Fair versus Unfair: How Do Chinese Citizens View Current Inequalities?

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Since the country's post-1978 reforms, China has experienced sweeping changes in the principles of remuneration and distribution of benefits and opportunities. These changes have brought about corresponding—and generally increased—inequalities among the citizenry. The fact of these inequalities is not in dispute. But how do ordinary Chinese citizens view them? What do they think of the country's current structures of inequality and mobility opportunities? Do they accept them, or do they feel they are unfair? To what extent does China's population resent and resist these changes or even harbor nostalgia for the now officially rejected and discarded distributional principles of the planned socialism era (roughly from 1955 to 1978)?

Many recent analyses of Chinese society, by both Chinese and foreign observers, claim that the increased inequality generated by China's reforms has inspired anger among ordinary Chinese. Indeed, popular anger is often portrayed as a major force behind the wave of protest incidents that has buffeted China in recent years.[1] This kind of analysis places China on the edge of what I would describe as a "social volcano" from which political instability and system breakdown might erupt at any moment. For example, the Central Party School polled senior officials in 2004 and concluded that the income gap was China's most serious social problem, far ahead of crime and corruption, which were ranked two and three, respectively.[2] Similarly, a summary of the 2006 "Blue Book" (an annual assessment of the state of Chinese society published by the Chinese Academy of Social Sciences) stated, "The Gini coefficient, an indicator of income disparities, reached 0.53 last year, far higher than a dangerous level of 0.4."[3] But are these alarmist messages correct? Is there evidence of popular anger in China about inequality and distributive justice issues?

This chapter seeks to provide answers to these questions. To present a general descriptive overview of contemporary popular attitudes on these issues, I rely on responses to the 2004 National China Inequality and Distributive Justice Survey.[4] In examining the patterns of response to a wide range of questions used in our survey—questions dealing with both competing principles of distribution and perceptions of actual current patterns of inequality and social mobility—I seek to determine which inequality principles and patterns are seen as fair and which are seen as unfair.

Too Much Income Inequality?

In the survey, in response to a question about whether current national income differences are too large, somewhat too large, about right, somewhat too small, or too small, a substantial majority of respondents (71.7 percent) answered that the gaps are to some degree excessive—see row 1 in table 11.1a. However, when we asked respondents their opinions about income differences within their own work units and the neighborhoods in which they live, a much smaller proportion said that local income differences were excessive—only 39.6 percent and 31.8 percent, respectively. In fact, for these latter two questions, the most common response was that income differences within the work unit and the neighborhood were about right. Among other responses, however, more people said that local income differences were too large. So these responses contain mixed messages. Clearly most Chinese feel that income differences in the entire nation are larger than they should be, but when you ask them about people in their local environment—those whom they could realistically use as comparative reference groups—then only about one respondent in three says that current income differences are excessive.

Table 11.1a Popular Views on the Extent of Inequality (% of respondents)

	Too small	Somewhat small	About right	Somewhat large	Too large	*N*
National income gap	1.4	4.4	22.5	31.6	40.1	3,254
Work unit income	1.6	8.9	49.9	27.1	12.5	2,107
Neighborhood income	1.9	10.2	56.1	26.6	5.2	3,264

Table 11.1b Expected Change in Size of Poor and Rich (% of respondents)

	Decrease	Stays the same	Increase	*N*
% of poor	43.2	30.7	26.1	3,266
% of rich	6.9	32.1	61.1	3,265

Table 11.1c Attitudes on Current Income Gaps (% of respondents)

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	*N*
Rich get richer, poor get poorer	3.8	15.3	20.9	34.3	25.8	3,258
Inequality benefits rich	3.8	15.0	30.2	37.3	13.6	3,263
Income gaps threaten stability	2.9	12.5	33.5	36.4	14.8	3,262
Income gaps versus socialism	5.3	18.6	48.2	21.4	6.5	3,255

Source: All tables in this chapter based on *China Inequality and Distributive Justice Survey,* 2004.
Note: Here and in later tables, *N*=number of responses (out of 3,267 respondents).

The survey team asked a number of additional questions to gain more perspective on how Chinese citizens perceive current inequalities and inequality trends. Two questions concerned whether respondents thought the proportions of poor people to rich people in China would increase, stay about the same, or decrease in the next five years.[5] As we can see in table 11.1b, the most common response was that the number of poor will decrease while the number of rich will increase. In other words, there is a predominantly optimistic expectation that the rising tide of economic development will lift all boats, even if not at the same pace. However, we should not ignore the 26.1 percent of respondents who expect China's poor population to increase during the next five years.

A different impression is generated by another question, which asked respondents to register varying degrees of agreement or disagreement with the statement, "In the last few years, the rich people in our society have gotten richer, while the poor people have gotten poorer." The pattern of responses to this question, shown in table 11.1c, reveals that around 60 percent of all respondents agree or strongly agree with this statement, which seems puzzling in contrast to the optimism about the proportion of China's poor declining in the future. The second row in table 11.1c displays a similarly jaundiced view. When presented with the statement, "The reason why social inequalities persist is because they benefit the rich and the powerful," 50.9 percent agreed while only 18.8 percent disagreed. These responses suggest a popular suspicion that in the country at large, those at the very top of the inequality pyramid are manipulating the system to their own advantage.

Two other questions asked respondents to evaluate current inequalities in terms of whether they pose a threat to social stability and whether they violate

the principles of socialism. As shown in table 11.1c, about 51 percent agreed about the threat to social stability, but substantially fewer, only about 28 percent, agreed that the principles of socialism are being violated.[6] These responses raise the possibility that many respondents see current inequalities as excessive not so much because such large gaps are inherently unjust, but because the disparities involved threaten the desirable goal of an orderly and harmonious society.[7] As we examine the responses to other questions below, we will have further opportunities to probe the importance of social injustice sentiments versus other types of negative reactions to current inequalities.

To sum up, these initial questions about the size of inequality gaps yield mixed impressions. It is clear that the wide income differences that now exist in China nationally are seen as unfair or undesirable by a large majority of Chinese citizens. Many citizens are particularly concerned that such gaps could undermine social stability. Perhaps they also are suspicious that those at the very top of the social hierarchy are manipulating the system to their private advantage. However, they are much less likely to see the income inequalities in their local communities and firms as excessive, and most do not expect that the widened income gaps fostered by the reforms will translate into an increase in poverty in the immediate future.

The Attribution of Poverty and Wealth

In judging the fairness or unfairness of inequalities in any society, it is not enough merely to decide whether current gaps are too large, about right, or too small. What matters more is identifying who is perceived to be at the bottom and at the top of the inequality hierarchy and how they are assumed to have ended up where they are. It makes a difference whether most rich people are perceived as enjoying "ill-gotten gains" versus "well-deserved fruits." Similarly, if people who are poor are perceived primarily as victims of discrimination and blocked opportunities, this will be seen as much more unfair than if the poor are seen as shiftless and incompetent. We thus enter the realm of the popular attribution of poverty versus wealth. Following the model of questions used in the International Social Justice Project, we asked each of our survey respondents to state how much they thought various listed traits influence why a person in China today is poor—to a very large degree, a large degree, to some degree, a small degree, or not at all. We followed this up with similar questions about why people in China are rich. Each list mixes attributes based on individual worthiness and merit with other factors related to external or structural causes.[8] The assumption underlying these questions is that if current inequalities are mainly attributed to variations in individual merit factors (such as talent, educational attainment, and hard work), they will tend to be seen as fair, whereas inequalities mainly attributed to external factors (such as unequal opportunities and discrimination) will tend to be seen as unjust. The resulting weighted marginal distributions are displayed in tables 11.2a and 11.2b.

