18.
MYTH OF THE SOCIAL VOLCANO:
POPULAR RESPONSES TO RISING INEQUALITY IN CHINA

MARTIN KING WHYTE

As many others in this volume have observed, the history of the People's Republic of China after sixty years can be divided into two quite different eras of almost equal length, the socialist era dominated by Mao Zedong and the market-reform era dominated by one of his former lieutenants, Deng Xiaoping. It is also worth noting that Mao's programs and policies did not outlive him for long and were largely repudiated starting in 1978, only two years after his death. Deng has had better luck thus far, with his reform program still going strong more than a dozen years after his death in 1997.

In this chapter I examine popular reactions to the inequality trends that have been unleashed by China's post-1978 market reforms. As I do so, I argue that these reactions are shaped in powerful ways by prior experiences in the socialist system in the roughly thirty years that preceded the launching of the market reforms. However, I also argue that much current analysis of how the socialist past influences citizens' views about present inequalities is oversimplified or dead wrong. The title of this chapter is drawn from my recent book with Stanford University Press, *Myth of the Social Volcano: Perceptions of Inequality and Distributive Injustice in Contemporary China*. That work in turn is based on a national survey of Chinese popular attitudes toward inequality patterns and trends that I directed in 2004. The results of this survey have led me to re-think not only our basic assumptions about inequality in China today, but also about patterns of inequality in the socialist era that preceded Deng's reforms. As the detailed results of the 2004 survey are available elsewhere,[1] in this chapter I mainly focus on the implications of the 2004 survey findings for our assessment of the two eras into which the PRC's history can be divided.

Conventional Views about China's Post-Socialist Transition

It has become common to view the transition from the socialist era to the market-reform era as entailing a clear shift of priorities as well as important tradeoffs.

Whereas in the Mao era both economic growth and the pursuit of social equality were emphasized, a common assessment is that the latter often took priority, particularly in Mao's later years, and sometimes with disastrous consequences. On the economic front the fairly robust growth of the 1950s gave way to the Great Leap Forward depression and famine of 1959–61, followed by a strong economic recovery that was then disrupted by the Cultural Revolution and then by the relative stagnation of the 1970s. Although on some fronts, such as rail construction, military hardware, and even bicycle production, there was considerable progress during the first thirty years, in general popular consumption levels at the time of Mao's death were in many respects no better (and in some realms, such as urban housing space per capita, clearly worse) than they were in the late 1950s.

In the conventional account, the balance sheet on Mao's pursuit of social equality is more positive. The revolution itself and then the socialist transformation launched in 1955 eliminated major inequalities based on property ownership, inherited wealth, and foreign capital, and produced a more equal society based on wages (for women as well as for men, and with work-points, a version of wages, for farmers). But that is not the end of the story. Mao became disenchanted with the remaining inequalities in the socialist society based on Soviet models that he had created, and he was determined to do better. Rejecting Soviet-style inequality patterns as "revisionist," Mao set out during the Cultural Revolution launched in 1966 to eliminate as many of Chinese socialism's material differentials and rewards as possible. To many observers China in the wake of the Cultural Revolution, with its unisex and uniform styles of dress and minimal differentiation in housing quality, material possessions, and lifestyles, as well as its radical experiments with status reversals (e.g., sending urban educated youths to the countryside, having teams of workers manage universities), seemed an unprecedentedly egalitarian social order.

However, the conventional wisdom on the Mao era is that this radical effort to attack social inequality and material rewards and differentials did major damage to China's other primary goal—economic development. In launching their reform program after 1978, Deng Xiaoping and his colleagues were determined to reverse the priorities. As reflected in Deng's famous 1983 phrase, "it is good for some people to get rich first," the reform program embodied an effort to revive differentials and incentives (and repudiate Maoist condemnation of the same) in order to stimulate economic growth. If Mao was obsessed with the pursuit of social equality, Deng and his colleagues have been equally obsessed with the pursuit of economic growth. The conventional view is that social equality has fallen by the wayside, at least until recently.[2]

The reform program launched in 1978 has been remarkably successful by most indicators, producing close to 10 percent annual growth sustained over three decades and dramatic improvements in general standards of living, possession of consumer goods, modernization of the urban landscape and transport system, and most other economic indicators. However, this success has been accompanied by at least one more worrisome trend: social inequality has increased sharply. The Gini coefficient that is conventionally used as a measure of national income distribution was estimated by the World Bank to be .29 in 1981, a relatively low level of income inequality.[3] By 2002 the Gini coefficient for China had increased to .45 (or even higher in some estimates), indicating that China had shifted from a relatively low to a moderately high level of income inequality.[4]

Much more is involved than simply increased income inequality. The entire system of distribution of centrally planned socialism has been replaced by market-oriented institutions, and in the process forms of wealth and privilege that the revolution set out to destroy have returned with a vengeance—for example, millionaire business tycoons, foreign capitalists exploiting Chinese workers, and gated and guarded private mansion compounds. The downsides of capitalism have also returned to China with a vengeance—unemployment, inflation, loss of health insurance, bankruptcy, and confiscations of housing and farmland in shady development deals. Many who planned their lives in the expectation that they would be honored for their contributions to the construction of socialism now find themselves unexpectedly out of work and facing bleak prospects for the future, even as they see some Chinese becoming millionaires or even billionaires.

