50%
of the Chinese respondents subjectively identified themselves with the middle class,
while only 13% of them were objectively qualified for the middle class. This finding
may imply that most people in a developing, transitional society such as China are
longing to become members of the middle class and therefore may subjectively (or
wishfully) identify themselves with the middle class.1

Second, in regard to the income- and education-based quantitative measurement, I
have found that neither the level of income nor the level of education is a good indicator
for the purpose of identifying the middle class in Chinese society. Regarding the income-
based quantitative measurement, it is very hard to achieve a consensus on the criterion of
income when defining the middle class, since, an accurate account of personal income is

1 Several earlier empirical studies of social classes in China indicated that over 60% of respondents
subjectively identified themselves with the middle class. These findings are consistent with my findings in
this study. See, for example, Chen, *Popular Political Support in Urban China*; Li, “The Composition and
Size of China’s Contemporary Middle Class.”
hard to obtain; moreover, income varies dramatically across the different regions of China. More importantly, as Jie Chen pointed out, income does not necessarily indicate a person's true socioeconomic status in the Chinese society. On the other hand, the education-based quantitative measurement fails to correctly identify certain people—such as self-employed individuals who have not necessarily received a post-secondary education—as being middle class.

Third, in regard to the occupation-based measurement, I have found that this measurement is promising in overcoming all the drawbacks that the above-mentioned two types of measurement have suffered. Therefore, such an occupation-based measurement is a more reliable and practical indicator of the middle class in the Chinese society. Based on this occupation-based measurement, I operationalize the middle class in China by combining four occupational groups typically used in the Western societies: self-employed laborers (i.e., private entrepreneur of small or medium-sized business in the Chinese context), managerial personnel, professionals, and civil servants (i.e., white-collar office workers in the Chinese context). The findings from the 2000 Beijing Survey indicate that currently the middle class (defined by this occupation-based measurement) in China constitutes no more than 15% of the country's urban population.

To gain a thorough understanding of the attitudinal and behavioral orientations of the middle class, I have examined the unique socio-political background of the emergence of the Chinese middle class. The rise of the Chinese middle class is a relatively new phenomenon and a direct consequence of the rapid state-led economic development of the past two decades. Therefore, the current middle class represents a first-generation middle class in the Chinese society. This finding may imply that a

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2 Chen, *Popular Political Support in Urban China*. 

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unified and distinctive middle class identity has not formed in Chinese society, since it
often takes two or more generations for a clear pattern of middle class identity to emerge.

Moreover, the activities of the party-state have been the primary source of the
formation of the middle class in China, and almost half of the Chinese middle class is
employed in the public sector, which is controlled by the state. The middle class in the
public sector is primarily composed of the managers in the state-owned enterprises,
professionals in the public organizations, and staff members in the government and party
agencies and public organizations. On the other hand, a group of the middle class which
is employed in the private sector is emerging in the Chinese society. This group of the
middle class in the private sector is independent from the state power and it mainly
includes the managers in the private and foreign-related enterprises, professionals in the
private sector, private entrepreneurs of small and medium businesses as well as the white-
collar office workers in the private entities.

In order to ascertain the extent of the middle class’ support for a democratic
government, I have examined the middle class people’s attitudinal orientations in regard
to three selected democratic values: (1) support for competitive election, (2) support for
equal protection and rights for all people, as well as (3) support for the sovereignty of the
people’s will. The two Beijing surveys clearly indicate a higher level of support for (1)
competitive election, (2) equal protection and rights for all people, as well as (3)
sovereignty of people’s will among the private-sector middle class than the public-sector
middle class and other segments of the Chinese population. Overall, these findings
suggest that the private-sector middle class is the most democratic social group in the
Chinese society; on the other hand, the public-sector middle class has a fairly negative attitude toward democracy.