Table 11.2a Attribution of Why People in China are Poor (% of respondents)

	Not at all	Small influence	Some influence	Large influence	Very large influence	*N*	Rank order
Lack of ability	2.2	4.5	32	43.5	17.8	3,265	1
Bad luck	9.1	18.1	45.9	21.7	5.2	3,265	6
Poor character	8.4	19.6	40.8	22.6	8.6	3,261	4
Lack of effort	3.2	7.2	35.6	43.9	10.1	3,257	3
Discrim-ination	7.2	18.8	52.8	16.9	4.3	3,261	7
Unequal opportunity	4.3	15.2	53.1	22.3	5.2	3,261	5
Unfair economic system	5.4	11.8	61.8	16.1	4.9	3,258	8
Low education	3	8.6	34	37.8	16.6	3,239	2

Table 11.2b Attribution of Why People in China are Rich (% of respondents)

	Not at all	Small influence	Some influence	Large influence	Very large influence	*N*	Rank order
Ability and talent	1.8	3.8	25	46.3	23.2	3,265	1
Good luck	7	13.4	40.5	29.8	9.3	3,264	6
Dis-honesty	13.3	26.7	42.6	12.8	4.6	3259	8
Hard work	1.5	5.7	31.1	49.5	12.3	3,261	2
Connec-tions	1.4	6.3	32.3	41	19	3,261	4
Better oppor-tunities	1.9	8.5	44.4	34.9	10.4	3,262	5
Unfair economic system	3.6	14.4	56	19.5	6.5	3,258	7
High education	2.3	6.2	30.9	39.5	21.1	3,240	3

By scanning tables 11.2a and 11.2b, it becomes clear that for most respondents, variations in individual merit factors—much more than external and structural causes—explain why some people in China today are poor while others are rich. The top three attributions of poverty in China today, in order, are lack of ability or talent, low education, and lack of effort. For wealth, the same three traits emerge as the most important, although in slightly different sequence, with ability and talent followed by hard work and then high educational level. However, one "negative" trait, variations in personal connections, was a close fourth in popular explanations of why some people in China are rich.[9] Notably, traits such as dishonesty, discrimination, and unfairness in the current economic system came out near the bottom in the rank ordering of reasons why some people are poor while others are rich.

These responses do not indicate that the dominant tendency in China today is for citizens to attribute the current patterning of wealth versus poverty to social injustice. Rather, while perhaps one-quarter of our respondents ranked external or structural "unfair" sources as important or very important in explaining why some people are rich while others are poor, the majority of respondents identified individual merit, and variations therein, as the primary driver.[10] As such, the dominant tendency is to see current inequalities as fair rather than unfair.[11]

How can these responses be squared with the fact that a large majority of respondents feel that there is too much income inequality in China today and that inequality exists because it benefits the rich and powerful? Two considerations may explain this apparent paradox. First, as suggested above, national inequality may be seen as excessive not because income gaps are inherently unjust but because they may threaten social stability. Second, it seems likely that when people responded to our series of questions about the explanations for why some people are poor while others are rich, they tended to focus on the rich and poor people in their own immediate environment, rather than on invisible or dimly perceived rich and poor people in other parts of China. If that is the case, then as we saw in table 11.1a, most respondents did not view such local inequalities as particularly excessive or unjustly derived. If we can assume that, as in other societies, what matters most to individuals is how they see themselves compared to various local reference groups, rather than the entire nation, then it would appear that most respondents consider the inequalities around them to be acceptable—even fair. They do not harbor strong resentment or feel that current inequalities are unjust, even if they worry about income disparities in the larger society.[12]

In short, the majority sentiment that current inequalities in China are too large cannot be interpreted as a general rejection of the current social order as unjust. Rather, there is a broad consensus that, at least in terms of the inequalities citizens see in their immediate environment, market reforms have produced new inequality patterns that are acceptable. Our survey results indicate that many Chinese citizens attribute these patterns to variations in individual merit rather than fundamental injustices in the social order.

Views on Egalitarian Distribution and Redistribution

Since many Chinese citizens object to the size of current inequalities, it is worth considering how they would feel about a more equal distribution of income and other resources and about government redistribution as a way to achieve that result. Table 11.3 contains several questions relating to these issues. First, we have responses to the statement, "Distributing wealth and income equally among people is the most fair method." As we can see from the first row of table 11.3, opinions are divided on this issue, but more respondents disagree than agree with this statement. Evidently most Chinese do not desire a strictly egalitarian distribution.[13] Nor is a need-based redistribution very popular, as seen in the similar pattern of reactions to the second question shown in table 11.3: "There should be redistribution from the rich to the poor in order to satisfy everyone's needs." Judging from the third row in the table, however, there is much more popular approval of affirmative action to help the poor; 61.9 percent of respondents agreed with the statement, "It is fair to give people from lower social strata extra help so they can enjoy more equal opportunities."

Table 11.3 Attitudes toward Egalitarian Distribution and Redistribution (% of respondents)

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	*N*
Equal distribution is most fair	10.6	34.1	26.3	22.9	6.2	3,262
Redistribute to meet needs	8.1	29.8	32.5	24.2	5.3	3,259
Extra help to poor is fair	1	6.8	30.2	45.6	16.3	3,252
Government to limit top income	7.9	26.8	31.5	24	9.8	3,262
Government to reduce rich-poor gap	1.8	10.3	30.6	34.2	23.1	3,260
Government to guarantee jobs	0.5	3.9	20	45.6	30.1	3,261
Government to guarantee minimum living standard	0.5	2.7	16.1	39.4	41.4	3,263

The next four questions all inquire whether the government should take additional measures to reduce inequality. It is apparent that most Chinese do not favor limits on the maximum income individuals should be able to earn (see row 4 in table 11.3), and the pattern of responses is similar to that of the table's first two questions. However, there is much more support for three other possible government actions, with 57.3 percent approving of government efforts to reduce the gap between high and low incomes, 75.7 percent favoring government guarantees of jobs for everyone willing to work, and 80.8 percent advocating government guarantees of a minimum standard of living for everyone. Taken together, these responses suggest that according to most Chinese citizens, the ideal pattern of inequality would differ from current patterns, mainly by eliminating poverty through government-sponsored job and income guarantees, but without setting limits on the income and wealth of the rich or redistributing from the rich to the poor. (Respondents were not asked to explain how the government could help the poor without extracting more from the rich.) This appears to be a formula for a market-oriented welfare state, rather than a socialist society.[14] Moreover, there is relatively little evidence here that most citizens resent China's newly emerging class of entrepreneurs, millionaires, and, yes, capitalists.

Is It All Right to Enjoy the Fruits of Success?

