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Boundaries of Inequality: Perceptions of Distributive Justice among Urbanities, Migrants, and Peasants

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Inequalities are durable in a society because social categories and institutions, not individual preferences and volitions, create and maintain them (Tilly 1998). The boundaries that delineate membership in a social category are physical as well as mental. Physical boundaries include those that are geographic, such as a common residential or employment location, or biological, such as skin color or gender. Boundaries are mental or cognitive because social categories are ultimately social constructs. For social categories to exist and to function, members of a social category must share a common recognition of collective identity, interests, and rights. Social psychologists who have studied categories in social cognition thus conclude that “the term category is commonly used to describe the totality of information that perceivers have in mind about particular classes of individuals (e.g. Germans, plumbers, pastry chefs), and this knowledge can take many forms (e.g. visual, declarative, procedural)”(Macrae and Bodenhausen 2000, 96). Boundaries, in other words, are also symbolic, with their origins derived not only from material but also cognitive and communicative dimensions (Lamont and Fournier 1992). The case of urban-rural divide in China, a divide that was created in a two-decade period but a three-decade effort could hardly close, is but one prime modern example.

At the turn of the twenty-first century, the Chinese population is segmented into three broad but distinctive social groups. Urban and rural Chinese, whose statuses were institutionalized during the socialist era of the 1950s to the 1970s, are now joined by a third group of citizens, rural to urban migrants. These migrants form an increasingly larger segment of the population who leave their rural origins, often move in circular forms between rural and urban China, and who mostly float on the surface of the urban Chinese society. Nearly three decades into China's economic reforms, which were supposed to undo some of the economic and social injustices created under socialism, clear differences in life chances and in quality of life persist among these three groups of the Chinese population. Categories created under socialism have in other words formed a solid basis of durable inequality in the Chinese society.

How do the Chinese population interpret a socially segregated China that already has a half-century history? Moreover, to what extent do Chinese of different status perceive such a social reality in a similar or a dissimilar way? On top of the social and economic categories that are in existence, are there also corresponding mental categories that both reflect and cement the social divide? These are the main questions I attempt to address in this paper. I will first establish that there are indeed three distinctive social groups today who compose the Chinese population and discuss that the differences separating these categories are institutional not geographical or simply occupational. Utilizing national survey data on perceptions of distributive justice, I will then explore

what differences, if any, exist among the three groups in their perceptions of the current social system and economic inequality in China. I will also show how different social groups perceive their social status in the Chinese society today. Lastly, I will examine how perception of inequality is socially bounded by identifying the unique role of social categories in perceptions of inequality, a role that is independent of the characteristics of individuals who form these three social groups.

### **One Country, Three Peoples**

It is a well-known and studied fact that the current state of urban-rural divide in China has its institutional roots in the Chinese socialist practices of the 1950s to the 1980s. Such a divide not only affected lives of Chinese in these two parts of the society, but also the lives of scholars working on China. The first systematic sociological studies of the Chinese society under socialism, for example, were conducted and published in separate volumes for rural and urban China (Parish and Whyte 1979, Whyte and Parish 1984). Other studies of the Chinese society similarly followed such a tradition, focusing either only on urban or rural China.<sup>1</sup> Indeed, to study China as a whole sociologically became such a challenge that few scholars attempted it without running the risk of being overly general or even superficial.

China's urban-rural divide differs from that in its own history (Hamilton 2006) and from other developing countries (Lipton 1977). The difference is not so much in the manifested outcomes, namely differences in standards of living or quality of life. The real difference lies in the institutional design and legacies, which make the differences in life qualities long lasting. China's state-engineered industrialization under its planned economy system dictated the need to squeeze peasants for capital accumulation, for cheap labor supply, and for cheap raw materials. The same program also dictated that welfare provision for direct participants of the industrialization program, those in cities, could not be extended to the vast rural population. To protect the state from over-extending its capacities to provide welfare benefits, the state enforced a strict migration control policy between the late 1950s and the early 1980s. Relying on the *hukou* (household registration) system to differentiate entitlements between urban and rural residents and to control migration flow, an invisible wall separating the two populations was erected that resulted in different life chances and patterns of social mobility (Chan 1994; Knight and Song 1999; Wu and Treiman 2004; Whyte 1996). Under socialism, China was effectively a "one country but two systems" state, with urban China governed strictly under a planned economy system with universal welfare provision, and rural China under planning but largely a collective self-reliance system. Punishing political enemies by stripping them their non-agricultural household registration status and sending them back to the countryside further made rural China not only an economic wasteland, but also a political garbage dump. Being a rural Chinese, therefore, not only meant economical deprivation and social discrimination, but also political stigmatization.