In order to assess the impact of attitudinal support for democracy on the middle class' political behavior, I have investigated the middle class people's participation in two of the most common kinds of political act in urban China: (1) participation in the civic organizations, and (2) participation in the urban self-government system. The findings from the two Beijing surveys indicate that the people in the private-sector middle class are more likely to participate in the private civic organizations, which are democratically organized, and are less likely to participate in the state-controlled civic organizations than those in the public-sector middle class. The findings from the two Beijing surveys also indicate that the people in the private-sector middle class are more likely to be critical of the currently-implemented urban self-government system (since it was not organized as democratically as they expected), and therefore less likely to participate in the system; on the other hand, the people in the public-sector middle class have a positive evaluation of the currently-implemented self-government system, and therefore are more likely to participate in the system to express their support for the current authoritarian regime. Overall, these findings may imply that the private-sector middle class, which holds democratic values, acts in ways that will promote democracy in China; while, the public-sector middle class, which holds negative attitudes toward democracy, acts in an undemocratic fashion.

In sum, the findings from this study have provided us with a multifaceted picture of the Chinese middle class. What does this multifaceted picture imply for CCP rule as
well as China’s political development in general? I will now address this important question.

THE ROLE OF THE MIDDLE CLASS IN CHINA’S DEMOCRATIZATION

The empirical findings detailed in this study have important implications for CCP rule as well as the future of democracy in China. Both modernization theorists and Western policymakers have expressed the hope that the emergence of a prosperous and strong middle class in Chinese society will lead to political change and ultimately democratization in that country. However, the findings from this study provide a mixed picture about the role of the Chinese middle class in promoting democracy in China. On the one hand, the current Party-state can still draw substantial political legitimacy from the public-sector middle class; on the other hand, the Party-state has to face the rising democratic demands and challenges from the private-sector middle class.

*Implication 1: The Public-Sector Middle Class and China’s Democracy*

The empirical findings from this study imply that the current Party-state can still draw political support from the public-sector middle class to sustain its authoritarian rule. First, it is clear that the Chinese public-sector middle class has a negative attitude toward democracy. The public-sector middle class, in general, appears to be more concerned about issues of material well-being than democratic change, because this class has a vested interest in the continuation of the current regime. As An Chen points out, the public-sector middle class may “expect a system of checks and balances that could
effectively...hold a tight rein over corruption," but this class is skeptical of democratic change and it hardly accepts the complete overthrow of the current regime.³

Second, the findings of the relationship between the attitudinal support of democracy and political behavior imply that undemocratic belief could translate into overt or behavioral support for (as opposed to overt alienation from) CCP rule. As demonstrated in Chapter V, the public-sector middle class people who have strong negative attitudes toward democracy are more likely to participate in the state-controlled civic organizations and the currently-implemented urban self-government system. Participation in the state-controlled civic organizations and the urban self-government system can best be understood as an expression of support for CCP rule, since the state-controlled civic organizations and the urban self-government system—in which people are no longer coerced to participate—are dominated by the CCP politically and ideologically.

Finally, the CCP still enjoys political legitimacy in the minds of the public-sector middle class. As documented in Chapter V, an overwhelming majority of the public-sector middle class people, who have strong negative attitudes toward democracy, tend to have a positive evaluation of the currently-implemented urban self-government system. Since the urban self-government system can be characterized as a proxy for the whole political system, support of the urban self-government system can be interpreted as support for the current regime. Therefore, this finding suggests that the majority of the public-sector middle class people still support the current political regime.

Implication 2: The Private-Sector Middle Class and China's Democracy

The empirical findings from this study also indicate that the private-sector middle class poses a serious challenge to the current regime. First, the findings have indicated that the private-sector middle class is the most democratic group in Chinese society. The private-sector middle class people have shown a strong demand for such democratic principles as (1) competitive election, (2) equal protection and rights for all people, and (3) sovereignty of people's will. This rising demand for democracy will, of course, constitute a major challenge to the current political regime, since the current regime can at best be characterized as semi-democratic, which is not consistent with the expectations of those who strongly believe in democratic principles.

Second, the findings of the relationship between an attitudinal support of democracy and political behavior imply that democratic belief could translate into behavioral alienation from CCP rule. As demonstrated in Chapter V, the private-sector middle class people, who are strongly supportive of democracy, are less likely to participate in the state-controlled civic organizations and the urban self-government system. This non-participation is a strategy to express discontent with the current political system.