Attitudes about what forms of inequality are fair and unfair can be probed further by considering the questions we asked about those who are successful and prosperous. These responses are displayed in table 11.4. Close to half of all respondents (48.8 percent) agreed that it is fair for some occupations to receive more respect than others (see row 1 in table 11.4), and sizable majorities of our sample agreed with statements that it is fair for the rich to pay for superior education for their children (64.2 percent) and to obtain superior housing (58 percent). They were less certain that it is fair for the rich to obtain superior medical care (47.2 percent expressed approval and 27.6 percent disapproved). Also, a large majority agreed with the statement that rich people should be able to keep what they earn, even if this generates gaps between the rich and the poor (62.8 percent). Most respondents (61.2 percent) also said that inequality would be acceptable if China had equality of opportunity. However, a single question about elite status based on power rather than wealth generated a very different pattern of responses (see the final row in table 11.4). When presented with the statement, "It is fair for people in power to enjoy a certain amount of special treatment," 55.8 percent disagreed; only 21.4 percent expressed agreement. Evidently using acquired wealth to enjoy a better life than others is acceptable, but translating political power into a better life is not, even though the latter is just as common in China today—perhaps more so—as the former.[15]

Table 11.4 Attitudes toward the Rich Enjoying Advantages (% of respondents)

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	*N*
Fair, some jobs deserve more respect	3.4	15.5	32.3	40.6	8.2	3,260
Fair, rich kids receive better education	2.7	11.5	21.5	44.1	20.1	3,257
Fair, rich buy better housing	3	13.1	25.8	42.8	15.2	3,254
Fair, rich receive better health care	8.5	19.1	25.3	35.2	12	3,246
OK to keep earnings, even unequal	1	5.3	30.9	46.3	16.5	3,244
Inequality OK if opportunity is equal	1.8	9.5	27.5	48.2	13	3,259
Fair, powerful receive special treatment	26.3	29.5	22.9	16.4	5	3,256

Discrimination Against those with Rural Origins

We have just seen that there is considerable acceptance of the rich and their families enjoying the fruits of their success. Now we shift our attention to look at popular attitudes toward an important disadvantaged group—China's rural citizens. In one of the major ironies of China's socialist revolution after 1949, a leadership that had strong roots in the countryside and declared itself determined to eliminate "feudalism" and foster social equality produced something akin to "socialist serfdom" in actual practice. Those born into rural families were effectively bound to the soil in all but rare circumstances. Even after this bondage ended in the reform era and rural residents could migrate elsewhere and seek jobs in the cities, institutionalized discrimination against rural migrants—members of China's "floating population" who possess agricultural residential permits (*hukou*) no matter how long they may have lived in the city—has remained severe.[16] In our questionnaire we included questions to tap into popular attitudes about those with rural origins. Table 11.5 shows the distribution of responses.

Table 11.5 Attitudes toward Urban Bias (% of respondents)

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	*N*
Fair, urban households have more opportunities	12.2	32.8	29.9	19.4	5.8	3,236
Fair, deny migrants urban registration	24.3	34.9	26.2	11.8	2.8	3,249
Fair, bar migrant kids from schooling	40	36.8	15.8	5.5	2	3,257
Fair, bar migrants from some jobs	35.5	35.1	20.4	7.3	1.7	3,256
Equal job rights for rural/urban dwellers	2	5.8	19.7	44.5	28	3,254
Fair, migrants receive no urban benefits	34	32.9	24	7.4	1.8	3,260
Urbanites receive too much benefit	3.6	17.4	31.6	39.5	7.9	3,258
Urbanites contribute more to development	9.5	35.9	32.9	19.5	2.2	3,256

The numbers in table 11.5 differ significantly from those we reviewed earlier. In every instance, respondents affirmed that the various disadvantages suffered by rural people and migrants to the city are unjust. In the first row of the table we see that 45 percent of all respondents felt it was unfair for urban residents to enjoy greater opportunities than rural ones; only 25 percent saw this as fair. An even larger 59 percent of respondents believed it was unfair to deny urban household registrations to migrants from rural areas, while only 15 percent considered it fair. The sense of injustice becomes stronger still regarding rules that prevent migrant children from attending urban public schools unless they pay special high fees, and the regulations, common among city administrations, that forbid the hiring of migrants for a whole range of urban jobs. Here the consensus that these practices are unfair rather than fair is 77 percent versus 8

percent for the school exclusion and 71 percent versus 9 percent for the jobs exclusion. The figures in the fifth row of table 11.5 confirm the same pattern, with the jobs question asked the other way around. Overall, 73 percent of respondents felt that rural and urban citizens should have equal rights to jobs, while only 8 percent disagreed. The exclusion of urban migrants from welfare benefits enjoyed by China's urban residents is almost as unpopular: 67 percent of respondents viewed it as unfair while only 9 percent disagreed. The final two questions shown in the table concern not specific discriminatory practices but possible explanations for the higher income and other advantages that urban residents enjoy. Here the patterns are less lopsided, but they still show greater rejection than acceptance of the idea that urbanites deserve the advantages they enjoy. When asked whether urban residents have enjoyed more of the benefits of the reforms than they deserve, 47 percent agreed compared with 21 percent who disagreed. When asked whether the advantages enjoyed by urbanites were due to the fact they contribute more to the country and its development than do rural residents, only 22 percent agreed while 45 percent disagreed. In sum, throughout this set of questions we see the first clear-cut case of overall popular rejection of a current pattern of inequality.

Although we do not show the details in this chapter, these patterns are not solely driven by the resentment of rural-origin respondents. Even urban respondents generally recognize the unfairness of current institutionalized discrimination against those with rural *hukou,* although migrant respondents tended to express their opposition more strongly.[17] As may be obvious, the institutionalized discrimination against those of rural origin in China during the reform era contradicts the promarket ideology that China's leaders are now trying to persuade their citizens to accept. That ideology says that the ideal society offers equal opportunity, and that the differences between the rich and successful and the poor and unsuccessful should reflect variations in talent, effort, and other nonascribed characteristics. The leadership's success in promoting these ideas, as we have seen earlier (particularly in table 11.2), almost requires the population to reject the notion that it is fair to discriminate against individuals simply because they were born into rural families.

The Beneficial Effects of Incentives and Income Differences

Even if most Chinese citizens feel that it is acceptable for the rich to enjoy a better life than others (see table 11.4), are they willing to go further and agree that the incentive effect provided by current inequalities actually benefits society? When Deng Xiaoping contravened years of Maoist slogans that extolled asceticism and egalitarianism and instead proclaimed that "it is good for some to get rich first," did he persuade most Chinese? The abstract idea that inequalities are not simply tolerable, but may actually be desirable or even necessary because they benefit society (by increasing motivation, innovation, responsibility, and other desirable qualities), is central to the

"functionalist theory of stratification."[18] That said, this idea flies in the face of the Maoist condemnation of material incentives as the "sugar-coated bullets of the bourgeoisie." How successful have Chinese reformers been since 1978 in legitimating current inequalities by claiming that they are actually beneficial?[19] We examine this issue by scanning the pattern of responses to questions in our survey that address the role of incentives and market competition, as displayed in table 11.6.

Table 11.6 Attitudes toward Benefits of Markets, Competition, and Incentives (% of respondents)

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	*N*
Market competition inspires	0.5	4.5	32.4	45.7	16.8	3,262
Free market crucial for development	0.8	4.6	40.8	41.4	12.4	3,261
Self-interest benefits society	1.9	11.9	43.6	34.5	8.1	3,245
Business profits benefit society	4.1	22.4	36	32	5.6	3,255
Competition brings out bad side of humans	8.3	30.2	38.6	18.9	3.9	3,262
Income gap fosters hard work	2.8	16.7	30.1	39.1	11.3	3,263
Need rewards to take on responsibility	2.8	14.7	32.5	39.2	10.8	3,264
Income gaps aid national wealth	15.9	27.6	36.9	16.3	3.3	3,259
Widen coast-interior gap for development	5.9	22	44.8	22.9	4.4	3,261
Fair to lay off state-owned enterprise workers	13.8	24.6	39.5	17.6	4.5	3,251

In the first row of table 11.6, we see responses to the statement, "The good thing about market competition is that it inspires people to work hard and be creative." A solid majority of respondents (62.5 percent) expressed agreement with this statement; only 5 percent disagreed. A more vague statement, "A free market economy is crucial to the economic development of our country," was

also endorsed by a majority of respondents (53.8 percent), whereas only 5.4 percent disapproved. No other statement shown in the table elicits such broad approval. A related statement meant to convey Adam Smith's central justification for markets—"When every person can freely pursue his own interests, society as a whole will also benefit"—elicited more approval than disapproval (42.6 percent versus 13.8 percent). However, the most common response to this claim was a neutral view (43.6 percent). A similar pattern of responses emerges to provide another version of the same idea, but one that focuses specifically on the pursuit of profits by businessmen: "It is acceptable for businessmen to make profits because in the end everyone benefits." Again there was more agreement than disagreement with this statement (by a smaller margin than was the case with the prior question, 37.6 percent versus 26.5 percent), but the most common response was neutrality. A statement intended as roughly the opposite attitude to those just discussed, "Competition is harmful because it brings out the bad side of human nature," not surprisingly found more respondents disagreeing than agreeing, but again the most common response was neutrality. Clearly, Chinese citizens support market competition and incentives in the abstract, but they also harbor considerable misgivings and uncertainty about claims that the pursuit of self-interest and profit will benefit society in general.