During the last two decades since the mid 1980s, a third category of Chinese was born. This is the category of domestic migrants, specifically those who migrate from rural to urban China, who now number in the neighborhood of 100 millions. Following the government's lifting of migration control in 1984, internal migration in China rose

drastically (Liang and Ma 2004). Two decades ago, the number of Chinese migrants in comparison to its total population was miniscule. In 1987, when a national population survey first included information on migration, only 15.2 million out of over one billion, or about one and half percent, reported themselves to be migrants away from their place of household registration for more than six months (Chan 2001, 131). By 1990, the size of the migrant population increased to 30 million, and by 1995, to 56 million. The 2000 census counted 80 million Chinese as members of the floating population. Including migrants who had arrived in their destination for less than six months would put the estimated number of temporary migrants at 120 million, up from 88.5 million in 1995 (Liang 2003). The annual population sample survey conducted by China's National Bureau of Statistics similarly reports that in 2002, one out of every ten Chinese was living in a place (town, township, or sub-district) that was not the location of the person's household registration. Rapid increase in rural to urban migration was also the major force behind China's urbanization boom, which increased China's urban population by 157 million in the 1990s alone, an increase that almost equals the sum of the preceding four decades combined. Massive rural to urban migration accounted for 60 percent of all urban population growth during this period (Chan and Hu 2003).<sup>2</sup>

Following nearly three decades of rapid economic expansion and increased flows of trade and labor between rural and urban China, the re-integration of China's two peoples has been painfully slow. At the same time as economic reforms have smashed the iron rice bowl in urban China and abolished the People's Commune system in rural China, other institutional legacies remain powerful enough to separate the two peoples. In the poorest rural areas, government poverty relief policies together with economic growth have moved hundreds of millions of rural Chinese out of abject poverty.<sup>3</sup> In richer rural areas, businesses built largely on the basis of the collective economy, previously known as township and village enterprises, have turned a large number of rural labor into factory workers and at the same time made numerous enterprising millionaires or billionaires. Yet, in spite of these profound changes, most government investment in economic growth and government sponsored wage increases continued to target China's urban areas and benefited the urban Chinese. From 1991 through 2004 urban household income grew at an annual rate of 7.7 percent, whereas for rural households the pace was 4.9 percent (Naughton 2007, 210-211). In the first years of the twenty-first century, while urban Chinese no longer enjoyed the full scale state guaranteed welfare provision as they did during the socialist years, urban-rural income gap enlarged to more than three to one, exceeding the pre-reform era level of the late 1970s (Naughton 2007, 133).

The persistent and increasing income gap between city and the countryside is the most important source of overall income inequality and increase in inequality for China. As reported in a World Bank's study, for China as a whole, "the rural-urban income gap explained one-third of total inequality in 1995 and one-half of the increase in inequality since 1985."<sup>4</sup> If urban public subsidies, which could augment urban incomes by as much as 80 percent, are included in the calculations, "rural-urban disparities accounted for more than half of total inequality in 1995 and explain even more of the increase since 1985."<sup>5</sup> Results from two multi-provincial surveys, one in 1988 and another in 1995, confirm this conclusion. As Khan and Riskin, two principal scholars responsible for these surveys, concluded, "Inequality between urban and rural China dominates inequality within both populations in 1995, as it did in 1988. That is, the Gini ratio for

China as a whole is higher than it is for either rural or urban China.” (1998, 247) Due to rising urban-rural income gaps, China's overall income inequality level remained unchanged in the second half of the 1990s, despite an observed small decline in the level of inequality both within rural and urban areas, especially within China's rural sector (Khan and Riskin 2005, 358).

Similarly, for the third group of Chinese, rural to urban migrants, their integration into their destination urban society has been slow and difficult. These rural-origin Chinese became effectively a group of secondary citizens in comparison to urban residents (Solinger 1999). Studies of rural migrants in urban China have consistently portrayed a picture of migrant laborers working in a segmented labor market, less paid and with few benefits compared with urban residents, and living in sub-standard housing with little social protection. Moreover the separation or segregation extends far beyond work and income and well into health, social networks, children's education, and ultimately citizenship rights (Knight and Song 2005; Solinger 1999; Wang, Zuo, and Ruan 2002; Wang et al. 2004).

Two decades after opening city gates to peasants, *hukou* status, an institutional legacy from the socialist era, still carries an important symbolic as well as material value, as evidenced by a story reported in the Chinese media in 2005. The story was about a family's effort in Hubei province to change a member's *hukou* status from agricultural to non-agricultural. In this case, the person involved in status change happened was already deceased, died in a traffic accident. Why change *hukou* status when the person was no longer alive? A non-agricultural household registration status was important in this case because it carried a material consequence. According to insurance compensation rules, compensation for death resulting from a traffic accident was set at 20 times of the current average income level in the province where the person is registered. There were however two different averages, one for urban residents and another one for rural. In the year that the compensation was to be determined, urban average annual income in Hubei province was 8,023 *yuan* and the rural average was 2,890 *yuan*. The difference between the two, multiplied by 20 times, amounted to more than 100,000 *yuan*, a quite substantial sum for the family suffering from the loss of a member. *Hukou* in this case was the basis for determining a person's status for compensation. Chinese media questioned such of differential pricing of an individual's life, not based on the person's earning potential or other criteria but on *hukou* status.<sup>6</sup>