Finally, the CCP can not derive political legitimacy from the private-sector middle class. As documented in Chapter V, an overwhelming majority of the private-sector middle class people, who are strongly supportive of democracy, tend to have a negative evaluation of the urban self-government system. Moreover, the private-sector middle class individuals’ dissatisfaction with the urban self-government system is directed at CCP rule. In my 2004 Beijing interview, quite a few private-sector middle
class people alleged that the semi-democratic nature of the urban self-government system is attributable to the rule of CCP. Mr. M, a middle-level manager of a large private enterprise said:

"The CCP set the tone for the currently-implemented urban self-government system. As long as the CCP holds power, the urban self-government can not become really democratic."

If the above findings about the private-sector middle-class individuals’ attitudinal and behavioral orientations can be repeated in future studies based on national or multiple-locality samples, then it can be more assertively argued that the private-sector middle class is the harbinger of democratization in China. According to the findings of this study, approximately one half of the Chinese middle class is currently employed in the private sector, which means that the private-sector middle class constitutes approximately 7% of the country’s population. As modernization continues to deepen and extend to more socioeconomic sectors as well as geographic areas in China, however, the size of the private-sector middle class will grow accordingly. When the private-sector middle class gains size, it will play a more important role in promoting democracy at both the local and national levels.

When initiating socioeconomic reform in 1978, the Communist Party leadership expected to regain political legitimacy through the reform. However, this economic reform has brought about unexpected consequences. Market reform has created a sizable middle class that is employed in the private sector. This private-sector middle class has called for further political reform, including a democratic political system, and this class tends to be very critical of the current authoritarian regime. As Jie Chen and Peng Deng have observed, economic reform, by which the Party intends to maintain their political
legitimacy, has changed the public attitude toward politics in Chinese society, and this, in turn, will become a catalyst for political transformation.  

THEORETICAL IMPLICATIONS OF THE FINDINGS

This study might seem to be overly ambitious, given my initial statement of the main goal of this dissertation: to determine whether the Chinese middle class thinks and acts democratically and hence serves as the harbinger of democratic change in China. In this final section, I will discuss several implications of the findings.

Implication 1: Supplementing the Modernization and Contextual Approaches

The modernization approach seems to be helpful in identifying the pro-democratic influence of the middle class on democratization, although it fails to consider the different social and historical contexts of the middle classes in the transitional societies. This approach is well-suited to tracing the structural linkage between the rise of the middle class and democratization in a society over a long period. Via this linkage, modernization theorists using this approach have been able to identify the pro-democratic influence of the middle class on democratization in the developing world.

The contextual approach seems more correct by recognizing the different social and historical contexts of the middle classes in the transitional societies, although it incorrectly treats the role of the middle class as an “arbitrary” or “dependent” variable that can be predicted by the overall social context. This approach sensibly takes into account the unique social, political, historical and cultural context of the middle class.

\[4\] Jie Chen and Peng Deng, *China since Culture Revolution: From Totalitarianism to Authoritarianism* (Westport, Conn.: Praeger, 1995).
Moreover, both the modernization and contextual approaches tend to be structural-oriented. This study offers a new analytical approach to study the role of the middle class in democratization by engaging in an individual-level analysis of the attitudinal and behavioral orientations of the middle class. Thus, on one hand, I avoid an overly simple expectation of the pro-democratic role of the middle class in the transitional societies. On the other hand, I am well prepared to answer the question of why a large sector of the middle classes in the transitional societies are illiberal or anti-democratic—a question that has always frustrated modernization believers who assume that the middle class is a consistent agent for democracy.

Implication 2: Inheriting and Modifying the Western Individual-Level Theoretical Framework

The predominant view, within the individual-level studies of the middle class in the West, suggests that middle-class individuals do think and act democratically: that is, they have attitudes in support of democratic principles, and engage in actions (or “non-actions”) for the rise and/or maintenance of a democratic system and against a non-democratic system.\(^5\)

This study inherits and applies this Western individual-level theoretical framework: it uses objective factors—owning small properties (specifically referring to the apartment properties), supervising others, possessing professional expertise—as the

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initial and dynamic factors in influencing the middle class people's political attitudes and behaviors. In addition, this study has added a new objective factor—the socioeconomic ties with the state—to modify the application of this Western individual-level theory to transitional societies such as China.