The remaining statements in table 11.6 were designed to assess views on versions of the claim that incentive carrots and disincentive sticks are needed to motivate individuals to behave in desirable ways so that society will benefit. These statements elicited even more divided reactions than did the statements in the top two rows. Half (50.4 percent and 50 percent) agreed with the first two statements, "Only when income differences are large enough will individuals have the incentive to work hard," and "Unless there are greater rewards, people will not be willing to take on greater responsibilities at work." The remainder of the sample disagreed or took a neutral view. When the same idea was expressed at the level of societal income gaps rather than individual incentives—as in the statements, "For the prosperity of the country, there must be large differentials in incomes," and "To develop our country's economy, it is necessary to increase the income gap between coastal and inland regions"—respondents disagreed as much or even more strongly than they agreed, although in both cases the most common response was, once again, to take a neutral position. Finally, in the last row of table 11.6 we show responses to the one statement that dealt directly with the stick rather than the carrot side of incentives: "In order to reform state-owned enterprises, it is fair to lay off large numbers of individuals." In this case as well opinions were divided and the most common response was a neutral one, but more respondents disagreed with this statement (38.4 percent) than agreed (22.1 percent).

In general, based on the questions in table 11.6, we conclude that China's reformers have only partially succeeded in gaining popular acceptance of the idea that market competition, material incentives, and income differentials are necessary and beneficial for Chinese society. To be sure, these responses show that

Mao Zedong's doctrine—that material incentives and the pursuit of profits and economic betterment are inherently evil—has few champions today. However, uneasiness and uncertainty about the benefits of incentives and inequality are almost as common as approval of these ideas.

Optimism versus Pessimism about Social Mobility and Social Justice

The last set of questions from our survey concerns expressions of optimism versus pessimism about the chances for individuals and families to get ahead and to live in a more just society. Table 11.7 displays a variety of statements related to these questions. The first row is an assessment of whether respondents predicted that, five years from the time of the survey, their family's economic situation would be much worse than at present, somewhat worse, about the same, somewhat better, or much better. As we can see, the dominant mood was optimism, with 63.1 percent estimating that their families would be doing better in five years and only 7.5 percent predicting that their families would be doing worse. When presented with a more generic statement of optimism about mobility opportunities in China today, "Based upon the current situation in the country, the opportunities for someone like you to raise their living standard are still great," again the dominant response was to express agreement (61.1 percent) and thus optimism about upward mobility opportunities. However, the next several attitude statements reveal that most Chinese recognize that equal opportunity does not exist in China any more than it does in other societies. The statement, "Currently, the opportunities to be successful are the same for all people," elicited about as much disagreement as agreement. When the opposite view was stated, "People of different family backgrounds encounter different opportunities in society," almost 60 percent of respondents expressed agreement and only about 10 percent disagreed. Despite this recognition of the inequality of mobility opportunities, when presented with the statement, "In our country, hard work is always rewarded," again most respondents struck an optimistic note, with more than 61 percent agreeing and only about 15 percent disagreeing.

Table 11.7 Optimism versus Pessimism about Social Mobility and Social Justice (% of respondents)

	Strongly agree	Disagree	Neutral	Agree	Strongly agree	*N*
Family living standard in 5 years*	1.8	5.7	29.3	51.1	12	3,266
Great opportunity to raise standard of living	4.3	15.3	23.5	43.3	17.8	3,262
Equal opportunity exists to succeed	6.8	24.1	31.6	27.5	10	3,260
Family origin affects opportunities	1.4	8.9	30.1	43.2	16.3	3,246
Hard work always rewarded	2	13.4	23.5	43.3	17.8	3,258
Social justice talk has no meaning	6.1	23	36.5	27.5	6.9	3,261
Hard to say what is just	6	20.2	35.7	28.5	9.6	3,261
Officials don't care	4.5	16.5	28.9	31.2	18.9	3,260

Note: *Actual response categories were much worse, somewhat worse, no change, somewhat better, much better.

Taken together, the responses to these questions indicate that while most Chinese recognize that there is no level playing field that offers the same chances to all, they do not think that the social order is so unfair as to be stacked against ordinary people, preventing them from getting ahead. We see echoes here of the pattern of responses to explanations of why some people are rich and others are poor (see table 11.2). There appears to be a strong belief that diligent pursuit of social mobility through schooling, talent, and hard work will lead to social and economic betterment. Factors such as unequal opportunities and personal connections are also perceived to help some undeserving individuals to succeed, but not to the extent that deserving ordinary people are blocked from getting ahead. The responses to another question substantiate this view of the world. Respondents were asked which of two statements they agreed with more: "Some people getting rich first will reduce the chances for others to get rich," and "Some people getting rich first will increase the opportunities

for others to get rich." Many more respondents favored the second option (by 48.6 percent to 11.1 percent), although a sizable 40.3 percent responded that it was hard to say or they didn't know. Evidently, most Chinese do not see the pursuit of wealth as a zero-sum game, and many seem to accept Deng's view that it is good for some people to get rich first.

The final three rows in table 11.7 display responses to three statements designed to explore feelings of injustice and pessimism about achieving social justice: (1) "Since we are unable to change the status quo, discussing social justice is meaningless"; (2) "Looking at things as they are now, it is very difficult to distinguish what is just and what is unjust"; and (3) "Government officials really don't care about what common people like me think." Opinions were divided on all three statements. For the first two, disagreement was almost as likely as agreement, with the most common response being a neutral answer. With respect to the third statement, a bare majority (50.1 percent) expressed agreement, compared to 21 percent who disagreed. Although the response patterns to these last three questions are somewhat mixed or negative, considered in conjunction with the other responses in table 11.7, it appears that Chinese citizens, at least at the time of our survey in 2004, felt neither anger at the fundamental injustice of current patterns of inequality nor pessimism about their ability to benefit from the current system.

Variations in Attitudes toward Inequality and Distributive Injustice

There is not sufficient space in this chapter to discuss in detail two additional research questions the China Inequality and Distributive Justice project has been analyzing. The first is how do popular Chinese attitudes about inequality and distributive injustice issues compare with those of citizens in other societies, particularly other postsocialist transition societies in Eastern Europe? Second, within China, which social groups display the most anger about inequality and distributive injustice, and, on the other hand, which groups are the most satisfied with current patterns? Even though we cannot do justice here to our project's complex findings on these issues, a few general patterns are worth noting.