To illustrate the co-existence of three different groups of peoples in China today, I use data from the 2004 National Survey of Perceptions of Distributive Justice in China, hereafter referred to as the China Justice Survey.<sup>7</sup> The sample survey was designed to cover the entire national population aged 18 to 70, with a special effort to include migrants, and an over-sample of urban population.<sup>8</sup> The Chinese Justice Survey is among the first surveys in China that benefited from using the global geographic positioning system (GPS)/geographic information system (GIS) assistant area sampling technology. In contrast to past Chinese social surveys that relied on existing household registration records as the sampling frame, the GPS/GIS assistant area sampling method has a distinctive advantage in alleviating the problem of missing individuals in the sample frame due to their absence from their place of household registration. With increased migration between rural and urban areas and frequent reallocation within cities due to housing construction, household registration records have become increasingly

incomplete and inadequate as the basis of sample selection. Rural to urban migrants, who are away from their place of household registration, are not part of the urban household registration system. In cities, due to new housing construction and ownership of multiple housing units, in some neighborhoods as many as half of the registered residents could not be found at their place of household registration. The GPS/GIS method bypasses the household registration system by first sampling geographic grids delineated by latitude and longitude coordinates from a population density map, followed by listing every individual in the selected grids as the basis of sampling individual respondents (Laundry and Shen 2005).<sup>9</sup>

Migrants in this study are defined as those survey respondents whose household registration status was classified as "agricultural," and who were not living at their place of household registration but in an urban area at the time of the survey. In other words, these are rural-origin migrants who migrated from rural to urban areas. For urban and rural respondents, I classify them by simply following their type of household registration. Out of the entire sample of 3,276 survey respondents, 1,295 are thus identified as urban, 203 as rural to urban migrants, and 1,748 as rural residents. Of the migrant sub-sample, about 80 percent migrated within the ten-year period prior to the survey. The small number of migrants in the survey sample imposes certain restrictions for statistical analyses, and cannot be treated as a representative sample of all migrants in China due to the small sample size. Migrants' identity, however, is relatively straightforward and clear, and such an identity can be used to differentiate them from other two types of respondents.

There are clearly three types of Chinese today and the differences among them are by no means geographical. As shown in Table 1, the three groups of Chinese vary markedly in their economic, social, and political characteristics. Urban Chinese on average have twice as many years of education as rural Chinese, three times as likely to have ever used the Internet, and three times higher Communist Party membership prevalence. They work fewer days per week and fewer hours per day than the other two groups and are much more prominently represented in occupations such as government and Party officials, managers and professionals. They are also much better paid and receive a much higher level of social benefits protection. The reported annual per capita household income in 2003 for urban respondents was more than twice that of the migrants, and three times rural respondents. More than half of urban respondents were covered by public pension and medical care plans, compared with only about one-tenth for the other two groups.<sup>10</sup> All three groups show a high percentage interested in media reports of social issues (60 to 75 percent), but urban residents again outrank the other two groups. Moreover, with a half-century history of social separation, social and political differentiations between urban and rural Chinese have become deeply rooted, as shown by the inter-generational differences between these two groups. Parents of urban respondents have roughly the same if not larger difference in educational and political attainment compared with parents of rural respondents.

**Table 1 Characteristics of Three Groups of Respondents, China Justice Survey, 2004**

	<b>Urban</b>	<b>Migrant</b>	<b>Rural</b>
<b>Age</b> (mean)	40.66	35.50	42.00
<b>Gender</b> (% female)	49.50	57.14	52.91
<b>Education</b>			
Mean years of schooling	10.72	6.92	5.53
Attainment (% over jr. high)	59.64	17.73	9.49
Father's education (% over jr. high)	24.14	7.78	4.80
Mother's education (% over jr. high)	14.40	2.09	1.07
Internet use (% ever used)	45.58	19.86	13.93
<b>Political Status</b>			
CCP membership (%)	12.66	0.99	3.56
CCP membership among males (%)	16.51	1.15	6.24
Father CCP member	23.17	16.75	11.64
Mother CCP member	6.1	1.48	1.92
<b>Work</b>			
Days worked per week (mean)	5.77	6.21	6.32
Hours worked per day (mean)	8.77	9.21	9.33
<b>Income (per capita, 2003 annual)</b>			
Mean	10588	4889	4033
S.D.	20296	4740	4588
Median	6250	3600	3333
Gini index	0.544	0.4496	0.4052
<b>Social Protection</b>			
Have Public Health Insurance (%)	50.78	9.9	15.31
Have Public Pension (%)	52.39	7.43	8
<b>Occupation (%)</b>			
agriculture, herding, fishing	5.94	6.16	87.54
commercial/service employee	13.40	23.97	1.84
family enterprise	11.19	19.86	2.59
head of private	1.93	2.05	0.2
worker	29.14	34.25	5.24
party/government cadre	4.28	--	0.34
manager	12.02	2.74	0.68
military/police	0.97	--	--
professional/technical	15.75	4.11	1.16
regular employee	5.39	6.85	0.41
<b>Interested in Media Social Report (%)</b>			
Not at all interested	4.34	10.2	11.68
Not that interestd	20.08	24.49	25.19
Somewhat interested	55.5	52.55	47.42
Very interested	20.08	12.76	15.71
<b>N</b>	1295	203	1769