In the conventional view it is assumed that most Chinese regret the loss of the security and social equality of the Mao era and are angry about the increases in inequality and distributive injustice that the market reforms have spawned. Since the legitimacy and authority of CCP rule are now seen as primarily resting on popular assessments of the economic situation (rather than, say, on faith in the CCP's leadership in pursuing socialism), it is widely assumed that popular anger about rising inequality has had the effect of cancelling out or at least undermining popular gratitude for increases in living standards.

One somewhat more fine-grained version of the conventional wisdom focuses on trends *within* the reform era. During the initial years of the reforms—say, from 1978 up until the mid-1990s—the economic benefits of the reforms were, according to this account, fairly widely shared, with no social groups suffering major losses, a pattern referred to in one influential study as "reform without losers."[5] In more recent years, in contrast, some Chinese have become fabulously wealthy, whereas the "smashing of the iron rice bowl" reforms of state-owned enterprises

launched after 1994 and extra tax levies and land confiscations in the countryside have impoverished large numbers of Chinese citizens. Given these objective trends, it is widely assumed that feelings of anger about distributive injustice have been spreading, at least since the mid-1990s.

It is these perceptions of widespread and growing anger about current inequalities that are emphasized in what I call "the social volcano scenario," the contention that protest activity stimulated by such anger is mounting and could eventually explode into large-scale turbulence that would threaten CCP rule.[6] For example, one account of the findings reported in the 2006 "Blue Book" (an annual publication of the Chinese Academy of Social Sciences reporting on social trends) states, "The Gini coefficient, an indicator of income disparities, reached 0.53 last year, far higher than a dangerous level of 0.4."[7] A similar view was expressed in *The New York Times* in 2006 by correspondent Joseph Kahn, "Because many people believe that wealth flows from access to power more than it does from talent or risk-taking, the wealth gap has incited outrage and is viewed as at least partly responsible for tens of thousands of mass protests around the country in recent years."[8]

An additional element in the conventional view is the assumption that attitudes about inequalities today are correlated with current social status and whether particular individuals or groups have been winners or losers as a result of the reform-era changes. Those with high incomes and social status who have prospered in the reform era are assumed to view current inequality patterns as fair. In contrast, disadvantaged groups, such as unemployed workers, migrants, farmers, and residents of interior provinces, are assumed to be particularly angry about distributive injustice. If China is headed toward a social volcano, in this account it is likely to be reform-era losers who will be at the forefront of the eruption.

One sign of the influence of these assumptions is that the new leaders who took charge of the CCP after 2002 clearly accept the "social volcano scenario" as a dangerous possibility and thus have adopted vigorous policy measures to try to reduce the danger. Hu Jintao's slogans about China becoming a more "harmonious society" have been backed up by a number of important policy changes, particularly policies designed to combat rural poverty and disadvantages. For example, since 2002, agricultural taxes have been eliminated, rural school fees are being phased out, and a state-subsidized new village cooperative medical insurance program has been introduced to replace the Mao-era village cooperative medical insurance systems that collapsed early in the reform era. After decades of neglect of rural needs under both Mao and Deng, these new programs, and the increased state funding that they provide, indicate that the CCP leadership

genuinely fears what a recent *Time* magazine article referred to as "the pitchfork anger of peasants."[9]

Challenging the Myth: Results of the 2004 China National Survey

About a decade ago my colleagues and I became interested in launching surveys in China to measure popular attitudes about inequality trends and distributive injustice issues.[10] We were struck by the fact that many detailed surveys were being conducted to measure objective inequality patterns and trends in China, but none to assess popular feelings about these trends, with many assuming that research on distributive injustice sentiments was too politically sensitive to be feasible in the PRC. In order to test whether it was feasible to conduct rigorous surveys on popular attitudes toward current inequalities, our team carried out a pilot survey in Beijing in 2000.[11] Based on the success of the Beijing pilot survey, we planned and carried out a national survey with the same focus in 2004. We wanted to use our surveys to assess the accuracy of various elements of the social volcano scenario.

The 2004 China survey on inequality and distributive injustice attitudes used spatial probability sampling methods to draw a sample that was representative of Chinese adults between the ages of 18 and 70, with a final sample size of 3,267 respondents and a response rate of about 75 percent.[12] The questionnaire used in the survey asked about many distinct inequality and distributive injustice issues. We also made use of the fact that comparative international surveys previously had been conducted on attitudes toward inequality issues. In particular, the International Social Justice Project (ISJP) had conducted several rounds of surveys on attitudes toward inequality in a number of East European post-socialist societies, as well as in several advanced capitalist societies, including the United States.[13] We translated and replicated many ISJP questions in our 2000 and 2004 surveys, a procedure that allowed us to examine how Chinese popular attitudes regarding current inequalities compare with the views of citizens in other societies, particularly in other post-socialist societies.

In the 2004 survey we found that respondents did have strong criticisms of certain features of the current inequalities. For example, 71.7 percent felt that national income gaps were too large, 55.8 percent said that it was unfair for individuals in official positions to receive special privileges, 76.8 percent responded that it was unfair to bar the children of migrants from attending urban public schools, and 50.1 percent claimed that officials do not care what ordinary people think (about social justice issues).