Chinese Attitudes in Comparative Perspective

Since many of the questions used in our 2004 China national survey replicated questions asked in the International Social Justice Project (ISJP) surveys in the 1990s, we can compare the responses of Chinese to replicated questions.[20] To summarize the results of our comparison, Chinese citizens are often less critical of current inequalities and more optimistic about the opportunities for ordinary people to get ahead. Their responses to some survey questions show that the Chinese are even more accepting and optimistic than are citizens in advanced capitalist societies where market competition are familiar and less controversial.

A few examples convey the patterns we find. For instance, 71.7 percent of respondents in our China survey (see table 11.1a) found national income gaps to be too large. Notably, citizens in the United States (65.2 percent), Poland (69.7 percent), West Germany (70.8 percent), East Germany (72.1 percent), Japan (72.6 percent), and the United Kingdom (75 percent) hold similar views. The opinions of respondents in the other Eastern European surveys we examined are even more critical; in these instances, the proportion of those who deplored national income gaps as excessive ranged from 78.6 percent in the Czech Republic to a staggering 95.6 percent in Bulgaria.

The contrasts in assessments of what underlies poverty and wealth tend to be even more dramatic. While 61.3 percent of Chinese surveyed in 2004 thought that lack of ability had a large or very large influence on why some people are poor (see table 11.2a, first row), in all the other countries we compared, whether East European or advanced capitalist, fewer than 40 percent of those surveyed responded that way. For example, only 28 percent of Russians in 1996 and 25.7 percent of Japanese in 1991 thought that lack of ability had a large or very large influence on why some people are poor. To look at the other side of the ledger, a mere 26 percent of Chinese surveyed in 2004 thought that an unfair economic structure had a large or very large influence in explaining why certain people in China today are rich (see table 11.2b, second-to-last row). Among our research set, only one other country yielded a similar level (West Germany in 1991, with 25.1 percent). In every other country we analyzed, citizens believed that an unfair economic structure played a significant role in explaining who is rich, ranging from 39.4 percent of Americans to 77.5 percent of Bulgarians.

To present one final example, in our China survey 50.1 percent of respondents expressed agreement or strong agreement with the statement that officials do not care what ordinary people think (see table 11.7, final row). However, that turns out to be a *lower* level of agreement than in any of the other countries for which we have comparative data. For example, 64 percent of Americans, 69.7 percent of Russians, 72.3 percent of Poles, and 74.7 percent of Japanese surveyed felt that officials do not care about the opinions of ordinary citizens. This is quite a dramatic contrast, especially since Chinese cannot use ballots to challenge and replace the officials who rule over them, whereas citizens in the other surveyed countries can.

Chinese citizens are not always more accepting of current inequalities than their counterparts in the other countries. That said, they are hardly ever more *critical* of current inequalities; when contrasts do emerge with the patterns in other societies, these generally involve Chinese having more *favorable* attitudes. So a comparative perspective with other countries reinforces this chapter's earlier conclusion: Chinese citizens do not express a strong sense of distributive injustice that could pose a threat to China's political and social stability.

Variations in Chinese Attitudes toward Distributive Injustice

Again, limited space prevents us from making a detailed analysis of which social groups within China are most angry about inequality issues.[21] The conventional wisdom is that disadvantaged groups—such as farmers, urban migrants, the poorly educated, and residents of western provinces—are particularly likely to express anger about current inequalities and distributive injustice. According to our survey data, however, this conventional wisdom is mostly wrong. The large variety of survey questions summarized in this chapter provide multiple, relatively differentiated measures of various aspects of inequality attitudes, and no single pattern of variation across social groups and locations within China fits all of them. However, China's farmers, who remain at the bottom of the social status pyramid and who are often depicted as seething with anger, tend by many measures in our survey to be more accepting and less critical of current inequalities than other occupational and residence groups.[22] Migrants and residents of interior provinces are less consistent than farmers, but according to some attitude measures they also tend to view current inequalities in a relatively favorable light. In fact, the most critical attitudes toward inequality and distributive injustice tend to be expressed by residents of cities, especially those who are well educated, middle-aged, or are manual workers or unemployed.[23]

Survey figures help to illustrate how farmers differ from the rest of our sample in their views on the importance of "nonindividual merit" reasons for why some people in China today are rich and others are poor (see tables 11.2a and 2b). Overall, 15.6 percent of the farmers in our sample felt that discrimination has a large or very large influence on why some people are poor; in contrast, 25.9 percent of the remainder of the sample gave this response. Similarly, 20.8 percent of farmers said that lack of equal opportunity is an important or very important influence on why some people are poor, compared to 33.5 percent of the rest of the sample. Among farmers, 14.2 percent attributed poverty to problems in the economic structure, whereas 28.6 percent of the remainder of the sample gave this response. In explaining why some people are rich, 54.1 percent of farmers said that having connections is an important influence, but 64.3 percent of the rest of the sample gave this response. Among farmers, 36.6 percent agreed that unequal opportunities have an important influence on some people being rich, compared to 52.4 percent of the rest of the sample; and 18.9 percent of farmers said that unfairness in the economic structure is important in explaining who is rich, in contrast to 31.3 percent of the remaining sample. All of these differences are statistically significant. When we controlled for a wide variety of other possible influences on these attitudes, using multivariate statistical models, generally the net influence of being a farmer was still to express significantly more *favorable* attitudes toward current inequalities—again, versus the conventional wisdom.

Why is it the case that some low-status and disadvantaged groups, which logically ought to be angry, are in many instances *less* angry than other groups? This is a complex question that we explore in other writings from this project.[24] In general, we contend that past personal and family history, comparative reference groups, relative expectations, and other subjective factors intervene to affect attitudes toward inequality and distributive injustice issues as much or more than respondents' objective status characteristics, such as their income or educational attainment. To state the case simplistically, China's farmers, even though they remain at the bottom of the status hierarchy, have been released from near-feudal subjugation and may feel that they have nowhere to go but up. Likewise, they will generally be aware of many rural people who have become better off in recent decades, while at the same time recognizing that the chances of doing so are by no means equally distributed.[25] In contrast, former state workers and the urban unemployed do not feel that they have nowhere to go but up; instead, they may believe that their standards of living are threatened or have declined even as they see around them people who have become fabulously wealthy. Viewed in this admittedly somewhat oversimplified fashion, it is not surprising that Chinese farmers may view current inequalities more favorably than do the middle-aged, workers, and the unemployed who live in booming cities. In general, then, where a respondent stands within the income or other objective status hierarchies of contemporary China is not a reliable predictor of how that individual feels about inequality and distributive injustice issues.

Conclusion

Having reviewed the pattern of responses to attitude questions about inequality and distributive injustice, can we summarize how Chinese citizens feel about these issues? Which aspects of current inequalities in China do they accept and view as fair and which do they consider basically unjust? Our survey results indicate that the majority of respondents view most parts of the unequal, market-based society in which they now live as basically fair. Our data reveal scant evidence of strong feelings of distributive injustice, active rejection of the current system, or nostalgia for the distributional policies of the planned socialist era. In that sense ongoing debates about these issues should be regarded as another manifestation of the "growing pains" precipitated by market reforms, rather than harbingers of imminent political instability or social collapse.

Let us begin this summary by stating the principles of an *ideal* social order, according to the average Chinese citizen, that emerge from our survey results:

- There should be government-sponsored efforts to provide job and income guarantees to the poor and affirmative action policies to provide the disadvantaged with increased opportunities to succeed.