Migrant respondents, though a small number in this survey, represent a group distinctive from the other two. The selectivity of migration is well reflected in the characteristics of these migrants. Migrants on average are younger, their educational level higher than rural residents but not their political status. They work longer hours than urban employees but earn less, and their level of social protection resembles more the population at the origin than at the destination. These migrants mostly engage in non-agricultural economic activities but few are in high-status occupations. What is also interesting is that, even based on the small sample, migration selectivity appears to be familial or inter-generational. Migrants tend to come from families in which parents have higher educational and political attainment than the average rural population at origins.

### **One System, Three Perceptions**

These three groups of Chinese separated by their objective characteristics also form different groups of perceptions of the social and political system in China. The difference in their perception of the current Chinese social system, however, is not always in the expected direction.

Migrants and rural respondents, though still lagging behind urban residents substantially in economic and political attainment, are the ones who both report more gains from the reform era and a greater degree of optimism toward the future. As shown by the numbers in Table 2, in contrast to 59 percent of urban respondents who reported that their lives at the time of the survey (2004) were better than five years ago, 66 percent of rural respondents reported so. For migrants, the share was 75 percent. The migrant group is also the most optimistic among the three groups, with nearly two-thirds believing life would be better in five years. The high level of positive endorsement of reform programs across the board and the higher support level among the lower strata of the society are consistent with findings from other studies based on surveys in China (Tang 2005; Whyte 2002; Whyte and Han 2006). The observed pattern in this study, that those at the more disadvantaged positions reporting greater improvement, is not unexpected because individuals often evaluate their current status in reference to their own past.

A more positive and optimistic assessment of gains during China's reform era, however, does not translate readily into a more rosy evaluation of one's current social status. Rural residents and migrants report a higher frequency of being treated unfairly by local government officials: 27 percent in the three years prior to the survey date, compared with 21 percent among urban respondents. Members of the rural and the migrant groups are also aware of the fact that their social position is below that of the urban population. Migrants, despite their better economic circumstances than rural population, report the lowest social position among the three groups, a fact most likely related to their experience in urban areas.<sup>11</sup>



**Table 2 Perceived Social Status, China Justice Survey, 2004**

	Urban	Migrant	Rural
<b>Life compared with five years ago</b>			
Much worse	5.72	0.99	2.77
Worse	15.07	9.85	8.82
About the same	20.09	14.29	22.22
Better	48.69	64.53	55.62
Much better	10.43	10.34	10.57
<b>Gained in reform era (11-point, mean)</b>			
Mean	4.65	4.71	5.03
S.D	2.04	2.14	1.95
<b>Life five years from now</b>			
Much worse	2.32	0.49	1.13
Worse	6.26	1.97	6.33
About the same	30.29	31.03	33.52
Better	49.77	55.17	49.18
Much better	11.36	11.33	9.84
<b>Satisfaction w/living standards (scale 1-7, mean)</b>			
	3.87	4.02	4.23
<b>Living standards comparison</b>			
Better than neighbors (%)	19.41	12.81	12.46
Better than others in the country (%)	12.76	5.91	4.73
<b>Self-reported social position (scale 1-11, mean)</b>			
Mean	4.78	4.09	4.21
S.D.	1.80	1.81	1.87
<b>Treated unfairly by local officials (%yes)</b>			
	20.82	26.6	27.36
<b>N</b>	1295	203	1769

The three groups of the Chinese population also have different perceptions regarding the degree and types of inequalities in Chinese society, and in the fairness of the system. As shown by results in Table 3, among the three groups, urban population is the most critical group, with 81 percent believing income inequality is large or too large, 70 percent seeing China becoming more polarized, and only half of all respondents agreeing that hard work is still rewarded.<sup>12</sup> In answering a number of other questions intended to detect a respondent's trust or confidence in the current system, urban respondents also generally displayed less trust, with the highest scores among three groups agreeing with statements such as "It is hard to say what is just or unjust" and "Officials do not care common folks like me."