All members of the Chinese middle class own a relatively substantial amount of property: all small entrepreneurs own their businesses, while most managerial personnel, professionals, and white-collar office workers possess at least their apartments. According to the Western individual-level theory, one would expect that the Chinese middle class would perceive democracy to be the best form of government to protect its property. However, the middle class people who have close ties with the Party-state do not think this way. As the previous chapters document, the public-sector middle class people who are employed either in the state bureaucracy, in state-owned enterprises, or in public organizations have close ties with the CCP and very often use these ties with the CCP to assure the protection of their property. Moreover, some of the property owned by the public-sector middle class came from the Party-state. For example, the public-sector middle class people purchased their apartments through their work units at a very low subsidized price. Therefore, the public-sector middle class has a vested interest in maintaining the rule of the current authoritarian regime and will not support democratic change.

On the other hand, the private-sector middle class people who are employed in either the private enterprises or organizations often do not have close ties the Party-state; thus they are independent from the CCP. Moreover, the material benefits enjoyed by the private-sector middle class were mainly acquired through the market. For example, the
private-sector middle class people purchased their apartments through the market with no
government subsidy. Since the private-sector middle class people lack powerful political
patrons to protect their property, they have to rely on legal weapons and have a fairly
strong demand for an institutionalized democracy. Overall, the private-sector middle
class is very critical of the current authoritarian regime and demands democratic change
in China.

In short, the implication of this study in regard to the application of the Western
individual-level theory is that objective factors, such as owning small properties,
supervising others, and possessing professional expertise, are the important factors in
assessing the political orientations of the middle class. In regard to the modification of
this Western individual-level framework, however, this study adds a new objective
factor—the socioeconomic ties with the state—in assessing the political orientations of
the middle class in China. The findings of this study imply that the political orientations
of the Chinese middle class are not unified, but divided. The middle class people who are
employed in the private sector have close ties with the Party-state, and thus are less likely
to support democracy, while the middle class people who are employed in the private
sector often have no ties with the Party-state and thus are supportive of democratic values.

Implication 3: Explaining and Predicting the Role of the Middle Class in the Non-
Democratic, Transitional Societies

Since the explanatory capability of this new analytical approach has been strongly
supported by the empirical observations on the Chinese middle class detailed in the
previous chapters, one might further ask: Can this analytical approach explain and predict
the role of the middle class in other non-democratic, transitional societies? The answer to this question will be explored in the following tentative discussions of two salient issues.

The first issue concerns the role of the state in the formation and development of the middle class in the non-democratic, transitional societies. For example, quite a few empirical observations of Pacific Asian societies suggest that the rise of the middle class in these countries is a direct consequence of rapid state-led economic development in the past several decades. A large sector of the newly-emerged middle class in Pacific Asian societies is “dependent upon the state for their employment, either as public servants, or as employees of state-supported companies.”

The direct result of this active state intervention in the formation of the middle class in Pacific Asian societies is that this class is highly dependent upon state patronage. This unique relationship between the state and the newly-emerged middle class in Pacific Asian societies makes this class quite different from its counterparts in the Western democratic societies. Therefore, when analyzing the political attitudes and behaviors of the middle class in the developing world, researchers have to bear this fact in mind.

The second issue concerns the variations within the group of the middle class, especially along the line of the relationship with the state. Many empirical studies have found that since the state often played a very active role in creating and shaping the

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6 For example, please see Bell, “After the Tsunami;” Jones, “Democratization, Civil Society, and Illiberal Middle Class Culture in Pacific Asia;” Koo, “The Middle Class in the East Asian Newly Industrialized Societies.”


formation of the middle class in the developing world, the emergence of a unified and distinctive middle class identity was nearly impossible. As a result, these studies suggest that the political orientations of the middle classes in the developing world are not unified but divided along the lines of the relationship with the state. As Ulf Sundhaussen concluded, inquiry in the political orientations of the middle classes in the developing world "would have to begin with distinguishing between the different kinds of Middle Classes." Furthermore, he observed that:

"the salaried professionals, often in state employ, are usually too dependent on their employer, especially if the state has been organized along patrimonial lines....Only, the intellectuals, academics, lawyers and journalists, can reasonably be expected in Third World countries to champion the cause of democracy."