- There should be abundant opportunities for individuals and families to improve their livelihoods and social status and to enjoy the fruits of their success.
- As far as possible, there should be equal opportunity to succeed and prosper.
- Material advancement and success should be determined by merit factors, such as educational attainment, knowledge and skills, individual talent, and hard work, and not by nonmerit factors (not only external factors, such as prejudice, unequal opportunities, and personal connections, but also age, gender, family size, and household registration status).
- The pronounced divide between China's rural and urban citizens and the institutionalized discrimination against villagers and urban migrants are very unfair.
- Since individuals and families vary in their talents, diligence, and their cultivation and deployment of merit-based strategies for success, they will have unequal amounts of money and other resources. As long as such differences are based upon equal opportunity and merit-based pursuit of upward mobility, they are acceptable.
- There should not be any upper limit set on the incomes or other advantages that the upwardly mobile can enjoy, nor should there be a systematic government program to redistribute wealth from the rich to the poor (again, so long as wealth was obtained through equal, merit-based competition).
- It is acceptable for the rich to use their advantages to provide better lives for their families.
- However, those who hold positions of political power should not be entitled to special privileges or be able to use their positions to provide better lives for their families. Furthermore, they should be more concerned than they are now about the views of ordinary citizens on distributive justice issues.
- Despite the general acceptance of current inequalities, it is desirable not to allow income and other gaps to become too large nationally, as this could increase the likelihood of social instability.

As noted earlier, this summary of the views of Chinese citizens on the ideal social order differs greatly from the principles mandated during China's socialist era. Instead, it seems a generic formula for a market society supplemented by welfare-state guarantees for the poor and disadvantaged. An American or European citizen probably would agree with most of these same principles.[26]

At the same time, our survey reveals that to most respondents, the society in which they actually live differs from these ideals in several important ways. In particular, there is no adequate safety net of government-provided subsistence guarantees for the poor,[27] opportunities for social mobility are unequal, nonmerit factors play an important even if secondary role in access to opportunities, the politically powerful continue to enjoy privileges and special treatment, and no effective mechanism exists to prevent national income disparities from widening and provoking social turbulence.

However, this is the "glass-half-empty" version of the story, and we must also emphasize the ways in which the distributive glass is half-full in the eyes of most survey respondents. Upward mobility opportunities are seen as plentiful, individual merit factors are thought to play the dominant role in enabling individuals and families to better themselves, and no meaningful limits are perceived on upper incomes or on the ability of the rich to enjoy the rewards of their economic success. This mixed but generally upbeat picture provides the basis for our conclusion that most survey respondents see the gap between the ideal and the reality as acceptable and that they therefore consider the overall pattern of current inequalities to be more fair than unfair.

We temper this conclusion with three qualifications. First, the Chinese authorities' attempt to convince their citizens that current income gaps and competition for rewards are necessary and beneficial to society because they stimulate economic productivity has not been all that successful. As table 11.6 shows, some questions along these lines elicited almost as much disagreement as agreement, and many respondents who were uncertain settled for a neutral response. While the authorities have successfully counteracted the Maoist message that the pursuit of material success, upward mobility, and consumer goods is evil and socially harmful, they have had less luck in justifying and gaining popular acceptance of specific contemporary incentives and inequalities as means to productivity and economic growth. Because the latter claims inspire skepticism in the citizenry, China's leaders cannot count on public acceptance that specific current incentives and disparities are necessary and beneficial; in some instances they may even confront suspicion and anger, as in the cases of the privileges enjoyed by political elites and the mass layoffs of employees from state-owned enterprises.

The second qualification is that a majority of the population believes that a few specific features of current inequality patterns are unjust. The primary example is that most Chinese citizens feel that the current structures of discrimination against rural residents and urban migrants are unfair (see table 11.5). Even though urban migrants are generally the most vocal in condemning discrimination based upon China's *hukou* system, it is striking that even urbanites do not defend these practices. China's rural-urban divide, arguably the most important and extreme axis of inequality that currently exists in that society, is widely seen as fundamentally unjust.[28]

The third qualification to our conclusion that Chinese citizens broadly accept current patterns of inequality stems from the fact that we focus throughout this chapter on modal tendencies and majority responses to our survey questions. While the majority of survey respondents appeared to accept the status quo and to lack strong feelings of distributive injustice, it is also the case that for most of our attitude questions there was a sizable minority of respondents—generally 15–35 percent—who responded otherwise. So, for example, we can point to the following cases in which survey respondents expressed negative views on current inequalities:

- 26.1 percent of survey respondents predicted that the proportion of China's poor would increase in the coming five years
- 27.9 percent said that current inequalities conflicted with socialist principles
- 17.4 percent felt that dishonesty had a large or very large influence on who is rich in China
- 26 percent considered the unfair economic structure to have a large or very large influence on who is rich
- 29.1 percent said that it would be most fair to distribute income and wealth equally
- 33.8 percent thought the government should place upper limits on how much people could earn
- 27.6 percent believed it was unfair for the rich to obtain better health care for their families
- 26.5 percent did not agree that society benefits when business people are allowed to pursue profits
- 19.6 percent disagreed with the statement that great opportunities currently exist for ordinary people to improve their standards of living
- 34.4 percent said that talking about social justice was meaningless because the current system cannot be challenged or changed

To be sure, we cannot tell from these figures whether critical responses to a variety of specific questions cohere or not. Is it the same roughly 25 percent of our respondents, plus or minus, who see the current system as unjust across the board, or are these minority responses the product of shifting groups of respondents who offered critical views on certain specific questions and joined the majority in voicing positive responses to most other questions?

Regardless of the degree of coherence of such critical attitudes within our sample, these minority response patterns still give pause. If on most specific questions about distributive justice and injustice one-quarter or more of China's citizens see the current system as more unfair than fair, that is a sizable number of potentially angry and alienated individuals with which the government will have to contend. Since we are not talking of building an electoral majority in a

still highly authoritarian China, and since the social protest activity that is seen as destabilizing does not originate from, or require, majority local sentiment, there are clearly more than enough disgruntled people in China to pose a potential threat to that stability. Mao Zedong himself observed in 1930 that "a single spark can start a prairie fire." So while it appears that a majority of Chinese citizens accept most aspects of current inequalities and are not outraged by the gaps between current realities and an ideal social order, majority sentiment by no means ensures that China will remain politically stable in the years to come.

How can we explain the apparent contradiction between the generally positive assessment our survey provides of Chinese popular attitudes toward inequality and distributive injustice issues and the prevailing view that China is becoming a social volcano? I would not claim that this is a simple matter of everyone else being wrong and our survey results being right. However, I do think that the social volcano scenario is dead wrong in certain respects. There is no basis for the claim that if income inequality rises above a certain level, this translates automatically into popular anger and the potential for social turmoil and political instability. What matters to people, both in China and in other societies, is not inequality per se but *inequity*—the sense that existing patterns of inequality that people observe in society and in their daily lives depart sharply from what they feel is deserved and fair. As our survey results show, a majority of Chinese citizens—but by no means all—feel that most elements (but again not all) of the current patterns of inequality and social mobility are basically fair. But if that is the case, how do we explain the rise in popular protests in recent years?

I believe that distributive injustice issues are only one possible source of popular discontent and probably not the most important. Some of the best recent studies of such popular protests do not contradict our survey results.[29] In most instances, local protests by workers, farmers, and others are touched off by unfair and abusive treatment by local officials, managers, and other authorities. These are not primarily distributive injustice issues, but matters of procedural injustice—people protest when they are treated badly by those in power locally and when they feel they cannot obtain redress through normal channels. In fact, such protest incidents may serve as testaments to the success of China's reformers and their ideology of meritocratic competition in a market-based system. Chinese protesters may feel that they should be able to improve their lot and achieve a better future in that system, but that greedy and corrupt local power-holders are blocking their way. Indeed, most such protests provide another kind of evidence of how ordinary Chinese broadly accept the current system, since protesters commonly appeal to higher levels of authority and the media in the expectation that interventions from above may provide redress. China's leaders are understandably only too eager to encourage this "if the emperor only knew . . ." syndrome—such an orientation reinforces both the central leadership's authority and the popular legitimacy of current patterns of inequality that they seek to promote.