However, these responses were limited exceptions to a general pattern in which the average respondent expressed acceptance or approval rather than anger over current inequalities. For example, most respondents thought that differences in ability are an important factor explaining who is rich (69.5 percent) versus who is poor (61.3 percent), whereas the unfairness of the economic system was stressed by many fewer respondents—only 27 percent thought that such unfairness has a large influence on who is rich, and 21 percent stressed this explanation of who is poor. Only 29.5 percent of respondents favored redistribution from the rich to the poor, and only 33.8 percent advocated setting a maximum limit on individual incomes. On the other hand, 50.4 percent of respondents agreed that extra rewards are necessary to motivate people to work hard, 62.8 percent thought that people should be able to keep what they earn even if this leads to greater inequality, and 64.2 percent said it is fair if rich people use their incomes to obtain better schooling for their children. Along the same lines, by identical percentages of 61.1 percent our survey respondents agreed with statements that "hard work is always rewarded" and that "opportunities for someone like you to raise your standard of living are still great."

Even in realms where respondents expressed relatively critical attitudes, there is little sign of generalized feelings of distributive injustice. For example, even though 71.7 percent of our respondents viewed current national income inequality as excessive, it turns out that this is a relatively low figure in comparative terms. In the ISJP surveys, only Americans in 1991 were less likely to view national income gaps as too large (at 65.2 percent); in 1996 about 95 percent of respondents in both Hungary and Bulgaria thought that their national income gaps were too large. Furthermore, when we asked our China respondents their views on income gaps within their work-units and neighborhoods, many fewer viewed these local income gaps as excessive (39.6 percent and 31.8 percent, respectively). It is also important to point out that the features of the current inequalities that respondents objected to most strongly have their roots in the socialist era (such as special treatment of officials and discrimination against those who lack urban *hukou*), rather than being products of the market reforms.

A systematic comparison of the attitudes of Chinese respondents with their counterparts in the countries surveyed in the ISJP reinforces the view that most Chinese are substantially more approving rather than angry about current inequalities.[14] In general, Chinese attitudes toward various aspects of the current inequalities are either similar to other societies or more accepting or positive. Compared to post-socialist societies in Eastern Europe, Chinese attitudes in general are much more positive, and for some questions Chinese respondents expressed views about current inequalities that are even more positive than their

counterparts in established and successful capitalist societies such as Japan and the United States. For example, many more Chinese respondents than those in any other ISJP country thought that lack of ability is an important reason why people in their society are poor, and many more agree with the proposition that hard work is always rewarded. It is also worth noting the surprising finding that the proportion of Chinese respondents agreeing with the statement that officials do not care what ordinary people think (50.1 percent) is substantially lower than the proportion in all ISJP comparison countries, whether post-socialist or established capitalist. Generally, two-thirds or more of the respondents in these (more democratic) countries expressed agreement with this statement, with roughly 75 percent of respondents in Japan, Bulgaria, and the former East Germany expressing agreement. In general, the high levels of approval by Chinese respondents of current, market-based inequalities provide the basis for my conclusion that the Chinese "social volcano" scenario is a myth.

One further pattern in our survey results merits comment before turning to the question of how to interpret these unexpected findings. In order to examine the assumption that anger is likely to be found particularly among disadvantaged groups who have lost out in China's market transition, we also wanted to find out in which social groups, and in which locales, were Chinese citizens most angry about current inequalities. Even if the most common survey responses involved acceptance of current inequalities, on every question perhaps 20–30 percent of respondents expressed more critical attitudes, and we wanted to find out where those more critical voices were concentrated.

In *Myth of the Social Volcano* I end up using more than a dozen distinct measures covering the complex conceptual terrain of inequality and distributive injustice attitudes, and it turns out that there are no particular social groups or geographic locations associated with more critical attitudes across this whole range of indicators. However, there are some at least relatively consistent patterns, and once again these turn out to contradict the conventional wisdom. On many although not all of these measures, rural people in general, and farmers in particular, express more accepting or positive views than others about current inequalities and show less enthusiasm for government redistribution, despite their low relative social status.[15] In contrast, urban people in general, and particularly the well-educated, and in some cases those with state enterprise ties, the middle-aged, those who are Han Chinese rather than minorities, and CCP members, tend to express somewhat more critical attitudes toward current inequalities and would like the government to engage in more redistribution.[16]

It should be noted that these Chinese results in general are very different from the patterns found in other societies. Elsewhere it is usually the case that

individuals with high social status tend to accept current inequalities and oppose redistribution, whereas those who are disadvantaged are more critical and favor greater government efforts to redistribute from the rich to the poor.[17] Thus we are left with dual puzzles in interpreting the results of the 2004 China survey—why do average Chinese respondents have such favorable views about current inequalities, and why is it the relatively disadvantaged groups, and farmers in particular, who are the most favorable?

Reassessing China's Post-Socialist Transition

When we launched our surveys I assumed that in assessing the current social order, Chinese citizens would weigh in their minds two contrary trends—the positive consequences of raised average living standards versus the negative consequences of heightened inequality. That assumption was based on a view that the Mao era, whatever its excesses and faults, had one redeeming feature in the eyes of most citizens—extensive social equality. However, the 2004 survey results call into question these assumptions. Our findings indicate that most survey respondents view both increased growth and heightened inequality in a positive light. By implication, Chinese today view the patterns of inequality in the late Mao era negatively—as manifesting distributive injustice rather than distributive justice. In the following pages I explore the implications of this revised view by reassessing the nature of stratification patterns at the close of the Mao era.