For example, some empirical observations of Pacific Asian societies have found that the political orientations of the middle classes in the Pacific Asia are not unified but divided. In Malaysia, Singapore, Philippines, Thailand, and South Korea, a large sector of the upper middle classes, which are employed either in the state bureaucracy or in businesses with links to the ruling political party, have generally supported the consolidation of authoritarian rule, since these upper middle classes were the main beneficiaries of the state activities in the past decades; thus they have a vested interest in the continuity and stability of authoritarian rule. On the other hand, in these countries, a majority of the new middle classes, which consist of professional and technical workers,

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9 Sundhaussen, "Democracy and the Middle Classes," 112.
10 Ibid., 113.
11 Tamio Hattori and Tsuruyo Funatsu, "The Emergence of the Asian Middle Classes and Their Characteristics," The Developing Economies 41, no. 2 (2003): 140-60; Koo, "The Middle Class in the East Asian Newly Industrialized Societies."
12 For example, please see Bell, "After the Tsunami;" Brown and Jones, "Democratization and the Myth of the Liberalizing Middle Classes;" Neil A. Englehart, "Democracy and the Thai Middle class," Asian Survey 43, no. 2 (2003): 253-79; Jones, "Democratization, Civil Society, and Illiberal Middle Class Culture in Pacific Asia;" Shin, "Social Change, Political Elections, and the Middle Class in Korea."
13 Bell, "After the Tsunami."
as well as managers, tends to be more progressive and is more likely to demand
democracy than the upper middle classes which have close ties with the state. Therefore
it would be difficult to summarize the general orientation of the middle classes due to
such intra-class variation in these countries.

These examples tend to confirm my analytical model: rather than treating the
newly emerged middle class as a monolithic class, researchers have to divide this class
into different subgroups, especially along the line of the relationship with the state,
because these different subgroups of the middle class may have different political
orientations toward democracy.

FINAL WORDS

The issue of the role of the middle class in promoting democracy in the non-
democratic, transitional societies has always been complicated. Many scholars, however,
have persisted in their inquiries into this issue, because it is too important to be neglected.
Understanding the role of the middle class in democratization can help us to more
properly and accurately explain and predict the path of democratization in the non-
democratic, transitional societies. This study has been devoted to finding a better
analytical approach to this issue. Although this study does not exhaust this issue, it has
provided an alternative direction for further inquiry into the role of the middle class in
democratization in the developing world.
APPENDIX A

Beijing Survey on “Election and Urban Local Self-governance” in 2000

This data on “Election and Urban Local Self-governance” comes from a public opinion survey conducted in Beijing in fall 2000 in cooperation with Renmin University of China (also known as People’s University of China). The survey was based on a probability sample of Beijing residents, aged 18 years and older. This probability sample was derived from a multistage sampling strategy. Four urban districts (qu) were randomly chosen at the first sampling stage. At the second sampling stage, 9 streets (jiédào) were randomly selected from the four districts with a probability proportionate to size (pps), with one large-size district having four streets, two medium-size districts having two streets each, and one small-size district having one street. At the third stage of sampling, four neighborhoods were randomly chosen from each of the nine streets (since all streets are similar in size). This process yielded 36 residents’ neighborhoods. Then 986 households were randomly chosen from 36 residents’ neighborhoods by using pps, with large-size neighborhoods having over 30 households, and small-size neighborhoods having only about 10 households. At the final stage, one individual was chosen randomly from each of the 986 households as the interviewee. The adjusted response rate of this survey was 96 percent (946), which is very high by Western standards, though quite similar to the response rates from other surveys conducted in Beijing.2

1 According to my agreement with the department overseeing the survey, its name must remain confidential.
2 Chen, Popular Political Support in Urban China; Shi, Political Participation in Beijing.
College students of sociology were employed as field interviewers, and they were trained by project members in field interviewing techniques before the actual survey was carried out. Respondents were assured of the confidential nature of their responses and encouraged to provide answers that best captured their true feelings. Circumstantial evidence and evidence from other Beijing surveys\(^3\) suggest that Beijing residents feel free to express their views in public opinion surveys such as ours.

