

Distributive Justice Issues and the Prospects for Unrest in China¹

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In the period since 1978 China has undergone what many regard as a second social revolution, equal in significance to the revolution of 1949 and the socialist transformation which followed in the mid-1950s.² It has also not escaped the attention of observers and would not have surprised Mao Zedong that in many ways this second social revolution is a counter-revolution, in which most of the institutions of Chinese socialism have been fundamentally modified or even replaced by alternative institutions and rules of the game that look suspiciously like those found in capitalist societies. The prime justification for this second social revolution has been to foster economic growth and improved living standards, and in these regards the post-1978 reforms have been very successful, particularly when contrasted with the severe and continuing economic difficulties that have accompanied market transformations in the former socialist societies of Eastern Europe.

However, at the same time the post-1978 changes in China have been wrenching and controversial for many. The wholesale conversion from socialist central planning and bureaucratic allocation to market distribution and competition constitutes a fundamental transformation of China's distributive system—the institutions and procedures governing how individuals and families gain access to the necessities of life and seek security and mobility. In the process more or less the entire adult population,

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people who had spent a generation operating under socialist “rules of the game,” had to struggle to learn the new rules of a market society (or relearn the old market rules from pre-1949 China) in order to compete for schooling, jobs, housing, health care, and other valued resources. Any such wholesale transformation of the distributive system necessarily produces large numbers of losers as well as winners, as those without the qualities and agility needed to succeed in reform-era China found their status and even basic livelihood threatened.

Several features of this shift to a market-based distributive system arguably made popular acceptance of this second social revolution problematic. For example, even as they hold out opportunities for increased prosperity for winners, market transitions entail harsh penalties for losers. For example, widespread poverty and shabby living conditions are characteristic of socialist societies, but not substantial and visible unemployment. So the trajectory of downward mobility for the unsuccessful may seem particularly steep. At the same time the widespread corruption that characterizes market transitions in formerly socialist countries including China may contribute to a popular belief that a disproportionate share of the winners in the market-reformed system owe their success to special connections and favors, payoffs, and dishonesty, rather than to talent, entrepreneurship, and hard work. Even apart from the issue of corruption, many citizens influenced by decades of socialization in the values of socialism may have difficulty accepting the legitimacy of a new order in which property owners, deal-makers, millionaires, and foreigners seem to occupy especially favored statuses.

² See, for example, Harry Harding, China’s Second Revolution: Reform after Mao, Washington, DC: Brookings Institution, 1987.

China's market transition has also been accompanied by a demystification of regime goals that has implications for regime legitimacy. When Mao and his colleagues proclaimed the pursuit of socialism as the central goal and purpose of the regime, it was hard for ordinary citizens to judge whether what was occurring in their daily lives was advancing the cause or not. However, now that the shift has been made to economic development and improved living standards as the central legitimating principles of the system, it is much easier for ordinary citizens to form judgments from their own experience about whether progress is being made, and thus much easier to form critical opinions of system and leadership performance. The large number of Chinese who have lost jobs, gone for periods without pay or pensions, have faced the closure of the firms to which they devoted their lives, or have had their homes confiscated to make way for new property developments are unlikely to find claims of the wise stewardship of the economy by China's leadership convincing.

To some observers these ingredients suggest that China faces the prospect of escalating unrest in coming years that may threaten the stability of the current system. In the words of one such observer, He Qinglian, "Chinese society currently resembles a volcano on the verge of eruption."³ The rising tide of public protests in China in the 1990s and into the new millennium, and particularly those involving peasants, workers, and the unemployed, adds to the impression of China as a volatile and potentially unstable society. Of course, disputes regarding distributive justice issues are not the sole source of this volatility, and even when many people are upset about their treatment and prospects in life, such discontent does not automatically or easily get translated into a

³ He Qinglian, "A Volcanic Stability," *Journal of Democracy*, 2003, 14:71.

social or political movement that could threaten regime stability.⁴ However, we take it as axiomatic that high levels of popular discontent are a necessary if not sufficient condition for popular unrest and threats to the regime, and that China's leaders will have a very difficult time sustaining the status quo if they constantly face widespread popular resentment over distributive issues. We also take it as axiomatic that the perceived fairness of the distributive justice system has a major influence on popular attitudes toward the social order and its leaders. But just how accurate are assessments of China as a society on the verge of a volcanic eruption based upon widespread feelings of injustice?

Balanced against the kinds of trends and developments just discussed as fostering the potential for unrest in China there exist important countervailing forces. In particular, China's considerable success in carrying out market reforms, attracting foreign investment, selling Chinese goods abroad, sustaining high economic growth rates, improving popular living standards, and generating increased non-agricultural employment have all served as a contrast with the experiences of the societies of Eastern Europe, as noted earlier. China's leaders clearly hope that this record will continue to earn them some credit and even gratitude from the public, and that the proportion of the population who are winners and thus feel they have some stake in the new rules of the distributive game will increase and more than counterbalance the voices of the losers. There is ample research to indicate that inequalities and even perceptions of unfair

⁴ There is extensive research in the social sciences that shows that many other conditions, including organizational resources, shared ideological symbols, and state divisions, are necessary before widespread popular discontent can be translated into a regime-threatening social movement. See the discussion in Whyte's paper, "Chinese Social Trends: Stability or Chaos?" in D. Shambaugh, ed., Is China Unstable? Armonk, NY: M.E. Sharpe, 2000.

treatment are more readily tolerated if there truly is a rising economic tide that is lifting most, if not all, boats.⁵

In addition it is worth noting that the new rules of the game, however starkly they contrast with the socialist principles of the Mao era, resonate in some basic ways with China's earlier centuries as a very unequal but open society in which ordinary people could, through a combination of talent, hard work, and perhaps a little luck, hope to better their lot substantially.⁶ Could this combination of economic progress and restored upward mobility prospects trump misgivings about the dismantling of socialist distribution, helping to limit the spread of popular dissatisfaction and feelings of injustice, and therefore the potential for serious unrest? Could a social order with great gaps in power and wealth and much visible special privilege and corruption nonetheless be seen as providing so much opportunity for ambitious and talented individuals from humble backgrounds that it will be viewed as acceptable by most ordinary Chinese and even comfortably familiar to those with a historical perspective?