What were the stratification patterns in China during the 1970s, and in what sense were these patterns just or unjust? Under closer inspection it turns out that the socialist order that existed at the time of Mao's death was not so egalitarian after all. In reexamining the social reality of the time, it is useful to consider levels of equality and inequality both within particular localities (work-units and communities) and across such localities.[18] It is also important to keep in mind the basic conceptual distinction between inequality and inequity. Inequality refers to an objective situation in which certain resources are unevenly distributed within a society or locality. In contrast, inequity refers to a subjective judgment that the actual pattern of distribution of resources differs from the ideal or preferred pattern. This distinction is important because it is a sense of inequity, not objective levels of inequality per se, that can provide the basis for discontent and even political challenges. If individuals think that existing differentials and income gaps are suitable or even necessary, such gaps will not generate anger. In fact, individuals may feel that too much equality constitutes an inequitable situation.

Viewed from this perspective, how does the socialist stratification system at the end of the Mao era stack up? Oversimplifying a complex reality, in general

it was a system that emphasized and zealously pursued equality within local employment and residential units, but at the same time generally ignored, and in many instances even aggravated, inequalities across such units. Let us focus on this latter tendency first. Within urban areas we have a number of systematic accounts of the way in which the institutions of socialist distribution treated urban localities and work organizations quite differently in terms of the allocation of resources and the opportunities for individual members, depending on where the units were ranked in the stratified bureaucratic system.[19] Employees of collective enterprises generally fared worse than those working in state enterprises, and the latter differed both in terms of the strategic priority of their organizational system (*xitong*) and their size and bureaucratic rank (from central down to local) within that system. So how well an urban citizen lived and the opportunities he or she enjoyed depended as much, or even more, on where he or she was situated within the ranked hierarchies of Chinese socialism as on their human capital or individual diligence.

There were similarly large differences in incomes and other resources across sub-units of rural communes (production brigades and teams), across communes, and across rural regions and provinces, differences that official policy was not designed to limit or reduce. However, the most extreme status and resource cleavage within Chinese socialism was not found within the urban social landscape or within the countryside generally, but between city and countryside. We again have multiple accounts documenting both the size and the growing sharpness of the rural-urban gap during the Mao era.[20] Despite official propaganda slogans about shrinking the rural-urban gap and advocating that industry should serve agriculture, Mao and his colleagues introduced institutions and practices that consigned the great majority of Chinese citizens—the more than 80 percent who lived in the countryside prior to 1978—to a status that can only be considered "socialist serfdom," as they were effectively bound to the soil. Individuals born in rural areas (more specifically, those born to rural mothers, despite China's patrilineal tradition) inherited agricultural household registrations which, from 1960 onward, basically prevented them from migrating to any Chinese town or city. Official priorities stressed urban industrial development, and the government provided very little (and generally declining) funding for rural development. Furthermore, commune members were forbidden from engaging in any of a whole range of activities catering to urban needs (e.g., commerce, construction, domestic services, handicraft making, etc.) that their counterparts in earlier eras had undertaken to earn money. The effectively permanent relegation of rural residents to the bottom of the stratification hierarchy of socialist China is the most

egregious instance of how inegalitarian and inequitable the stratification system became under Mao.[21]

To sum up the discussion to this point, in both rural and urban China, and particularly across the rural-urban divide, Chinese socialism consisted of bounded units (local communities and work organizations) whose resources and opportunities were bureaucratically controlled and decidedly unequal. Mao-era political discourse, particularly during the class struggle-obsessed Cultural Revolution decade, essentially ignored these non-social class status cleavages, and there was no systematic effort to enact redistribution to control or reverse the growing inequalities across such boundaries.[22] For the most part, individuals were either born into or bureaucratically assigned to their niches within this socialist stratification system, and they were expected to remain toiling where they were unless the state decided to transfer them elsewhere. So individuals had little ability to influence or change a basic determinant of their status and opportunities. It is hard to imagine a stratification system any more different from the one that existed in China before 1949, which was characterized by huge inequalities but virtually no caste-like barriers preventing individuals and families from competing to change their lives and better their standards of living (but, at the same time, providing minimal security against the possibility of failure and individual and familial impoverishment). The nature of Chinese socialism is replete with ironies—a rural revolution led by a son of the soil and proclaiming the goal of combating feudalism in order to create a more egalitarian society in reality ended up producing a social order with striking resemblances to feudalism, with the mass of China's rural residents consigned to serf-like status at the bottom of society.

Why did so many observers believe that Mao had successfully created an unusually egalitarian social order? That impression derives from the other side of the post-1955 (and even more so post-1966) stratification transformations that Chinese socialism produced—the assault on inequalities within localities and work organizations (even as inequalities across such boundaries were becoming entrenched and even enlarged). Within local bounded units, Mao-era campaigns and institutions did lead to a truncation of inequalities compared to the situation prior to the revolution (or today). Urban employees received fixed monthly wages that were maintained within relatively modest ranges (e.g., a factory manager making only about 2–3 times as much as an ordinary worker), with no chances after the Cultural Revolution to augment their incomes through bonuses, overtime, over-quota production efforts, or moonlighting. Many work-unit employees lived in work-unit-supplied (and subsidized) apartments that again differed only modestly in quality and space from those of their supervisors and subordinates,

with all utilizing the same dining halls, medical clinics, and other collective facilities.