**Table 3 Perceptions of Inequality, China Justice Survey, 2004**

	Urban	Migrant	Rural
<b>Degree of income inequality</b> (% "too large")			
Neighborhood	32.87	27.58	32.64
Own workplace	49.56	50.32	37.64
Whole country	80.99	78.17	63.87
<b>More polarized?</b> (% agree)	70.45	70.15	57.32
<b>Trust in system</b> (5-point, mean)			
Hard to say what is just or unjust	3.35	3.41	3.08
Discuss justice meaningless	3.14	3.22	3.07
Officials not care common folks like me	3.64	3.62	3.03
Hard work rewarded? (% agree)	50.04	71.43	62.77
<b>"System Distrust" factor</b>			
Mean	0.2022	0.0422	-0.1530
S.D	0.8002	0.7842	0.7666
<b>Conflicts between groups</b> (% serious)			
Rich and poor	59.59	43.89	35.83
Hukou status	22.83	17.16	20.16
Old and young	24.92	14.74	18.21
Urban laid-off and migrants	31.42	19.5	19.78
<b>Is it just ?</b> (% strongly disagree)			
Give urban hukou more opportunity	12.44	15.15	9.99
Not to give migrant urban hukou easily	19.67	28.57	20.85
Not allowing migrant children attend urban schools	35.19	42.86	36.34
Prohibit certain urban jobs for migrants	29.36	38.92	33.48
Disallow migrants receiving urban benefits	28.58	37.44	31.14
<b>"Status Discrimination" factor</b>			
Mean	-0.0484	-0.1963	0.0579
S.D	0.8867	0.8616	0.9366
<b>"Equal Rights" factor</b>			
Mean	0.1133	0.2125	-0.1077
S.D	0.6998	0.6820	0.7329
<b>N</b>	1295	203	1769

Other, more complex, measures of perceived justice in the social system in China reveal similar differences among the three groups. To better gauge respondents' perception of the just nature of the Chinese society today, I constructed a "System Distrust" factor based on a large number of other questions in the survey on what actually counted in China to get ahead (see Appendix for the list of questions used).<sup>13</sup> Urban respondents' average score on this factor is well above the other two groups, again confirming the finding in other studies (Tang 2005; Whyte 2002; Han and Whyte 2006)

that objective status is not always the best predictor of subjective attitudes, and that urban and more educated people are the most critical of the system. In contrast to urban respondents, migrant respondents are less critical in most areas, and the rural population is the least critical.

Perceptions of inequality and justice of the current system not only differ by the broad group boundaries among the three social groups, they also differ by other boundaries. Specifically, perceived degree of inequality becomes smaller when the reference group is closer to oneself (top panel, Table 3). For all three types of Chinese, in contrast to the perceived high degree of income inequality for China as a whole, the perceived degree of inequality within one's work organization and one's neighborhood is substantially smaller. In contrast to nearly three quarters of all respondents who believed that income inequality in China was large or too large, only less than half that many thought so for their neighborhood and only slightly more than that for their workplace. Such a difference in the perception of global versus local inequality may result from the lack of information on part of the survey respondents – namely their view was not based on facts but exaggerated partly due to media's influence. The difference however also reflects a social reality, namely that the recent increase in income inequality is largely driven by enlarged inequality between different social categories, coupled with a certain degree of persistent equality within each category (Wang 2008).

The three groups of Chinese differ not only in their perceptions of distributive justice for China as a whole, but also, to a greater degree, in recognizing and defending their own interests and rights in the society. In particular, differences in perceptions of justice among the three groups are more pronounced when the question relates specifically to a particular social group. Urban residents reported more concerns of various kinds of social conflicts than the other groups, such as those between the rich and the poor and between the old and the young, but the difference among the three groups is more noticeable when it is related to their own group. Nearly a third (31 percent) of urban respondents believed that the conflict between urban laid-off workers and migrants was serious, compared with about 20 percent for migrants and rural residents. Similarly, in a number of questions that were specifically targeted at measuring respondents' attitudes toward migrants, migrants as a social group clearly stand out to defend their rights of being treated as equals: *hukou* status, jobs, benefits, and their children's education (Table 3).

Other, more generalized, measures of perceived social discrimination and equal rights reveal the same pattern of differential perceptions among the three groups of Chinese. Based on a full battery of questions on migrants' rights and on equal rights among citizens in the China Justice Survey, I constructed two additional factors, one I name "Status Discrimination" and the other "Equal Rights." Questions used for constructing "Status Discrimination" include 12 items, seven of which specifically stated that it is fair for the rich and for urban people to be treated better, and five on excluding migrant and people without non-agricultural *hukou* status from receiving equal treatment in jobs and social welfare. The "Status Discrimination" factor was created based on a factor with high loadings on items discriminating migrants and non-urban people. Questions used for constructing the "Equal Rights" factor include nine items, asking respondents from an opposite direction questions to evaluate statements about equal rights between men and women, between urban and rural residents, and between people

of different social backgrounds. The survey questions used in constructing these two factors are listed in Appendix. As shown at the bottom of Table 3, migrants' average score on "Status Discrimination" (negative) is well above that of the other two groups (-0.1963 versus -0.0484 and 0.0579), revealing that migrants are much less likely to accept and to endorse discriminatory values than urban and rural residents. In addition, whereas both urban residents and migrants reported higher scores on the "Equal Rights" factor than rural residents, migrants as a group again have the highest score.<sup>14</sup>