The Social Inequality and Distributive Justice Project

Past discussions of this type have been entirely speculative, since we lack systematic evidence on popular attitudes in China toward issues of inequality and distributive justice. We are now engaged in a "Social Inequality and Distributive Justice in China" project designed to fill this gap. This project will conduct a national survey of a probability sample of Chinese adults next year to probe their attitudes toward a variety of distributive justice issues. For example, do Chinese citizens feel that present

⁵ See, for example, Albert Hirschman and M. Rothschild, "The Changing Tolerance for Income Inequality in the Course of Economic Development," *The Quarterly Journal of Economics*, 1973, 87:544-66.

⁶ For one treatment of the openness to mobility of Chinese society before 1949, see Yung-Teh Chow, *Social Mobility in China*, New York: Academic Press, 1966.

inequalities in China are too large or not? What are the main things they feel explain why some people are rich while others are poor? Do substantial income differences have to exist to provide incentives for effort and innovation? Should the government do more to limit the gaps between the rich and the poor? These kinds of questions have been asked in other countries as part of the International Social Justice Project (hereafter ISJP). From the ISJP surveys we know how citizens of a number of countries in the West and in Eastern Europe answered such questions in 1991, and, for several East European countries, from another survey round in 1996.⁷ These comparative data should enable us eventually to examine in a systematic way both whether Chinese citizens are more angry or more accepting about the changes from socialist to market distributive principles than their counterparts in various parts of Eastern Europe, and also how feelings of justice versus injustice about the current rules of the game are distributed across space and social groups within China.

Although we have not yet carried out the planned national survey, we did as part of our preparations for the project carry out a pilot survey in Beijing in 2000 focusing on attitudes toward inequality and distributive justice issues in which we replicated many of the ISJP questions. In that pilot study 757 adult registered residents of Beijing urban districts were interviewed, as well as 128 migrants located in five of the Beijing neighborhoods included in the resident sample.⁸ The data from the 2000 Beijing survey enable us to examine in a preliminary way the distribution and patterning of popular

⁷ See James R. Kluegel, David S. Mason, and B. Wegener, eds., Social Justice and Political Change, New York: Aldine, 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.

⁸ The inequality questions were prepared as a module for inclusion in the 2000 Beijing Area Study survey directed by Prof. Shen Mingming, Professor of Political Science at Beijing University. Also involved in the collaboration for this survey were Albert Park, Jieming Chen, David Featherman, Pierre Landry, and

attitudes toward inequality issues, keeping in mind of course that Beijing is a special place and that the patterns we report here may not correspond exactly with the responses to the planned future national survey.⁹

Legitimizing the New Distributive Order

When Deng Xiaoping and his colleagues launched China's dramatic market reforms in 1978, they were aware that the altered institutions and rules of the game that they introduced were in fundamental conflict with the principles of the socialist system of the Mao era. In their attempt to gain public acceptance for these changes, they not only claimed that market reforms would contribute to improved economic performance and rising living standards for the population. They also began promoting an alternative set of values and justifications for market distribution, along with an accompanying critique of the defects of the dominant bureaucratic allocation system of socialism. We are interested in the pages that follow in exploring the degree of popular acceptance in Beijing of these official justifications for market principles of distribution and incentives.

In any society, people do not become unruly and contentious in reaction to inequality per se, but they may do so in reaction to inequities. Feelings of inequity are based on a comparison of perceptions of how the distributive system treats various individuals and groups compared against what sort of status and treatment of those individuals and groups is seen as fair or just. So a certain kind or degree of inequality may be viewed as just by one observer, but grossly unfair by another. While the degree of inequality in a society is in theory subject to objective measurement, as recorded in gini

Wang Feng, with funding provided by a grant from the Ford Foundation and by the Institute for Social Research at the University of Michigan.

coefficients of income distribution and similar statistics, inequity is inherently a subjective matter. In examining popular attitudes toward inequality trends we are particularly interested in the extent to which Chinese citizens have come to accept official justifications for the altered rules of the game and thus have increasingly abandoned the support they might once have held for the prior, socialist rules of the game. To the extent that this has occurred, popular acceptance of official claims about the need for the altered rules of the game should make it unlikely that China's leaders will face widespread and general threats of popular unrest based upon feelings that the current system is unjust.

What are the official arguments in favor of the new rules of the game? Broadly speaking, Deng and his colleagues claimed that the Mao era socialist system, particularly in its final, Cultural Revolution phase, was harmful to China's economic competitiveness and popular welfare. Excessive egalitarianism ("eating together from one big pot") was seen as harmful to both short term (working hard and introducing innovations) and long term (obtaining more education and skills) incentives. Narrow differentials in incomes and living standards within work units and communities were seen as inequitable and even anti-socialist, since they do not properly reward those who make the most contribution to society nor sufficiently punish those who do not do their fair share (the well-known "free rider" problem in organizations). Along similar lines, the low and stable wage policy pursued in urban areas, which led many citizens to have no changes in their compensation for a decade or longer, was seen as abandoning a great cultural resource—the powerful drive of Chinese families to improve their social positions. The emphasis on political criteria for evaluating performance and determining promotions

⁹ Some of the preliminary results of the Beijing survey are reported in Martin K. Whyte, "Chinese Popular Views about Inequality," Woodrow Wilson International Center for Scholars Asia Program Special Report,

(what Susan Shirk has termed “virtuocracy”¹⁰) produced divisive and unproductive tendencies to substitute toadyism and slogan-mongering for productive contributions. For all of these reasons, the rules of the game that dominated in the Mao era were seen as in fundamental need of reform.