In the countryside, the collectivized agricultural organization of the communes, with work-point systems and preliminary grain distributions, helped to keep family consumption differences within any production team confined to relatively narrow ranges that were determined more by family composition (number of laborers compared to number of dependents) than by differences in human capital or agricultural effort or skill.[23] Members of the rural labor force were uniformly obligated to participate in collective field labor, particularly by growing grain to meet state procurement quotas. As noted earlier, they were forbidden from engaging in the tactics poor Chinese farmers had used for centuries to escape from poverty—growing specialized crops, making handicrafts to sell, starting a family business, specializing in rural or rural-to-urban commerce, and, most importantly, leaving to seek better opportunities elsewhere, particularly in the cities.[24] On top of these institutional practices designed to keep inequalities within localities and work organizations restricted to relatively narrow ranges, there was of course the general imposition of obligatory proletarian styles of dress, leisure activities, and lifestyles, particularly in the wake of the "destroy the four olds" stage of the Cultural Revolution in the fall of 1966. In the final decade of Mao's life, engaging in conspicuous consumption of any kind was decidedly dangerous politically.

To what extent was this imposition of relative equality within particular cells in China's socialist stratification order seen as desirable and just, even if the large and growing gaps across cells were largely ignored? In important respects even the relative equality achieved within local units is seen (today, at least) as unjust. An important feature of Mao's obsession with promoting equality in his later years is that this was entirely a matter of "leveling down," rather than affirmative action or other measures designed to achieve equality by "leveling up." In other words, the various measures taken during the late Mao era involved prohibiting the industrious, talented, entrepreneurial, and innovative, as well as those in superior positions, from seeking and enjoying extra material and other rewards compared to others in their local cells. But there was no corresponding effort to redistribute extra rewards to those who were particularly disadvantaged. In the 2004 survey only about one in three respondents approved of equality as a primary distribution principle or of setting a maximum limit on individual incomes. In contrast, about 62 percent of respondents approved of the government providing extra assistance to help those who are particularly disadvantaged (i.e., "leveling up"). More to the point perhaps is the fact that the Cultural Revolution-era policies regarding remuneration fundamentally contradicted what

Chinese citizens had earlier been taught was the correct (and therefore just) distribution principle of socialism: from each according to his abilities, and to each according to his contributions. Mao's critics in the Soviet Union had some reason for claiming that it was he rather than they who was revising and violating Marxist principles, and they denigrated the kind of social order Mao was trying to create as "barracks communism."[25]

So even where social equality was successfully pursued under Mao, within local units, the result was a social order which expected individuals to accept their assignments and fates and to labor to the best of their abilities without any concern about the remuneration and benefits they would receive, and without any ability to change their circumstances and to seek better opportunities and rewards for themselves and their families. The resulting stratification system was in direct contradiction not only with prior understandings of socialism (in Eastern Europe, but also in China prior to 1966), but also with centuries of Chinese tradition. In short, in multiple ways the stratification patterns of the late Mao era violated basic principles of social equity.

The nature of stratification patterns at the end of the Mao era also helps explain the unexpected finding that some disadvantaged groups, and farmers in particular, now have more positive attitudes toward current inequalities than their more advantaged fellow citizens. If you are a farmer who has been confined to something that is tantamount to socialist serfdom, in a sense you had nowhere to go but up in social status after 1978, and you are also likely to want to pursue such mobility through individual and family efforts, rather than by relying on state redistribution. In contrast, urban residents in general, and the well-educated and workers and others connected to state enterprises in particular, faced the possibility of reform-era gains but also of loss of the advantages and privileges that they had enjoyed in the socialist system. So it is not so surprising after all that somewhat more of China's urban than of her rural citizens today lament the demise of socialist distribution and wish that the state would do more to limit inequality and promote redistribution.

Conclusions

The results of the 2004 China national survey on attitudes toward inequality and distributive injustice indicate that most ordinary Chinese citizens see both the raised living standards and the more unequal society in which they now live in a favorable light. We find precious little evidence of nostalgia for the patterns of the late Mao era, at least in terms of inequality patterns. The average survey respondent approves of the market-based principles and competition that characterize China today and rejects distribution principles that require strict

equality or do not allow the rich to keep their wealth or to spend it to buy better lives for their families. Our survey respondents are telling us that they regard the current patterns of inequality as more fair than those that existed at the close of the Mao era. As noted earlier, the fact that there is so little popular support for the view that current inequality patterns are mainly the product of unfair connections and dishonesty leads to my labeling of the "social volcano" scenario as mythical.[26]

However, we cannot be certain whether this rejection of the inequality patterns of the late Mao era reflects how people felt then, since there were no systematic surveys of Chinese popular attitudes conducted at that time. Could positive views about current inequalities be recent beliefs that Chinese citizens have come to accept as a result of being exposed to the incessant championing of market-based inequalities by China's official propaganda media? Since we have no empirical evidence that would allow us to answer this question, let me close by providing my own thoughts and speculations on this issue.