Our survey leads us to conclude that there is broad general acceptance of the reformed, market-oriented, and increasingly unequal society that is China today, but this should not be interpreted as a Pollyanna view that everyone in China is satisfied with their lives or that China's leaders can relax and cease to worry about inequality and distributive injustice. There are numerous sources of popular discontent in China today, and many owe little or nothing to a rising Gini coefficient. Widespread social unrest and instability appear unlikely at present, but disgruntled individuals and groups abound, all battling a political structure that often responds poorly to popular concerns. In the years ahead, this combination may not produce a social volcano, but China will continue to be characterized more by "rocky stability" than by the harmony that its leaders seek to promote.

Notes

[1] To cite one example, in a 2006 article in *The New York Times* (October 12), China correspondent Joseph Kahn stated, "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."

[2] Xinhua, "Survey of Chinese Officials' Opinions on Reform: Beijing Daily," *Xinhua News Bulletin,* November 29, 2004.

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

[4] The 2004 survey was a collaborative effort in which I served as principal investigator and collaborated with Shen Mingming and Yang Ming at the Beijing University Research Center for Contemporary China. My research team included Albert Park (then at the University of Michigan), Wang Feng (University of California, Irvine), Jieming Chen (Texas A&M University, Kingsville), and Pierre Landry (Yale University), with assistance provided by Chunping Han, then a doctoral student at Harvard University. Using spatial probability sampling methods (see Pierre 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 [2005]: 1–22), a nationally representative sample of 3,267 adults between ages 18 and 70 were interviewed in fall 2004. Since the sampling design involved stratification intended to increase the number of urban residents in the final sample, the descriptive figures presented in this chapter have been weighted to correct for urban oversampling and render figures that are representive of all Chinese adults. Many of the questions in our survey replicated those used to study attitudes toward inequality and distributive injustice in other societies, particularly the International Social Justice Project (ISJP) Surveys carried out in the 1990s in several transitional societies in Eastern Europe. See James Kluegel, David Mason, and Bernd Wegener, *Social Justice and Political Change*, (New York: Academic Press, 1995); and David Mason and James Kluegel, *Marketing Democracy: Changing Opinion about Inequality and Politics in East Central Europe*, (Lanham, MD: Rowman & Littlefield, 2000).

[5] Poor people were defined in the question as "those who cannot support basic living conditions like food, clothing, and housing," while rich people were defined as "those who can pretty much buy anything for themselves."

[6] Here our question relates to a debate that cannot be openly expressed in China under current conditions: Have the economic reforms since 1978 transformed China into a capitalist society, or should it still be considered a (market) socialist state? Clearly the Chinese authorities want to foster the impression that they are developing a form of market socialism, not restoring capitalism. The pattern of responses to this question suggests that the majority of Chinese citizens are willing to give the authorities the benefit of the doubt on this score.

[7] There is a logical link missing from this statement, since presumably current inequalities would not undermine social stability unless the poor and disadvantaged feel their treatment is unjust and are therefore inclined to join protests and other potentially disruptive activities. However, our respondents did not have to feel personally that current inequalities are inherently unjust in order to recognize that others might view them as such. On that basis, our respondents may have concluded that current inequalities are excessive and undesirable, more on the grounds of social instability than social injustice.

[8] In each list there is one trait (bad luck, good luck) that cannot be easily characterized as conveying either individual merit or external influences. It turns out that in their pattern of responses, our interviewees treated the luck questions as reflecting more external attribution than individual merit. To be precise, it might also be noted that two traits in the list of attributions for wealth (dishonesty and having personal connections) might be seen as reflecting the "negative merit" of individuals, rather than simply the unfairness of the external environment.

[9] The two lists of traits are not exact parallels, so we don't know how respondents would have ranked an *absence* of personal connections as an explanation of current poverty.

[10] A somewhat similar view is conveyed by the pattern of responses to another question (not displayed in the table) in which respondents were asked to give their views on the statement, "Whether a person gets rich or suffers poverty is his/her own responsibility." Responses varied, but 46.3 percent expressed varying degrees of agreement with this statement, while only 28.9 percent expressed disagreement.

[11] We posed another set of questions related to the fairness versus unfairness of current inequalities. Respondents were asked to say how much influence each of a list of thirteen traits *should* have on a person's salary, and then how much influence they thought each of those same thirteen traits *actually* has in determining a person's salary. The thirteen traits were educational level, adverse working conditions, individual effort, size of family, job responsibilities, seniority, being male, contributions to the work unit, ties with superiors, having personal connections (*renshi ren, you luzi*), having urban household registration, age, and having specialized technical skills. The traits that respondents thought *should* have most influence on a person's salary were (1) technical skills, (2) educational level, (3) individual effort, (4) having personal connections, (5) contributions to the work unit, and (6) job responsibilities. In terms of their *actual* influence on a person's salary, respondents identified (1) having personal connections, (2) technical skills, (3) educational level, (4) ties with superiors, (5) individual effort, (6) contributions to work unit, and (7) job responsibilities. In other words, the main difference perceived between what should and what actually does determine individual salaries is that the two *guanxi* traits (having personal connections, ties with superiors) received more influence than they should and thereby rose to the top of the rank ordering. All of the other traits, which involve individual merit factors, had very similar rankings in the "should" and "actual" responses (details not shown here). In other words, respondents felt that for the most part, the traits that ought to inform individual salaries are in fact emphasized. The major exceptions were that

connections with superiors and the ability to use personal relationships play a larger role than they should, with the latter viewed more favorably than the former.

[12] Our questionnaire included a series of questions that asked respondents to compare their current standards of living with a range of reference groups, including relatives, former classmates, coworkers, and neighbors, as well as more distant comparison groups—in the local city or county, in the province, and in the entire nation. Generally, about 60 percent responded that they had about the same living standard as their immediate reference groups, while about 25 percent said they were below that level, and about 15 percent above. Not surprisingly, in the more distant comparisons, between 50 and 60 percent said they were worse off, only about 35 percent said they were at about the same level, and less than 10 percent reported that they were better off.

[13] These opinions are congruent with the fact that when asked what traits should influence how much salary an employee is paid, respondents ranked family size last out of the thirteen traits listed in endnote 11.

[14] It should be noted that the egalitarianism of the Mao era, particularly during the Cultural Revolution, consisted primarily of measures to limit the incomes, bonuses, and other advantages of intellectuals, officials, and other advantaged groups, rather than to provide income and job guarantees for the poor. See Martin K. Whyte, "Destratification and Restratification in China," in G. Berreman, ed., *Social Inequality: Comparative and Developmental Approaches*, (New York: Academic Press, 1981).

[15] In the socialist era, of course, those with higher incomes could not readily translate this advantage into better housing, education, or medical care for their families, whereas those with high ranks and important political positions received systematic advantages for themselves and their families. Evidently the legacy of the political elite's special privileges under socialism remains a sore point for many Chinese.