China’s reform-era leaders claim that the new, market-reformed system of distribution is guided by different principles that might be labeled meritocratic. Society and popular welfare will benefit when there are ample rewards and incentives for those who work hardest, innovate, make special contributions or sacrifices, obtain advanced levels of skill and training, and so forth. China may be more unequal as a consequence, but if the differentials are proportional to varying efforts, talents, training, and contributions to society, then these heightened inequalities actually will be more equitable. Increased differentials in living standards may also be valuable symbolically, for those who become rich first may stimulate their fellow citizens to try harder to do the same—it is good for some to get rich first, in Deng Xiaoping’s famous phrase. Chinese citizens will perceive that they have realistic chances of improving their lot in life by playing by the new rules of the game, and that their own increased training, efforts, innovations, and entrepreneurship will be rewarded. Chinese society as a whole will benefit from the increased motivation, productivity, and competition that the shift from virtuocracy to meritocracy will stimulate.

At the same time that reforms should provide increased “carrots” for the most productive and talented, they will also produce “sticks” to prod the lazy and unproductive. Efforts to reform China’s state owned enterprises, make firm bankruptcy

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possible, and dismantle the “iron rice bowl” of job and benefit security previously enjoyed by state employees are justified in these terms—by arguing that reformed institutions must not only reward the productive but penalize the unproductive if China is to benefit. For the same reason it would therefore be a mistake for the party-state to intervene to reduce inequalities or preserve benefits that are distributed to state employees or other citizens on an egalitarian basis. Inequalities and downward mobility are not simply unavoidable, but actually may make a positive contribution to the welfare of the larger society. This at any rate is the ideological rationale that Deng Xiaoping and his colleagues provided in implementing the wrenching transition from a centrally planned socialist to a market-based distributional system, a logic that Milton Friedman and others in American society would find little to quibble with.¹¹

In the pages that follow we will examine evidence from our Beijing pilot survey to see how much acceptance or skepticism exists in that city about these kinds of arguments and claims. Do Beijing residents feel that the current system provides rewards according to merit and contributions, rather than according to such factors as system imperfections, graft, and dishonesty? Do they accept or reject the official argument that incentives and inequality are necessary in order to heighten popular motivations and promote societal welfare? Or on the other hand, do they think that the government

¹⁰ Susan Shirk, “The Decline of Virtuocracy in China,” in J. L. Watson, ed., Class and Social Stratification in Post-Revolution China, Cambridge: Cambridge Univ. Press, 1984.

¹¹ These ideas will also be familiar to sociologists as the “functionalist theory of stratification.” See the classic article by Kingsley Davis and Wilbert Moore, “Some Principles of Stratification,” American Sociological Review, 1945, 10:242-49. These justifications for incentives and income gaps are discussed at greater length in two earlier articles by Whyte: “Destratification and Restratification in China,” in G. Berreman, ed., Social Inequality: Comparative and Developmental Approaches, New York: Academic Press, 1981; and “Deng Xiaoping: The Social Reformer,” China Quarterly, no. 135, Sept. 1993. It should be noted that in recent years China’s leaders, and particularly the newly selected head of the CCP, Hu Jintao, have reemphasized the need to combat poverty and regional inequalities. However, to date this is a

should be doing more to reduce inequality in China and provide egalitarian benefits? Insofar as Beijing citizens differ in their views on issues such as these, what sorts of individuals are most and least likely to accept the new official rationales for the current distributive system? Finally, to what extent do the general reactions of Beijing respondents to our questions about inequality and distributive justice suggest levels of popular dissatisfaction that could threaten China's political system?

General Patterns of Attitudes about Inequality and Distributive Justice

As reported by one of the authors in a preliminary publication from this project, when viewed in isolation, the responses of our Beijing respondents provide mixed messages on different aspects of inequality and distributive justice.¹² For example, fully 95% of Beijing respondents thought current income gaps in China were too large, and similar percentages agreed that the government should guarantee a minimum living standards and jobs for all citizens. About 60% of Beijing residents interviewed disagreed with the need to lay off workers in order to reform state enterprises, while only 31% agreed that there need to be wider income gaps to promote national development. In a similar vein, substantial majorities of respondents felt that factors such as system failure (85%) and personal connections (91%) were at least somewhat responsible for explaining who is poor and rich in China today, while 66% agreed with a statement that inequalities exist because they benefit the rich and powerful.

However, the pattern in other responses suggests considerably less dissatisfaction and cynicism about the current distributive system. In contrast to the question about the entire country, only 29% of Beijing residents thought that the inequalities in their own

minor theme with uncertain actual policy consequences compared with the overwhelming emphasis on the "functionality" of differentials, incentives, and competition that has accompanied market reforms.

work units were too large, while only 30% felt the government should put an upper limit on incomes and only 14% said that equal distribution was the fairest system of distributing income and other rewards. On the other side of the coin, 68% of Beijing residents interviewed said that it was fair for people to keep what they earn even if it leads to inequality, 83% thought it was fair for the rich to pay to get better education for their children, 64% agreed that a free market is vital for China's development, and a similar 64% agreed that businessmen should be able to keep their profits since in the end those profits benefit all citizens. In explaining why they think people in China are poor or rich these days, Beijing respondents generally felt that meritocratic factors such as talent and hard work were more important than system defects or graft and dishonesty.¹³

In order to put the attitudes toward inequality and distributive justice in perspective, we present next selected comparisons with the attitudes of citizens of other countries surveyed as part of the International Social Justice Project. An array of such responses is presented in Table 1. (Full translations of these questions can be found in the Appendix.) These comparisons should be viewed as suggestive rather than definitive because of questions about how comparable the figures from different places are. In particular, except for Warsaw the figures from other countries refer to national samples, whereas for China we only have figures so far for Beijing.¹⁴

¹² See Whyte, "Chinese Popular Views about Inequality," *op. cit.*

¹³ The rank ordering Beijing residents gave to the list of traits we offered as potential explanations for why people are poor was: 1. lack of talent, 2. lack of effort, 3. loose morals, 4. system failure, 5. unequal opportunities, 6. prejudice, and 7. bad luck. The rank ordering of traits that might explain why people are rich was: 1. talent, 2. personal connections, 3. hard work and unequal opportunities (tie), 4. system loopholes, 5. good luck, and 6. dishonesty. Note that personal traits are more stressed in explaining poverty than in explaining wealth.