\(^3\) Chen, *Popular Political Support in Urban China*. 

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APPENDIX B

Beijing Survey on “Construction of Urban Residential Communities” in 2004

This data on “Construction of Urban Residential Communities” comes from a public opinion survey conducted in Beijing in July 2004. The design of the questionnaire and sample, as well as the implementation of the actual survey, was done in cooperation with Renmin University of China (also known as People’s University of China).¹ The survey was based on a probability sample of the Beijing urban residents, aged 18 years and older. This probability sample was derived from a multistage sampling strategy. Four urban districts (qu) were randomly chosen at the first sampling stage. At the second sampling stage, 6 streets (jiedao) were randomly selected from the four districts with a probability proportionate to size (pps), with two large-size districts having two streets and two small-size districts having one street each. At the third stage of sampling, four residents’ communities were randomly chosen from each of the six streets (since all streets are similar in size). This process yielded 24 residents’ communities. Then 623 households were randomly chosen from the 24 residents’ communities by using pps, with large-size communities having over 30 households and small-size communities having only about 10 households. At the final stage, one individual was chosen randomly from each of the 623 households as the interviewee. The adjusted response rate of this survey was 95 percent (592), which was very high by Western standards, though quite similar to the response rates from other surveys conducted in Beijing.²

¹ According to my agreement with the department overseeing the survey, its name must remain confidential.
² Chen, Popular Political Support in Urban China; Shi, Political Participation in Beijing.
College students of sociology were employed as field interviewers, and they were trained by project members in field interviewing techniques before the actual survey was carried out. Respondents were assured of the confidential nature of their responses and encouraged to provide answers that best captured their true feelings. Circumstantial evidence and evidence from other Beijing surveys\textsuperscript{3} suggest that Beijing residents feel free to express their views in public opinion surveys such as ours.

\textsuperscript{3} Chen, \textit{Popular Political Support in Urban China}.
APPENDIX C

The National Survey of Public Opinion in China, the World Values Survey (WVS)

2001

This data on “The National Survey of Public Opinion in China” comes from the WVS 2001 China Survey.¹ The WVS 2001 China Survey was implemented by the Research Center for Contemporary China at Beijing University on June 2001. The sample consists of 1,000 respondents distributed proportionately throughout China so as to be representative of the adult population of China (18 years old and over). The WVS 2001 China Survey replicates the core questionnaire of the international WVS project and provides the feasibility of a cross-national comparison.

APPENDIX D

Beijing Interview on “Middle Class and its Political Attitudes and Behavior” in 2004

The interview on “Middle Class and its Political Attitudes and Behavior” was conducted in Beijing in cooperation with Renmin University of China (also known as People’s University of China). The interview sample was designed to reflect the variations within the group of the middle class. Thus, our sample included middle class individuals from different occupational backgrounds, age groups, and levels of educational attainment. In fall 2004, we contacted 40 interviewees, and successfully completed 25 interviews. Detailed background information on the interviewees is included in the Table below. For reasons of confidentiality, we do not use their real name, but instead use one of 25 letters to indicate their identities.

1 According to my agreement with the department overseeing the interview, its name must remain confidential.

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Table 31. The Detailed Background Information of Middle Class Interviewees