My sense is that whatever the level of popular acceptance and support of the distinctive stratification order during the late Mao era, it was sustained only with considerable difficulty and with much popular grumbling beneath the surface. I do not think the main difficulty was gaining acceptance of the sharp inequalities across locales and organizations, and between rural and urban China, even though these were the most important axes of inequality at the time. I say this because the evidence on distributive injustice attitudes in all societies, and thus I assume also in China both in the 1970s and today, is that individuals are particularly sensitive to how they are doing relative to reference groups that are near at hand (e.g., neighbors, workmates, and friends), and they are relatively less concerned about how they are doing compared with others who are farther away and only dimly perceived.[27]

However, I think it must have been difficult to gain popular acceptance of a social order in which nearby individuals who are better educated, who hold more responsible positions, who produce more than their colleagues, and who create innovations do not receive rewards and promotions within their local units and might in some instances even be subjected to special criticism and abuse. Furthermore, it could not have been very popular to see lazy or incompetent colleagues receive the same rewards as everyone else, while political sycophants sometimes enjoyed special praise and promotion opportunities.[28] Similarly, I think it must have been difficult to convince ordinary Chinese that it was fair to require them to remain content with their bureaucratically assigned lots and not to use whatever talents and ingenuity they might have to try to get ahead and provide better lives for their families. Again, these speculations are not based primarily

on distinctive features of Chinese citizens and their historical tradition, but on research on social equity and distributive justice in societies around the world. In trying to minimize or even eliminate local inequalities, Mao was directly challenging fundamental and probably universal principles that value equity rather than equality, and I wonder how he could have thought that in the long run this challenge could succeed.

In sum, current inequalities by and large are accepted by the average Chinese citizen because they conform more closely to fundamental principles of equity and distributive justice than the inequality patterns Mao championed at the close of his life. This is not to say that the actual patterns of inequality in China today are a model of distributive justice, as there surely remain serious problems of corruption and distributive injustice—regarding the latter, particularly involving the remaining systemic discrimination against rural residents and migrants. Nor do I claim that Chinese citizens feel they live in a society that is just in all respects, as procedural injustices and abuses of power abound.[29] Rather, my conclusion is more limited. If we consider the two thirty-year periods into which PRC history is roughly divided, the first closed with a quixotic quest for social equality envisioned in a very unusual way, and in the midst of sharp inequalities that at the time were largely ignored. By repudiating Mao's quirky vision of social equality China's reformers during the past three decades have created, or in some respects have returned to, a social order that is in some ways more unequal. However, at the same time they have been able to release incredible energy and popular ingenuity from Chinese citizens because, whatever its faults, today's stratification order is seen as more just than the Maoist social order that preceded it.

ENDNOTES

1. The Stanford book appeared in 2010. Also in print are "The Social Contours of Distributive Injustice Feelings in Contemporary China" (with Chunping Han), in Deborah S. Davis and Wang Feng, eds., *Creating Wealth and Poverty in Postsocialist China* (Stanford, CA: Stanford University Press, 2009); "Zhongguo minzhong ruhe kandai dangqian de shehui bu pingdeng" (Views of Chinese Citizens on Current Inequalities), *Shehuixue yanjiu* (Sociological Research) (in Chinese), no. 1 (2009): 96–120; "What Do Chinese See as Fair and Unfair about Current Inequalities?" in Jean Oi, Scott Rozelle, and Xueguang Zhou, eds., *Growing Pains: Tensions and Opportunities in China's Transition* (Washington, DC: Brookings Institution Press, 2010); "How Angry Are Chinese Citizens about Current Inequalities? Evidence from a National Survey" (with Maocan Guo), in Chan Kwok-bun, et al., eds., *Social Stratification in Chinese Societies* (Leiden: Brill, 2009); and "Do Chinese

Citizens Want the Government to Do More to Promote Equality?" in Peter Hays Gries and Stanley Rosen, eds., *Chinese Politics: State, Society, and the Market* (New York: Routledge, 2010).

2. Starting with the "Develop the West" campaign launched by Jiang Zemin in 2000 and continuing with Hu Jintao's championing of a "harmonious society" since 2002, new policy initiatives and resources in recent times have been directed somewhat more in the direction of disadvantaged localities and social groups, as will be discussed later in this chapter.

3. *China 2020: Sharing Rising Incomes: Disparities in China* (Washington, DC: World Bank, 1997), p. 1. A Gini of 0 indicates total equality, whereas a Gini of 1.0 indicates total inequality. No reliable income distribution data are available for China for the 1970s or earlier.

4. The Gini = .45 figure is reported in Björn A. Gustaffson, Li Shi, and Terry Sicular, eds., *Inequality and Public Policy in China* (New York: Cambridge University Press, 2007). The United Nations Human Development Report for 2007/2008 (available online at http://hdr.undp.org/en/reports/global/hdr2007-2008/ (accessed February 8, 2010), gives a Gini of .469 for China at that time, compared to .408 for the United States, .249 for Japan, .368 for India, and .334 for Bangladesh. The same source gives Brazil's Gini index as .57 and South Africa's as .578.

5. See Lawrence Lau, Yingyi Qian, and Gérard Roland, "Reform without Losers: An Interpretation of China's Dual-Track Approach to Transition," *Journal of Political Economy*, 108, no. 1 (February 2000): 120–43. For a similar analysis, see Yasheng Huang, *Capitalism with Chinese Characteristics: Entrepreneurship and the State* (New York: Cambridge University Press, 2008). During the initial period of this first half of the reform era, up until about 1985, rural incomes increased faster than urban incomes, producing a decline in China's foremost social cleavage, the rural-urban income gap. Since then the rural-urban income gap has generally widened, from below 2:1 in 1985 to more than 3:1 in 2002. See the discussion in Gustaffson, Li, and Sicular, eds., *Inequality and Public Policy in China*.