¹⁴ In order to make the Beijing responses somewhat more comparable, we include in the figures in Table 1 and in later analyses the responses of the migrants we interviewed as well as the registered Beijing residents, and we exclude students and the retired. Thus the Beijing figures in this and later tables refer to members of the labor force (N=675). For this reason, there are minor differences in the figures in Table 1

(Table 1 about here)

Although the patterns in Table 1 are not entirely consistent, in general they suggest the following generalizations about the attitudes of Beijing residents toward inequality and distributive justice issues. Beijing residents do appear to harbor stronger objections to the size of national inequalities in China than Warsaw residents (line 14), and their support for efforts by the government to place limits on the highest incomes and on income inequalities in China is also relatively strong, compared with the other places included in the table (lines 12-13). However, this tendency to be critical of existing inequalities does not appear to reflect strong residual feelings of support for socialist principles in general in Beijing, or translate into rejection of meritocratic or market justice principles of distribution.

In fact in most respects the responses of Beijing residents to the other attitude statements included in Table 1 resemble the responses of Americans and West Germans more than they do the answers of respondents in other formerly socialist countries (and residents of Warsaw). In particular, Beijing residents express very strong support for variations in individual talent and efforts as primary explanations of poverty and wealth (lines 1-4). They also generally express less support for non-merit explanations of inequality, such as dishonesty, system defects, and unequal opportunities, in explaining wealth versus poverty than do residents of other formerly socialist countries and Warsaw residents (lines 5-8). In a similar vein, Beijing residents agree more strongly than respondents in most of the other former socialist countries with a variety of statements

for Beijing and those cited earlier in the text, which were for all Beijing residents only, including students and retirees. The addition of migrants is a debatable procedure, since we don't know how fully representative the migrants we interviewed are of all Beijing migrants at the time. In addition there are, of

about the positive contributions of incentives and income gaps in promoting general welfare (lines 9-11).¹⁵ It is striking that Beijing residents seem to agree even more than national samples in the United States and West Germany that profits made by businessmen benefit society generally. Finally, the responses in the final three rows in the table indicate that Beijing residents are significantly more optimistic than their counterparts in Warsaw about the chances for ordinary people to get ahead, and generally less pessimistic or fatalistic than citizens in the other countries (except Hungary) about whether the system can be made more just and whether officials care about what ordinary people think.

In general, then, although Beijing residents object strongly to the heightened inequalities they see in society, there is little evidence in figures such as these to indicate that they harbor particularly strong resentments about the current distributive system. In other words, there is no strong evidence here that Beijing residents see that system as highly unjust and inequitable, or that they harbor strong nostalgia for socialist principles of distribution. If this conclusion is correct, then there is little sign here of a Beijing “social volcano” that is primed to explode and set off unrest that could challenge the current political system.

As noted earlier, the fact that we only have responses to these distributive justice questions so far from a Beijing sample raises questions about how typical or atypical these patterns are. Obviously Beijing is a very special place which arguably receives

course, the usual questions about whether respondents in different countries understood questions translated into different languages in the same way, despite care taken through back-translation and other procedures.

¹⁵ The apparent inconsistency between feeling that China has too much inequality and agreeing that inequalities provide positive incentives turns out to be a quite common finding in research on distributive justice attitudes in all societies, including the United States. See the discussion in James R. Kluegel and Eliot R. Smith, Beliefs about Inequality: Americans' Views of What is and What Ought to Be, New York: Aldine, 1986.

especially favorable treatment, including efforts to limit unemployment and other sources of distributive discontent. In our planned national survey we will attempt to determine how much residents of less favored regions and locales in China harbor more negative attitudes toward the current system of distribution. It is worth keeping in mind, however, that less than 15 years ago Beijing did erupt in unrest, with much of the population supporting a student-led mass demonstration that severely challenged the system. That event was at least partly fueled by strong feelings of distributive injustice, triggered by popular anger at rising inflation and official corruption. In other words, it is not entirely obvious that Beijing's special features and closeness to "the emperor" necessarily mean less awareness of and anger toward system-generated inequities.

Assuming for the moment that the responses of Beijing residents are not that atypical compared to the rest of China's population, how might the relatively strong support for market justice principles compared with other formerly socialist countries be explained? Previous research from the International Social Justice Project indicates that responses to these kinds of questions about inequality and distributive justice are influenced as much or more strongly by perceptions of general national economic trends as they are by individual and family economic and mobility experiences. Those general perceptions, in turn, obviously are strongly affected by actual economic trends in the various countries involved. Within Eastern Europe in general the post-socialist transition produced economic depressions of varying severity, with recovery now visible in some countries but still hard to find in others. Generally speaking, the attitudes expressed in ISJP surveys are most critical of market justice principles and of distributive injustice in those countries, such as Russia and Bulgaria, that have experienced the most difficulty,

and somewhat less critical in those cases like Hungary and the Czech Republic in which recovery now appears underway. (However, Warsaw residents seem more negative toward the current system than we would expect on these grounds, since Poland is one of the “rebounding” cases.)