### **Group Membership and Boundaries of Perceptions**

Three different peoples in China have shown to have three different perceptions of distributive justice, especially regarding their own rights. These three types of Chinese also have clearly different personal characteristics, such as in educational attainment level, in political party membership prevalence, and in interest in and access to media. The question therefore becomes, to what extent are the differences in perceptions due to personal characteristics instead of group membership status? In other words, to what extent are the differences in perceptions due to the mental boundaries that are shared by members in each of the three large social groups rather than to their individual characteristics?

One way to separate the roles of these two different dimensions, one at the individual and the other at the group level, is by carrying out statistical analyses using the multiple regression method. Individuals' scores on three factors introduced above, "System Distrust," "Equal Rights," and "Status Discrimination," are used in such analyses as dependent variables, with their variations predicted by both individual characteristics and group membership. Individual characteristics used in this regression analysis include those differentiating the three groups, such as educational level and Communist Party membership. To control for the influence of other individual characteristics that may affect perceptions or the effect of other characteristics on perceptions, I also include an individual's age and gender. Results of the multivariate statistical analyses are presented in Table 4.

Three groups of Chinese have clearly different views of the current Chinese economic and social system. Rural Chinese, who reported the most gain from reforms and highest level of satisfaction with current living standards (Table 2), are also the ones who have the most faith in the system, as shown by the negative coefficient in column 1 of Table 4. In comparison to urban residents, migrants also show a higher degree of distrust but the regression coefficient is not statistically significant. Moreover, rural Chinese' faith in and support of the system is not due to their less exposure to the media or lower educational level, as these factors are also controlled for in the analyses. Communist Party members, when other factors are controlled for, also reported a greater degree of support of the current system, as shown by the negative regression coefficient. Education and media exposure and interest, however, show an effect opposite to that of Communist Party membership. More educated Chinese hold a more critical view toward the current system, and those who follow media reports on social problems most closely are also the most critical of the problems in the current system.

**Table 4 Group Membership as a Factor of Perception, China Justice Survey, 2004  
(Multiple regression results)**

	<u>System Distrust</u>		<u>Equal Rights</u>		<u>Status Discrimination</u>	
	coefficient	p	coefficient	p	coefficient	p
<b>Age</b> (year)	0.0004	0.75	-0.0024	0.02	0.0046	0.00
<b>Gender</b> (male=1)	0.0116	0.69	-0.0343	0.19	-0.0478	0.16
<b>Education</b> (year)	0.0179	0.00	0.0161	0.00	-0.0041	0.41
<b>Communist Party Membership</b> (yes=1)	-0.1680	0.00	0.0683	0.18	-0.0989	0.14
<b>Group Status</b> (urban=1)						
Migrant	-0.0759	0.23	0.1907	0.00	-0.1850	0.01
Rural	-0.2516	0.00	-0.0794	0.01	0.0246	0.55
<b>Media Interest</b> (not at all interested=1)						
Not very interested	0.0758	0.19	0.1568	0.00	-0.0707	0.28
Somewhat interested	0.1489	0.01	0.2697	0.00	-0.0962	0.13
Very interested	0.2928	0.00	0.4603	0.00	-0.3647	0.00
<b>Constant</b>	-0.1432	0.11	-0.2246	0.00	-0.0166	0.87
<b>Adjusted R-squared</b>	0.0629		0.0690		0.0250	
<b>N</b>	2960		3087		3041	

Different group membership also places Chinese citizens on different platforms in their appeal for equal rights. Here the pattern is different from that above in assessing the fairness of the system. Of three groups, rural residents continue to be the most accommodating, as shown by the negative coefficient associated with their group membership in comparison to urban residents (the reference group, middle column of Table 4). Migrants, who reported both the lowest satisfaction with life and the lowest social position among the three groups, sense the most need to achieve equal rights, as shown by the relatively large and positive regression coefficient in comparison to the urban resident group (Table 4). Note that the "Equal Rights" factor is composed of nine different survey question items, most of which are not specific about migrant rights (see Appendix for questions used). Being a social group that has a rural origin and survives in an urban environment, migrants experience the consequences of unequal treatment most intensely and therefore hold the strongest feelings in support of equal rights.