6. Numerous scholarly and journalistic accounts of these trends offer various versions of the speculation or fear that increasing anger about distributive injustice might eventually feed growing protests and social volatility that could threaten CCP rule. The most explicit use of the "social volcano" metaphor I have found is in the writings of He Qinglian, an economic journalist and critic of distributive injustice who was forced into exile in 2001 as a result of her controversial writings. See Qinglian He, "A Volcanic Stability," *Journal of Democracy*, 14, no. 1 (January 2003): 66–72.

7. Josephine Ma, "Wealth Gap Fueling Instability, Studies Warn," *South China Morning Post,* December 22, 2005.

8. Joseph Kahn, "China Makes Commitment to Social Harmony," *The New York Times,* October 12, 2006.

9. Hannah Beech, "Seeds of Fury," *Time Asia*, 167, no. 11 (March 13, 2006).

10. Our research team includes Albert Park, Wang Feng, Jieming Chen, Pierre Landry, and Chunping Han, and our primary collaborators in the PRC have been Shen Mingming at the Research Center for Contemporary China of Peking University and his colleagues, Yang Ming and Yan Jie.

11. See the results reported in Martin Whyte and Chunping Han, "Popular Attitudes toward Distributive Injustice: Beijing and Warsaw Compared," *Journal of Chinese Political Science*, 13, no. 1 (April 2008): 29–51. The current chapter will not discuss the findings of the Beijing pilot survey, although they are broadly similar to the results of the 2004 China national survey.

12. Most prior sample surveys in China, including my own earlier work, used household registration (*hukou*) records as the basis for sampling. However, as people are increasingly moving around, household registration is more flawed, with migrants and people who move into new housing not included. Temporary registration that is supposed to catch migrants does not solve the problem, because perhaps as many as half of all migrants do not bother to register. Spatial probability sampling, in contrast, uses maps and population density estimates to select actual physical points, with probability proportional to population size. Then a member of each household within a set boundary surrounding each such point is selected to be interviewed, whether or not he/she is registered in that locality. See Pierre F. Landry and Mingming Shen, "Reaching Migrants in Survey Research: The Use of the Global Positioning System to Reduce Coverage Bias in China," *Political Analysis,* 13 (Winter 2005): 1–22.

13. The initial round of the ISJP surveys in 1991 involved selected Eastern European societies as well as the United States, the UK, West Germany, and Japan. A second round was conducted in selected Eastern European societies in 1996. See James R. Kluegel, David S. Mason, and Bernd Wegener, eds., *Social Justice and Political Change: Public Opinion in Capitalist and Post-Communist States* (New York: Walter de Gruyter, 1995); David S. Mason and James R. Kluegel, eds., *Marketing Democracy: Changing Opinion about Inequality and Politics in East Central Europe* (Lanham, MD: Rowman & Littlefield, 2000). Subsequently, in 2005 and 2006, the ISJP surveys were repeated in a smaller number of Eastern European societies.

14. For details, see my *Myth of the Social Volcano: Perceptions of Inequality and Distributive Injustice in Contemporary China* (Stanford, CA: Stanford University Press, 2010), ch. 4.

15. This general pattern is subjected to detailed examination in the doctoral thesis of project member Chunping Han. See Chunping Han, "Rural-Urban Cleavages in Perceptions of Inequality in Contemporary China," unpublished Ph.D. dissertation, Department of Sociology, Harvard University, 2009.

16. We examined a large number of other predictions about the social contours of distributive injustice attitudes; here we only focus on those that stand out across the multiple attitude scales that are focused on here. For example, we used several geographic measures to test predictions that respondents in inland and in "rust-belt" localities would display more critical attitudes than respondents in areas that have benefited more from the market reforms, but when controlling for the social backgrounds of the individual respondents, few of these geographic predictions were supported by the survey evidence.

17. See Jennifer L. Hochschild, *What's Fair? American Beliefs about Distributive Justice* (Cambridge, MA: Harvard University Press, 1981); James R. Kluegel and Eliot R. Smith, *Beliefs about Inequality: Americans' Views of What Is and What Ought to Be* (New York: Aldine de Gruyter, 1986). However, in many past studies in other societies, as in the 2004 China survey, the highly educated tend to have somewhat more critical attitudes toward

current inequalities, even though those who have high status by other criteria (e.g., income, occupational status, ethnic majority status) tend to have relatively positive views.

18. See the framework used in Wang Feng, *Boundaries and Categories: Rising Inequality in Post-Socialist Urban China* (Stanford, CA: Stanford University Press, 2008).

19. See, for example, Andrew G. Walder, "The Remaking of the Chinese Working Class, 1949–1981," *Modern China*, 10, no. 3 (July 1984): 3–48; Yanjie Bian, *Work and Inequality in Urban China* (Albany, NY: SUNY Press, 1994); Martin King Whyte and William L. Parish, *Urban Life in Contemporary China* (Chicago: University of Chicago Press, 1984). Cities were also bureaucratically ranked in ways that affected the resources and opportunities available to their citizens.