Viewed in this perspective, the most obvious difference in China is that the post-socialist transition has been accompanied by an economic boom rather than a depression. Even though the economic problems of the unemployed and downwardly mobile are visible and troubling, most Chinese citizens see that the overall trend in standards of living, employment, reduction of poverty, and other indicators, is clearly positive. Another way to state the contrast with Eastern Europe is to stress the “tunnel effect” analogy discussed by Hirschman and Rothschild.¹⁶ If there are two lanes of traffic stuck in a tunnel and the other lane begins to move, you will generally view this development positively as a sign that your lane is likely to begin moving soon, and will not begrudge the drivers in the other lane. However, if after a considerable period of time your lane still has not moved, you will begin to suspect that something is wrong systemically with the tunnel traffic, and you will start to get very angry. East European “drivers” may sense that not only is their lane not moving, but that while others are visibly benefiting from market reforms they themselves are being moved backwards! Beijing drivers, on the other hand, are more likely to feel that they and most others have been moving ahead and, even if temporarily stalled or experiencing setbacks while others are flaunting their new wealth, that they have decent chances to make further economic progress in the future.

¹⁶ Hirschman and Rothschild, *op. cit.*

In the Beijing sample it is not just a general perception that others are benefiting from the current system that promotes acceptance of market justice principles and belief in the positive role in society of incentives and income gaps. Such acceptance is also fostered by the recent fortunes of our respondents. We asked people we interviewed to compare their current family economic situation with what it was five years earlier and with what they expected it to be five years later. Overall 71.5% said their family was doing better or much better than it was five years earlier, and similar proportions expected to be doing better or much better five years later. In contrast, only 27.5% of respondents in the 2001 survey of residents of Warsaw, Poland, reported that they were doing better or much better than five years earlier, and only 28.1% expected to be doing better or much better five years from now.¹⁷ In the 1996 round of ISJP surveys in Eastern Europe, only in the former East Germany did a majority of respondents (53.4%) perceive that they were doing better than they were in 1989, with only 8-33% giving this response in the other countries surveyed; in all the East European countries surveyed (including the former East Germany) less than 25% of respondents expected to be doing better economically five years from now than at present.¹⁸ Clearly the Beijing interviewees were much more optimistic than their counterparts in Eastern Europe about chances to get ahead, with this optimism grounded in part in their own recent experiences.

One additional factor that may be contributing to the greater acceptance than in Eastern Europe of market justice principles as well as acceptance of the positive functions of incentives and income disparities involves another important contrast

¹⁷ Figures from Bogdan Cichomski, Janusz Grzelak, and Tomasz Zarycki, "Poland 1992-1999: Beliefs about Social Inequality and Social Justice," unpublished paper, February 2002.

between these two branches of reforming socialist economies. China is, of course, still ruled by a communist party. Despite the very substantial relaxation of controls on information and ideas since 1978, the party retains a considerable ability to use the officially controlled media to promote market justice principles and meritocratic ideas. Dissident and critical views still have a difficult time finding voice in official and national communications.¹⁹ In contrast, in Eastern Europe the press and mass media and generally much more free, with critical ideas and denunciations of government performance and system failures much more widely communicated, although with variations from country to country.

In any case, the end result of these contrasts is that acceptance of market justice arguments that accompanied the reforms and dismantling of socialist central planning is more widespread in Beijing than is generally the case in Eastern Europe. This acceptance of market justice principles is promoted in China both by recent economic trends and by official propaganda; in Eastern Europe both recent economic trends and more free mass media make acceptance of these ideas less likely and help explain generally higher levels of popular support for socialist justice principles.

Social Determinants of Beliefs about Inequality

What sort of Beijing respondent is most likely to accept market justice principles and the need for meritocratic incentives? And what sort of person is most likely to still

¹⁸ The 1996 surveys included here were conducted in Bulgaria, the Czech Republic, East Germany, Hungary, and Russia. See James Kluegel and David Mason, "Market Justice in Transition" in Mason and Kluegel, Marketing Democracy, Table 7.3

¹⁹ The experience of He Qinglian (who is quoted on p. 3 of this paper) is instructive on this point. She was formerly senior editor at Shenzhen Legal Daily where she wrote many critical articles about the unfair distribution of the benefits of China's reforms. She subsequently published a controversial book, Pitfalls of China, in which she argued that system failures and corruption were producing a situation in which most of the benefits of the reforms were going to China's rich and powerful. Subsequently the book was banned,

harbor attitudes grounded in socialist justice principles and see current distributive patterns as unfair products of defects in the current system? In the pages that follow we use the Beijing survey data to explore these questions. We presume that variations in the background traits and personal histories of respondents in our survey influence support for meritocratic versus non-meritocratic explanations of why people are rich or poor, and we first investigate the patterning of that influence. As a second step in our analysis, we will examine how social background traits of respondents plus their attitudes toward meritocratic and non-meritocratic explanations of wealth and poverty together influence support for market incentives versus for government efforts to restrict inequality. The four outcome variables we use in these analyses are factor scores derived from the first thirteen questions listed in Table 1: meritocratic attribution (#1-4), non-meritocratic attribution (#5-8), functionality of incentives (#9-11), and support for government leveling (#12,13).²⁰ The results of these two stages of using structural equation modeling to explain variations in inequality attitudes are presented in Tables 2 and 3.²¹

(Table 2 about here)

Table 2 is devoted to a multivariate analysis of the social sources of belief in meritocratic versus non-meritocratic attributions of why some people in China are rich

her freedom to continue to write and publish articles in her newspaper was restricted, and she went into exile in the United States.

²⁰ Attitudes toward meritocratic versus non-merit explanations of why people are rich or poor in China are negatively correlated ($r=-.21$), but not strongly enough to collapse these factor scores into one variable. Similarly, support for the incentive effect of inequality and support for government efforts to limit inequality are also negatively correlated ($r=-.23$), but again not strongly enough to collapse these two factor scores into a single variable.