Migrants' awareness of their own predicament in today's Chinese society sets them clearly apart from the other two categories of Chinese citizens. This is shown by results in the last column of Table 4. Here the "Status Discrimination" factor is composed of 12 questions, five of which relate specifically to rural migrants (see Appendix for the list of questions used). For this measure of distributive justice perception, those in the migrant group display a clearly more disapproving attitude toward discrimination based on *hukou* or migrant status compared to urban and rural residents. Indeed, other than age

(with older age being less sensitive to status discrimination) and those very interested in media reports of social problems, migrant group membership is the only factor that makes a clear difference in the attitude toward discrimination based on status. Perceptions of justice, therefore, are not only affected by an individual's characteristics such as education, Party membership, or exposure to media, but also clearly bounded by one's group membership in the Chinese society. The three categories of Chinese citizens, urban residents, migrants, and rural residents, not only differ in their objective social and economic standing, but also in their perceptions of the justice nature of the social system, in their own predicament, and in their pursuit of equal rights.

### **Three Peoples, One Destination?**

China's socialist experiment in the third quarter of the twentieth century created a society that is segmented following many different fault lines: residence, ownership sector, industrial sector, and work organizations (Wang 2008). Of all divides, urban and rural separation is by far the largest and the most glaring. Three decades into a reform program that promises to close this gap by the creation of a nationwide market economy, significant differences persist between these two categories of Chinese people. The differences are not only in standards of living but also more importantly in life chances, created and maintained by both old and new institutions. Moreover, during the last three, especially the last two, decades and in the process of reforms, a third category of citizens is now created, composed of the large number of Chinese migrants. In the most simplistic and broad terms, one can view the contemporary Chinese society as one that is made up by three categories of citizens.

The co-existence of three peoples in one country is not only material but also mental. As I have shown based on the 2004 China Justice Survey data above, these three categories of citizens have sharply different educational, political, and economic status. Moreover, they have also formed distinctively different perceptions of distributive justice in Chinese society today. Their perceptions are formed sometimes in reference to their past positions in the society, and more often based on their current experiences. Rural residents and migrants, while recognizing their lower status in the country, also reported more faith and optimism in the system. Their more positive evaluation of the current system is not caused by their lower educational level and being less informed, because their higher trust level persists after taking into account of the differences between them and urban residents in educational level, Communist Party membership, and in exposure to media reports on social issues. Instead, such a more positive attitude is more likely to be based on their perceived greater gains in standards of living in comparison to their even more disadvantaged past (Whyte 2002; Han and Whyte 2006).

A more positive attitude toward the current system, however, does not translate readily into a blind acceptance of their fate when it comes to unequal rights or even worse, discrimination. Migrants, in particular, are more aware of their lower status in urban society because of their rural origin, and report openly their concern and disapproval of discrimination based on group membership status. Perceptions of distributive justice in contemporary China, therefore, not only vary by an individual

citizen's social and economic characteristics, but are also bounded by the social category a person belongs to.

These boundaries of perceptions suggest a long and hard road for remaking China a reintegrated society based on a universal citizenship. The social differentiation among urban, rural, and migrant Chinese not only manifests in the social and economic positions of these three categories, but also exists in people's minds. These mental constructs not only reflect social reality in China; they also play an independent role contributing to the maintenance of social categories that segment the Chinese society today.

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## Appendix

### Survey Questions Used in Constructing Factors of Discrimination and Rights

#### System Distrust

Question: “In today’s society, there are many factors that decide a person’s salary, in your opinion, how much influence does (item) actually have? Would you say most influence, large influence, some influence, little influence, or no influence at all?” (asked separately for each item below)

Item: education, adverse work conditions, individual efforts, family size, job responsibilities, length of time at job, being male, contributions to work unit, relationship with superior, knowing people/having connections, city household registration status, age, specialized technical skill.

#### Status Discrimination

Question: “Here are some opinions about social justice. Please indicate your attitudes about these opinions, showing whether you strongly agree, agree, neutral, disagree, or strongly disagree.”

Items:

1. It is fair that some occupations receive more respect from society than others do.
2. It is fair for people of lower social classes to be given some additional help so they can have equal opportunities.
3. It is fair that those who are able to pay for it can give their children better educational opportunities.
4. It is fair that rich people can purchase better homes than other people.
5. It is fair that rich people can enjoy better health care than other people.
6. It is fair that people with household registrations in the city have more opportunities than those with household registrations in the countryside.
7. It is fair that those who hold power enjoy a certain degree of privileged treatment.
8. It is fair that the reforms in state enterprises have led to large numbers of people being laid off.
9. It is fair that rural migrants are not easily permitted to obtain household registration in the city.
10. It is fair that the children of rural migrants are not permitted to attend schools in the city.
11. It is fair that rural migrants are prohibited from performing certain occupations in the city.
12. It is fair that rural migrants are not allowed to obtain urban welfare benefits.

#### Equal Rights

Question: "Please express your opinion on each of the following statements. Explain if you: strongly agree, agree, feel neutral, disagree, or strongly disagree with the statement?"