20. See, for example, Rhoads Murphey, *The Fading of the Maoist Vision: City and Country in China's Development* (New York: Methuen, 1980); Sulamith Heins Potter, "The Position of Peasants in Modern China's Social Order," *Modern China*, 9, no. 4 (October 1993): 465–99; Mark Selden, "City versus Countryside? The Social Consequences of Development Choices in China," in Selden, ed., *The Political Economy of Chinese Socialism* (Armonk, NY: M.E. Sharpe, 1988), ch. 6; Kam Wing Chan, *Cities with Invisible Walls: Reinterpreting Urbanization in Post-1949 China* (New York: Oxford University Press, 1994); Dorothy Solinger, *Contesting Citizenship in Urban China: Peasant Migrants, the State, and the Logic of the Market* (Berkeley: University of California Press, 1999); and Fei-Ling Wang, *Organizing through Division and Exclusion: China's* Hukou *System* (Stanford, CA: Stanford University Press, 2005).

21. For further discussion of the origins and ironies of the sharp rural-urban cleavage that is a legacy of Chinese socialism, see Martin K. Whyte, ed., *One Country, Two Societies: Rural-Urban Inequality in Contemporary China* (Cambridge, MA: Harvard University Press, 2010).

22. A further irony of this institutional system is that in 1956 and 1957, in the wake of the Hungarian uprising, Mao Zedong recognized the importance of managing such non-social class inequalities in Chinese society (in his articles, "On the Ten Major Relationships" in 1956 and "On the Correct Handling of Contradictions Among the People" in 1957). However, in later years Mao seems to have completely forgotten his earlier wisdom about the need to manage multiple stratification cleavages.

23. Preliminary grain distributions allowed families to receive grain to consume, even if in the year-end accounting after the final harvest they did not end up having accumulated enough work-points for their labor in the fields to pay for what they had already consumed. The existence of such "over-consuming households" (*chaozhi hu*) acted to equalize consumption levels across families and provided basic food security to labor-poor families, as long as the team had grain to distribute (an important qualification, given the mass famine in which at least 30 million excess deaths occurred in 1959–61). See the discussion in William L. Parish and Martin King Whyte, *Village and Family in Contemporary China* (Chicago: University of Chicago Press, 1974); Mark Selden, "Income Inequality and the State in Rural China," in Selden, ed., *The Political Economy of Chinese Socialism*, pp. 129–52. However, across teams within brigades and across brigades within a commune the income gaps could be larger—sometimes 3:1 or 4:1 or even higher—and there was no mechanism in place to redistribute from richer teams to poorer teams.

24. In most periods and places after the initial Great Leap high tide, rural families were allowed to grow crops on small private plots and to raise a pig or two. However, restrictions

were in place to prevent members of the rural labor force from diverting most of their energies from collective field labor to these private pursuits, and particularly to prevent them from making more than occasional visits to rural markets. (Marketing private-plot produce in the cities was strictly prohibited, unlike the practice in the Soviet Union and Eastern Europe.) In a similar vein, there was some encouragement of rural industry within the commune system, but only to produce things like cement and tools to meet local needs (rather than making items for sale in the cities, much less overseas), and workers were supposed to be paid with work-points, whose value was set to be comparable to the levels received for agricultural labor in order to prevent rural factory workers from becoming a privileged stratum. See American Rural Small-Scale Industry Delegation, *Rural Small-Scale Industry in the People's Republic of China* (Berkeley: University of California Press, 1977).

25. "Barracks communism" is a term coined by Karl Marx to denounce the kind of bureaucratically regimented and (in our terms) leveled-down social equality he saw being advocated by nineteenth-century "primitive socialists" such as Sergei Nechayev. One can assume that Deng Xiaoping also had come to see the "leveled-down" equality of Mao's socialism circa 1976 as highly inequitable. See my article, "Deng Xiaoping: The Social Reformer," *The China Quarterly*, no. 135 (September 1993): 515–55.

26. However, the 2004 survey cannot tell us in what direction Chinese popular attitudes on these issues are changing, and particularly whether the negative consequences within China due to the global financial meltdown that erupted in 2008 have undermined Chinese acceptance of current inequalities. Our research team carried out a five-year follow-up survey late in 2009 to determine how during the period since our original 2004 survey Chinese attitudes may have changed and why, with the results to be reported in future publications.

27. On these general points about influences on distributive injustice views, see the discussion in Hochschild, *What's Fair?*; Kluegel and Smith, *Beliefs about Inequality*.

28. Susan Shirk describes Mao's goal as replacing "meritocracy" with "virtuocracy" and insightfully describes the difficulties and contradictions that such a virtuocratic emphasis entails. See Susan L. Shirk, "The Decline of Virtuocracy in China," in James L. Watson, ed., *Class and Social Stratification in Post-Revolution China* (Cambridge: Cambridge University Press, 1984), ch. 4.

29. See the discussions of the procedural injustices faced by China's rural citizens in Thomas Bernstein and Xiaobo Lü, *Taxation without Representation in Contemporary Rural China* (Cambridge: Cambridge University Press, 2003); Kevin J. O'Brien and Lianjiang Li, *Rightful Resistance in Rural China* (Cambridge: Cambridge University Press, 2006).