²¹ Tables 2 and 3 are adapted from Chunping Han, "Popular Legitimation of Inequality in Reform-Era Urban China," unpublished paper, Harvard University, October 2003. In these tables the Tucker-Lewis Index and the RMSEA (Root Mean Square Error of Approximation) are standard estimates of the goodness of fit of the statistical model, with Tucker-Lewis examining goodness of fit compared to the Independence model, and RMSEA the goodness of fit in relation to the degrees of freedom. Both tables show satisfactory fit of the model as judged by these statistics. R-square is the conventional estimate of the proportion of variation in the outcome variable that is explained jointly by all of the independent variables.

and others are poor.²² The first feature to note in the table is that several of the background traits that we might expect to influence this aspect of acceptance versus criticism of market justice ideas do not have statistically significant effects once other measures are controlled for. In general we might expect that those with high social status are “winners” who will support market justice views more than others, while disadvantaged respondents might be more critical of market justice ideas and agree more with socialist justice principles. However, respondents with high family incomes and with white collar jobs are not significantly more likely than others to agree with meritocratic attributions of inequality and disagree with non-meritocratic or structural attributions. It is also particularly striking that unemployed Beijing residents are not any more likely than blue collar workers (the omitted reference group) to oppose meritocratic explanations of inequality and favor non-merit explanations. College educated respondents are more likely to agree with non-merit attributions of inequality despite their advantaged status, but they are not any more likely than other respondents to either agree or disagree with meritocratic explanations.

Migrants have a particularly disadvantaged status in urban China today, yet in this case it is striking that they are significantly more likely than blue collar workers to attribute inequality to meritocratic mechanisms, and also significantly less likely to attribute gaps between rich and poor to non-meritocratic causes. Migrants are presumably making comparisons primarily with their lot back in the village rather than

²² In Tables 2 and 3, the omitted reference categories are as follows: gender—male, education—all less than college, occupation—workers. Migrants are treated as a separate occupational category in these analyses, regardless of the specific occupations held by those migrants, and unemployed Beijing residents are also treated as a separate occupational category, regardless of what job those respondents held before becoming unemployed.

with urbanites around them, and in this comparison many feel like beneficiaries of market reforms, rather than losers.

The strongest associations in the table are between both reported past experiences of improvement in a respondent's family's standard of living and optimism about the prospects for ordinary people to improve their lot (the final two rows in Table 2) and support for meritocratic and opposition to non-meritocratic explanations of why some people are rich and others are poor in China today.²³ Evidently what matters most in explaining whether respondents see the gap between rich and poor in China today as due to merit or non-merit influences is not so much one's current status, but how respondents perceive whether they have benefited by getting ahead in the recent past and are optimistic about continuing to do so. The only other significant associations in Table 2 are a tendency for older respondents to be less accepting of meritocratic attributions of inequality and more likely than others to favor non-merit explanations. This pattern likely indicates more reservations about market justice among individuals who spent their entire adult lives operating under socialist rules of the game.

(Table 3 about here)

In Table 3 we use various social background traits as well as the factor scores for both meritocratic and non-merit attributions of why people are rich or poor in an effort to explain variations in support for other aspects of market justice versus socialist justice attitudes—support for the use of income gaps and incentives as beneficial for China

²³ Note that these are all net associations, once other predictors have been controlled for, so being optimistic about the chances for ordinary people to get ahead helps predict meritocratic attributions over and above migrant status and past experiences of actual improvements in family status. A separate, three stage analysis was carried out in which social background traits were first used to predict perceptions of opportunity, then both used to predict attributions of inequality, and then all of these factors used to explain support for incentives and opposition to government leveling (results not shown here). However, the results were not substantially different from the two stage analysis reported here.

versus support for government efforts to limit inequality. Again we see that some current status measures do not show expected associations with these distributive justice attitude measures. In particular, college education does not produce more support for the positive role of incentives and inequality or opposition to government leveling, while unemployed status is again not significantly associated with variations in these distributive justice attitudes.²⁴ Reported past experience of upward mobility does not have a significant impact on either of these types of distributive justice attitudes. In this table those with higher incomes and those who are more optimistic about the chances of ordinary people to get ahead are significantly less likely than others to support government efforts to limit inequality in China, but they are not significantly more likely than others to agree with statements about the positive functions of incentives and income gaps. Occupational groups do not differ much in their views on these distributive justice attitudes, with only migrants showing a weak tendency to approve of incentives and oppose government leveling (with only the former association marginally significant statistically).

In Table 3 women are more likely than men to oppose using inequality as a positive incentive, and to favor government efforts to limit inequality, a pattern also found in many East European countries. Older respondents are also more likely than others to favor government leveling efforts, perhaps another sign of the lingering

²⁴ In general in the ISJP surveys in Eastern Europe the unemployed were also not significantly more likely than others to be critical of market justice ideas and supportive of socialist justice principles. See, for example, the analysis in Martin Kreidl, "Perceptions of Poverty and Wealth..." op. cit. It is possible that the unemployed, who mainly are individuals who have lost jobs in troubled state-owned enterprises, are as likely as blue collar workers to accept market justice arguments and the need for more incentives to foster productivity, even if the new rules have worked to their disadvantage. We ran the same analyses using white collar rather than blue collar workers as the reference group to see if this made a difference (results not shown here). In comparison with white collar workers the unemployed in our sample again did not differ significantly with regard to meritocratic explanations of inequality, positive functions of inequality, or support for government leveling. However, there was a marginally significant ($p < .10$) tendency for the unemployed to agree more with non-merit sources of inequality.

influence of having spent most of one's life in the socialist system. The respondent's views on the explanations for who is rich and poor in China today also have a clear impact on these other distributive attitudes. Those who accept meritocratic attributions of inequality are much more likely than others to approve of the use of incentives and income gaps as motivating devices, while those who stress the non-merit sources of inequality are not surprisingly much more likely than others to approve of government efforts to limit inequalities in China.

Conclusions

Although survey results from Beijing alone obviously cannot provide definitive answers about the patterning of popular attitudes toward distributive justice issues in China generally, the analyses reported here suggest several general patterns we plan to explore further in the planned national survey project.