Items:

1. People who work in production make a greater contribution to society than those who do trade or sales.
2. City dwellers have benefited more from economic reforms than they should, while rural dwellers have benefited less.
3. City dwellers' standard of living is higher because they have made greater contributions to national development.
4. Rural and urban people should have equal rights to employment.
5. When there are few employment opportunities, men should work outside while women should stay at home to take care of the family.
6. The obvious gap between the rich and poor in our society violates the principle of socialism.
7. In all lines of work, men and women should have the same employment and promotion opportunities.
8. People of different family backgrounds encounter different opportunities in society.
9. Men are more suited to leadership responsibilities than women.

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<sup>1</sup> Examples of such works include Deborah Davis' 1983 work of the urban elderly, Andrew Walder's 1986 study of urban factories, Yanjie Bian's 1994 book on inequality and stratification, Chan, Madsen, and Unger 1984, Oi 1989, and Friedman, Pickowicz, and Selden 2005 on Chinese villages.

<sup>2</sup> The remainder of the growth was roughly equally attributed to rural to urban reclassification and urban natural population growth (Chan and Hu 2003).

<sup>3</sup> Using a Chinese government definition of poverty as a per capita income of less than 101 *yuan* (\$12.50 by official exchange rates) per year in 1978 and 626 *yuan* (\$77.90) per year in 2000, the poverty headcount fell from 31% of the population or 250 million people in 1978 to under 4% or 32 million in 2000 (Park and Wang 2001:387-89). Raising the bar above this draconian definition to the World Bank's more conventional measure of one PPP dollar a day, the results are equally impressive. In 1980, 76% of the rural population had incomes of under a dollar a day; by 1988 the percentage had plummeted to 23%, by 1995 to 20%, and by 2003 only 9% lived at such extreme hardship (World Bank 2005, reviewed in Davis and Wang 2006).

<sup>4</sup> The World Bank 1997, 3.

<sup>5</sup> Inequality between urban and rural China is staggering, as the World Bank study comments, "Internationally, the urban-rural income ratio rarely exceeds 2.0 – as it does in China – and in most countries it is below 1.5." Moreover, because of the extensive urban public subsidies, "even China's high ratio fails to capture the full extent of disparities in living standards between city dwellers and rural residents." (The World Bank 1997, 3)

<sup>6</sup> *Southern Weekend*, August 4, 2005, p. B-14.

<sup>7</sup> The survey was conducted by Research Center on Contemporary China of Peking University in 2004, with funding from the Smith-Richardson Foundation, and supplemented by Harvard University, University

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<sup>8</sup> Over-sampling urban population was intended to increase representation of urban population and has no consequences for most of the analyses in this paper, as results to follow are divided into three groups, not national averages.

<sup>9</sup> In our multi-stage probability sampling, 40 half-degree grids were first selected following the probability proportional to size (PPS) principle based on the population density of all half-degree grids. At the second stage, two square-minute grids were selected from each of the selected half-degree grids, again following the PPS principle based on population density of the square-minute grids (each square-minute grid covers about 2.26 square kilometers). At the third stage, within each selected square-minute grid, one half-minute grid was selected. These sampling procedures resulted in 80 half-minute grids. Over-sampling of urban population added 21 city half-minute grid units, with a total number of half-minute grids of 101. At the fourth stage of sampling, within each selected half-minute grid, a number of square-second grids (each covering 90 by 90 meters) were selected based on the population density of the half-minute grid. At the last stage, survey takers compiled lists of all residents in the selected grids. These lists formed the basis of selecting individual respondents. To enhance the representativeness of our sample, we also applied stratification across different macro regions of China.

<sup>10</sup> The seemingly higher medical insurance coverage for rural population, at 15.3 percent, is mainly due to recent rural cooperative programs, in which rural residents pay a small premium (some locales at 20 *yuan* per person per month) and receive in return a very limited reimbursement for expenses.

<sup>11</sup> The difference among the three groups is statistically significant at 0.001 level with an ANOVA analysis.

<sup>12</sup> The question on polarization was "In recent years, in our society the rich have become richer and the poor have become poorer. Do you agree with such a statement?" The answers were coded into one of the five categories: strongly agree, somewhat agree, have no opinion, somewhat disagree or strongly disagree.

<sup>13</sup> Factor analysis is used to create summary measures of distrust in the system. The questions used to create the factors are those asking respondents what actually counted in determining a person's income level. The questions asked include those more based on merit, such as education, hard working conditions, personal effort, job responsibilities, and contribution to one's work organization. They also include those based on status or connections, such as gender, relationship with superiors, having connections, or having urban households, etc. A five-point scale was used for answers. With a factor analysis limiting to two factors using a Varimax rotation, one factor was created that has a high representation (factor loadings) of answers on merit-based items, and another on non-merit based items. The latter is used here as the "System Distrust" factor. Factor scores are standardized scores with a mean of zero.

<sup>14</sup> In these and almost all other comparisons, the differences among the three groups are highly statistically significant.