<table>
<thead>
<tr>
<th>Name</th>
<th>Sex</th>
<th>Age</th>
<th>Education</th>
<th>Occupational Background</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Female</td>
<td>48</td>
<td>Graduate level</td>
<td>Doctor in a public hospital</td>
<td>Public sector</td>
</tr>
<tr>
<td>B</td>
<td>Male</td>
<td>41</td>
<td>College level</td>
<td>Middle-level manager in a state-owned enterprise</td>
<td>Public sector</td>
</tr>
<tr>
<td>C</td>
<td>Female</td>
<td>32</td>
<td>College level</td>
<td>Accountant</td>
<td>Public sector</td>
</tr>
<tr>
<td>D</td>
<td>Male</td>
<td>28</td>
<td>Graduate level</td>
<td>Owner of small company</td>
<td>Private Sector</td>
</tr>
<tr>
<td>E</td>
<td>Male</td>
<td>27</td>
<td>College level</td>
<td>Computer Technologist</td>
<td>Private sector</td>
</tr>
<tr>
<td>F</td>
<td>Male</td>
<td>35</td>
<td>College level</td>
<td>Middle-level manager in a foreign-owned enterprise</td>
<td>Private sector</td>
</tr>
<tr>
<td>G</td>
<td>Female</td>
<td>25</td>
<td>College level</td>
<td>Actress</td>
<td>Private sector</td>
</tr>
<tr>
<td>H</td>
<td>Female</td>
<td>34</td>
<td>Graduate level</td>
<td>Lawyer</td>
<td>Private sector</td>
</tr>
<tr>
<td>I</td>
<td>Male</td>
<td>37</td>
<td>High school</td>
<td>Owner of small business</td>
<td>Private sector</td>
</tr>
<tr>
<td>J</td>
<td>Female</td>
<td>28</td>
<td>Graduate level</td>
<td>Teacher</td>
<td>Public sector</td>
</tr>
<tr>
<td>K</td>
<td>Female</td>
<td>37</td>
<td>College level</td>
<td>Middle-level manager of a big private enterprise</td>
<td>Private sector</td>
</tr>
<tr>
<td>L</td>
<td>Male</td>
<td>32</td>
<td>College level</td>
<td>Journal editor</td>
<td>Public sector</td>
</tr>
<tr>
<td>M</td>
<td>Male</td>
<td>34</td>
<td>Graduate level</td>
<td>Middle-level manager of a big private enterprise</td>
<td>Private sector</td>
</tr>
<tr>
<td>N</td>
<td>Female</td>
<td>34</td>
<td>College level</td>
<td>Journalist</td>
<td>Public sector</td>
</tr>
<tr>
<td>O</td>
<td>Female</td>
<td>44</td>
<td>College level</td>
<td>Middle-level manager of a big foreign enterprise</td>
<td>Private sector</td>
</tr>
<tr>
<td>P</td>
<td>Female</td>
<td>41</td>
<td>Graduate level</td>
<td>University Professor</td>
<td>Public sector</td>
</tr>
<tr>
<td>Q</td>
<td>Female</td>
<td>23</td>
<td>College level</td>
<td>Staff member in public organization</td>
<td>Public sector</td>
</tr>
<tr>
<td>R</td>
<td>Male</td>
<td>24</td>
<td>College level</td>
<td>Staff member in government</td>
<td>Public sector</td>
</tr>
<tr>
<td>S</td>
<td>Male</td>
<td>44</td>
<td>Graduate level</td>
<td>Researcher in public organization</td>
<td>Public sector</td>
</tr>
<tr>
<td>T</td>
<td>Female</td>
<td>27</td>
<td>College level</td>
<td>Low-level manager in a foreign-related enterprise</td>
<td>Private sector</td>
</tr>
<tr>
<td>U</td>
<td>Male</td>
<td>37</td>
<td>College level</td>
<td>Artist</td>
<td>Private sector</td>
</tr>
<tr>
<td>V</td>
<td>Male</td>
<td>47</td>
<td>High school</td>
<td>Owner of small business</td>
<td>Private sector</td>
</tr>
<tr>
<td>W</td>
<td>Male</td>
<td>32</td>
<td>Graduate level</td>
<td>Independent scholar</td>
<td>Private sector</td>
</tr>
<tr>
<td>X</td>
<td>Female</td>
<td>42</td>
<td>High school</td>
<td>Owner of small company</td>
<td>Private sector</td>
</tr>
<tr>
<td>Y</td>
<td>Female</td>
<td>32</td>
<td>Graduate level</td>
<td>Accountant</td>
<td>Public sector</td>
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</tbody>
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Zhengming, no. 8 (August 2000).


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