First, it is apparent that among Beijing respondents there is very widespread acceptance of many market justice ideas, and particularly of official claims that talent, hard work, and other merit-based traits are prime determinants of who is rich and who is poor in China today. By the same token, there is less support than in former socialist countries of Eastern Europe for claims that what distinguishes the rich from the poor today are system defects and dishonesty. As noted earlier, in general Beijing attitudes on these issues resemble the patterns in Western capitalist societies more than they do the attitudes of citizens in Eastern Europe. Whatever the combination of factors—sustained economic growth, government control over the media, compatibility with China's meritocratic traditional culture—that explains this contrast, in general it indicates considerable popular acceptance of the general fairness of the current distributive system.

If Chinese citizens in other parts of the country display similar attitudes, such a pattern would indicate considerable support for the distributive status quo, thus making scenarios of China as a social volcano about to explode seem unlikely.

To be sure, the attitudes of our Beijing interviewees are not all positive and optimistic, and in particular very large proportions of our respondents think that income gaps in China are too large and that the government has a responsibility to take steps to limit such gaps. However, these views do not translate into much popular support for state efforts to confiscate the profits of businessmen or to keep the rich from passing on their wealth and advantages to their children. In general there is not much sign in our survey results of support for egalitarian measures or socialist distributive policies, despite the abstract preference respondents state for a more equal society. In these regards it might be noted that Beijing respondents are not that different from citizens in the United States and in other advanced capitalist countries. Previous surveys indicate that many Americans feel that there is too much inequality in our own society and recognize that the rich and powerful have many advantages, but at the same time feel that the chances of ordinary people to get ahead under the current rules of the game are sufficient to accept that system and resist calls for radical changes.²⁵

The final portion of our analysis indicates that the social sources of support for market justice versus socialist justice attitudes are more complex than a simple distinction between complacent winners and critical/nostalgic losers might suggest. In some instances the distinction between high and low status does help us understand distributive attitudes, as in the strong tendency of those with high family incomes to reject calls for government efforts to limit inequality. However, in other instances we do not find such a

pattern. Migrants, despite having very low status in urban society, are generally more optimistic and accepting of market justice principles than Beijing residents. The college educated, despite their advantaged status, are more likely than others to stress the systemic, non-merit basis of why some people are rich and poor. The unemployed do not differ significantly from blue collar workers in any of the four distributive justice attitude measures used here. Age and gender are more important influences on some of these attitudes than most measures of socioeconomic status. In general these complex patterns indicate that views on distributive justice issues in China, as in other countries, are not simply a direct reflection of one's status in society, but are influenced by a complex combination of factors, including past personal history, one's primary reference group and expectations, and perhaps factors that we haven't figured out how to measure (such as relative reliance on official media for one's view of the world). A logical implication of these patterns is that any attempt to assess the potential for social discontent and unrest in China centered around issues of distributive justice cannot get far if it is based simply on objective generalizations about the high or low place in Chinese society of various individuals and groups.

For the most part the findings reported here suggest that there is less immanent threat than some observers have claimed of major social unrest in China based on feelings that the system is unfair and corrupt. However, this conclusion must remain tentative until we learn from our national survey project how typical or atypical the patterns of attitudes of Beijing citizens are.

One final caution also needs to be added. In addition to referring only to one place—Beijing—these attitude data are for only one point in time—the end of 2000. It is

²⁵ See Kluegel and Smith, Beliefs about Inequality, op. cit.

not yet clear how durable or volatile these attitudes toward distributive justice in China are. If the economy turns sour, such that the prevalent optimism about chances for ordinary people to get ahead vanishes and is replaced by pessimism and despair, will Chinese citizens still voice strong support for market justice principles and the current rules of the game? Or if inequalities in China continue to grow and become more visible to those at the bottom of society, will migrants, the unemployed, and other disadvantaged groups continue to feel that their lane in the “opportunity tunnel” will eventually start moving ahead, and thus willing to assume that the system is basically open and fair? The patterns of attitudes in Eastern Europe suggest that they may not.

Our findings indicate that China’s rulers have good reason to be obsessed with the need to keep the economic growth rate up and living standards and employment levels improving and to appear to be taking vigorous steps to crack down on corruption. To date this effort has been quite successful, but if there should be a major downturn or reduced opportunities for upward mobility there is no guarantee that China’s citizens will continue to give their leaders the benefit of the doubt on the justice or injustice of the current system. After the discrediting of Marxism, socialism, and Mao Zedong that Deng Xiaoping and his colleagues carried out, belief that the current distributive rules of the game represent a reasonably meritocratic “ladder of success” that enables ordinary Chinese to get ahead may be the most potent source of political legitimacy that China’s leadership enjoys. If that belief evaporates as a consequence of economic failures and corruption, then the leadership will have much more difficulty keeping protests and unrest confined to local and manageable levels.

Appendix: Translation of ISJP/Beijing Questionnaire Inequality Attitude

Questions

In your opinion, to what extent is each of the following factors a cause for some people to be rich (poor)? Is it a cause to a very great extent, to a great extent, to some extent, to a small extent, or not at all?

Meritocratic attribution of inequality

1. talent and ability—for being rich
2. hard-working—for being rich
3. lack of talent and ability—for being poor
4. lack of personal effort—for being poor

Non-merit attribution of inequality

5. taking advantage of loopholes of current economic institutions—for being rich
6. dishonest—for being rich
7. the shortcomings of current economic institutions—for being poor
8. lack of equal opportunities—for being poor

Do you strongly agree, somewhat agree, feel neutral, somewhat disagree, or strongly disagree with each of the following statements:

Functional desirability of incentives and inequality

9. Only when the income disparity is sufficiently large will people have the incentive to work hard.
10. It is acceptable for businessmen to earn profits because in the end this will benefit everyone.
11. For the country's prosperity there need to be large income differences.