[16] A substantial literature documents the institutionalized discrimination that China's rural *hukou* holders have experienced, both under Mao and in the reform era. See, for example, Kam Wing Chan, *Cities with Invisible Walls*, (New York: Oxford Univ. Press, 1994); Dorothy Solinger, *Contesting Citizenship in Urban China: Peasant Migrants, the State, and the Logic of the Market,* (Berkeley, CA: Univ. of California Press, 1999); Li Zhang, *Strangers in the City: Reconfigurations of Space, Power, and Social Networks within China's Floating Population,* (Stanford, CA: Stanford Univ. Press, 2001); Fei-ling Wang , *Organizing through Division and Exclusion: China's* Hukou *System*, (Stanford, CA: Stanford Univ. Press, 2005); and Martin K. Whyte, ed. *One Country, Two Societies: Rural-Urban Inequality in Contemporary China*, (Cambridge, MA: Harvard Univ. Press, 2010).

[17] See Feng Wang, "Boundaries of Inequality: Perceptions of Distributive Justice among Urbanites, Migrants, and Peasants," in Whyte, *One Country, Two Societies*,, an analysis based on the same survey data. Generally the responses of rural and urban residents are similar, with migrants adopting a slightly more critical perspective (details not shown here).

[18] See Kingsley Davis and Wilbert Moore, "Some Principles of Stratification," *American Sociological Review* 10 (1945): 242–49; Kingsley Davis, "Some Principles of Stratification: A Critical Analysis: Reply," *American Sociological Review* 18 (1953): 394–97.

[19] The notion that differential rewards serve a positive function is not unique to market-based or capitalist societies. In most socialist societies as well, the characterization of socialist distribution as involving rewards "to each according to his contributions" was used to justify a wide range of material incentives and hierarchically graded benefits and privileges from the time of Lenin onward. Indeed, Polish sociologists in the 1980s argued

that socialist societies were more meritocratic than capitalist societies, since salaries and other rewards could be more tightly calibrated to individual training, responsibility, and contributions without the complicating factors of private property ownership and inherited wealth. See Wlodzimierz Wesolowski and Tadeusz Krauze, "Socialist Society and the Meritocratic Principle of Remuneration," in Gerald D. Berreman, ed., *Social Inequality: Comparative and Developmental Approaches,* (New York: Academic Press, 1981). However, after the collapse of socialism in Eastern Europe, Weselowski acknowledged that socialist societies such as his own, Poland, were more meritocratic in theory than in reality. See Wlodzimierz Weselowski and E. Wnuk-Lipinski, "Transformation of Social Order and Legitimation of Inequalities," in W. Connor, ed., *The Polish Road from Socialism: The Economics, Sociology, and Politics of Transition*, (Armonk, NY: M. E. Sharpe, 1992). It was precisely this "functionalist" thinking that led Mao to condemn the Soviet Union and its East European satellite regimes as "revisionist" and to his attempt to curtail the use of material incentives throughout Chinese society between 1966 and 1976.

Given this legacy, Deng and his reformist colleagues had to overcome condemnation of material incentives in order to justify their official approval of incentives and income differentials. See Whyte, "Destratification and Restratification in China." In the process of market reforms, of course, they went beyond the "rewards proportional to contributions" formula of socialist societies, since increasingly China's income differentials are the product of competition in revived markets and even the power of privately owned property and not simply the result of differentiated wage and benefit scales supervised by the bureaucrats of a socialist planned economy. Ivan Szelenyi contended that in the context of a centrally planned socialist society, allowing secondary distribution via markets could actually *reduce* the considerable inequalities generated by bureaucratic allocation. However, once markets replace bureaucratic allocation as the basic distributive mechanism, as they have in China since the 1980s, they seem to lose this counterbalancing and equalizing role. See Ivan Szelenyi, "Social Inequalities in State Socialist Redistributive Economies," *International Journal of Comparative Sociology* 19 (1978): 63–87; and Ivan Szelenyi, *Urban Inequalities under State Socialism*, (New York: Oxford Univ. Press, 1983). Some would even argue that China today displays the "worst of both worlds" (capitalism and socialism) by enabling both the rich *and* the powerful to convert their advantages and resources into privileged lives for their families.

[20] The ISJP surveys were conducted in 1991 in Bulgaria, the Czech Republic, Estonia, Germany (East and West), Hungary, Japan, the Netherlands, Poland, Russia, Slovenia, the United Kingdom, and the United States. The follow-up round of the ISJP surveys was conducted in 1996, but only in five East European postsocialist locales: the former East Germany, Hungary, Russia, Bulgaria, and the Czech Republic. In our comparative analyses we have focused on the 1996 surveys in Russia, Bulgaria, Hungary, the Czech Republic, and the former East Germany, and on the 1991 surveys in Poland, the United States, West Germany, the United Kingdom, and Japan. The ISJP data are publicly available at www.butler.edu/isjp, and I thank David Mason, the principal investigator of the ISJP surveys, for his assistance in interpreting the ISJP archived data. The detailed results of these comparisons are reported in chapter 4 of Martin K. Whyte, *Myth of the Social Volcano: Perceptions of Inequality and Distributive Injustice in Contemporary China*. (Stanford, CA: Stanford Univ. Press, 2010).

[21] See Whyte, *Myth of the Social Volcano*, chapters 5–9.

[22] See the evidence reviewed in Chunping Han, "Rural-Urban Cleavages in Perceptions

of Inequality in Contemporary China," (Ph.D diss., Department of Sociology, Harvard University, 2009).

[23] See Chunping Han and Martin K. Whyte, "Social Contours of Distributive Injustice Feelings in Contemporary China," in D. Davis and Feng Wang, eds., *Creating Wealth and Poverty in Post-Socialist China*, (Stanford, CA: Stanford Univ. Press, 2009).

[24] See Han, "Rural-Urban Cleavages;" Han and Whyte, "Social Contours of Distributive Injustice Feelings;" and Wang, "Boundaries of Inequality."

[25] In addition, the household responsibility system divisions of village land after 1978 and, in many villages, subsequent local land redistributions (the latter in direct violation of state policy) have fostered relatively equal property stakes across families within any particular village. This differs dramatically from the way reforms in urban areas have sharply differentiated families' property endowments (mainly in the form of housing, not land), according to the industries and work units with which they were affiliated. If farmers consider inequalities on the local rather than the national scale, their tendency to see rural property endowments and mobility opportunities as more equal and fair than do urbanites has some objective basis in fact.

[26] James Kluegel and Eliot Smith, *Beliefs about Inequality: Americans' Views of What Is and What Ought to Be*, (New York: Aldine de Gruyter, 1986).

[27] In recent years a new system of minimum income subsidies (*dibao*) has been introduced in Chinese cities. But even this system does not provide guaranteed jobs, nor is it clear if the incomes provided are sufficient to reliably meet basic subsistence needs of recipient families. In any case the majority of the population—migrants and those living in the countryside—have not been similarly covered. In early 2008, however, Chinese media reported an effort underway to begin to implement a rural *dibao* system.

[28] The general consensus is that *hukou*-based discrimination is unjust, but it is questionable whether this particular injustice can serve as the basis for protest activity and political instability. The durability of *hukou*-based discrimination, despite increasing public recognition of its unfairness, is one of the puzzles explored in Whyte, *One Country, Two Societies*.

[29] See Thomas Bernstein and Xiaobo Lu, *Taxation without Representation in Contemporary China* (Cambridge: Cambridge Univ. Press, 2003); Ching Kwan Lee, *Against the Law: Labor Protests in China's Rustbelt and Sunbelt*, (Berkeley, CA: Univ. of California Press, 2007); and Kevin O'Brien and Lianjiang Li, *Rightful Resistance in Rural China*, (Cambridge: Cambridge Univ. Press, 2006).