Support for government egalitarian measures

12. The government should set a limit on the highest income individuals can receive.
13. The government has a duty to reduce the gap between people with high income and those with low income.

Other inequality attitudes:

14. In your opinion, are the income gaps among individuals in our country too large, somewhat large, just right, somewhat small, or too small?
15. Considering the current situation in our country, there is still a very large opportunity for ordinary people like myself and my family to improve our standard of living (strongly agree, agree, neutral, disagree, strongly disagree)
16. There is no use in talking about social justice since we cannot change the situation (same responses).
17. Government officials do not care what ordinary people like me think (same responses).

Table 1: Comparative Attitudes on Inequality Questions (percent agreeing or strongly agreeing)

	Beijing 2000	Warsaw 2001	USA 1991	W.Germ. 1991	Hungary 1996	Russia 1996	Czech R. 1996
Meritocratic attributions of inequality							
1.Talent/ability explains wealth	76	50	60	61	57	52	61
2.Hard work explains wealth	57	50	65	56	37	40	52
3.Lack of talent/ability explains poverty	61	32	34	29	43	32	36
4.Lack of effort explains poverty	52	50	50	36	37	44	47
Non-merit attributions of inequality							
5.System loopholes explain wealth	53	70	38	22	60	80	57
6.Dishonesty explains wealth	19	78	41	33	71	77	71
7.System shortcomings explain poverty	45	74	42	35	75	82	32
8.Lack of opportunity explains poverty	32	63	32	37	57	65	39
Positive functions of inequality							
9.Inequality needed as incentive for effort	57	44	63	69	30	47	61
10.Business profits benefit all	67	37	52	47	14	43	36
11.Need for inequality for national prosperity	30	18					
Support for government leveling							
12.Government should limit top income	43	36	17	32	56	43	22
13.Government should reduce income gap	75	53					
Other inequality-related attitudes							
14.Inequality in country too large	95	79					
15.Ordinary people good chance to rise	46	14					
16.Don't think about justice, can't change	46	49					
17.Officials don't care about ordinary folks	43	78	63	68	29	73	70

Sources: 2000 Beijing Area Study Survey

Warsaw: B. Cichomski, J. Grzelak, and T. Zarycki, "Poland 1992-1999 [sic]: Beliefs about Social Inequality and Social Justice, unpublished paper, February 2002.

Other countries: Martin Kreidl, "Perceptions of Poverty and Wealth in Western and Post Communist Countries," Social Justice Research, 2000, 13:151-76 (rows 1-8); J. Kluegel, D. Mason, and B. Wegener, "The Legitimation of Capitalism

in the Postcommunist Transition,” European Sociological Review, 1999, 15:251-83 (rows 9-13); J. Kluegel and D. Mason, “Political System Legitimacy: Representative? Fair?” in D. Mason and J. Kluegel, eds., Marketing Democracy, Lanham, MD: Rowman & Littlefield, 2000, Chapter 8 (row 17).

Note: In rows 1-8, cell figures are the sum of those responding that the listed traits to a very great or great extent explain why some people are rich or poor; in line 14 figures are for those who say the income difference nationally is too large or somewhat too large; in all other rows the cell figures are a total of those who agreed or strongly disagreed with the statement presented to them (full question translations and response categories are given in the Appendix).

Table 2. Stage 1: Models Predicting Meritocratic and Non-merit Attributions of Inequality

	<i>Meritocratic explanations</i>			<i>Non-merit explanations</i>		
	<i>Metric</i>	<i>S.E.</i>	<i>Standardized</i>	<i>Metric</i>	<i>S.E.</i>	<i>Standardized</i>
Female	-.078	.049	-.074	-.074	.064	-.056
Age	-.006*	.003	-.109*	.009*	.004	.122*
Ln(family income)	-.010	.031	-.018	-.054	.040	-.080
College	.013	.062	.011	.171*	.081	.115*
Occupations:						
White collar	.062	.064	.058	-.094	.084	-.070
Unemployed	-.048	.085	-.029	.097	.112	.049
Migrants	.163*	.080	.123*	-.246*	.104	-.146*
Other occupations	.029	.145	.010	-.118	.188	-.031
Upward mobility	.080**	.027	.165**	-.095**	.035	-.154**
Perception of opportunity	.123**	.028	.226**	-.105**	.036	-.151**
R-square		.180			.194	
Tucker-Lewis Index			.991			
RMSEA			.039			

Note: * p<.05; ** p<.01.

Table 3. Stage 2: Models Predicting the Degree of Tolerance of Market-determined Inequality

	<i>Positive functions of inequality</i>			<i>Support for government leveling</i>		
	<i>Metric</i>	<i>S.E.</i>	<i>Standardized</i>	<i>Metric</i>	<i>S.E.</i>	<i>Standardized</i>
Female	-.131*	.061	-.116*	.141 ⁺	.081	.087 ⁺
Age	.006	.004	.100	.013*	.005	.147*
Ln(family income)	.038	.038	.068	-.199**	.051	-.246**
College	.055	.076	.044	-.101	.102	-.056
Occupations:						
White collar	-.004	.079	-.003	-.128	.105	-.079
Unemployed	.011	.106	.007	-.047	.141	-.019
Migrants	.189 ⁺	.100	.134 ⁺	-.162	.132	-.080
Other occupational groups	-.166	.177	-.052	-.208	.236	-.045
Upward mobility	.034	.034	.064	.019	.045	.025
Perception of opportunity	.041	.036	.070	-.121*	.048	-.145*
Merit attribution of inequality	.309**	.090	.288**	-.130	.111	-.085
Non-merit attrib. of inequality	.082	.068	.097	.214*	.093	.177*
R-square		.172			.311	
Tucker-Lewis Index			.991			
RMSEA			.039			

Note: ⁺ p<.10; * p<.05; ** p<.01.