

# Understanding China's Middle Class and its Socio-political Attitude

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China's middle class has grown to become a major component in urban China. A large middle class with better education and understanding of democracy and politics, as well as capability of self-justification, is perceived to be a beneficial and stabilising influence on society. The relatively open mobility within the entire middle class provides a perfect buffer zone for the confrontation between the top leadership and the mass.

CHINA'S RISING MIDDLE class has attracted the attention of both policy makers and the academia. In a mature industrial society, the middle class is the mainstream. It is not only the major source of consumption power, but also the stabiliser of the society, providing an ideal buffer zone between the upper class and the lower class. In the Mao era, class structure remained as simple as the "alliance" of workers, peasants and intellectuals. Since the 1978 economic reform, the middle class has emerged and gained in number, complexity, cultural influence and socio-political prominence amidst rapid industrialisation and urbanisation. This growth momentum is likely to continue in the 21st century. Indeed scholars from the Chinese Academy of Social Sciences (CASS) have claimed that the 21st century will be the "golden age" of the growth of China's middle class.

Evidently, China's middle class is becoming a major component of the Chinese population. Given the persistently high heterogeneity within the group, it is not easy to define the Chinese middle class.

At present, scholars usually refer to occupation, income and education as primary conditions for middle class classification and further distinguish them by dividing them into three major groups: new middle class, old middle class and marginal middle class. New middle class composes of party and government officials, enterprise managers, private entrepreneurs, professionals and senior-level clerical workers; old middle class refers to the traditionally self-employed people; and marginal middle class makes up the majority of the middle class people working as lower/entry level clerical workers and employees in the sales and service sector.

Unlike its Western counterpart, the capitalist class in China, often referred to as owners of small or medium-sized enterprises, constituting 2.6% of the total population in 2006, is usually regarded as a key component and part of the rising middle class in China. As a newly emerged class with great economic capital, the middle class has been progressively recruited into the Party to participate in socio-political activities. Meanwhile, although there are indications of greater involvement of private entrepreneurs in policy-making procedures, their role remains primarily in the economic realm, thus reflecting the interdependence between them and the local government. Therefore, China's middle class composes of not only the majority of white-collar workers and well-educated professionals, but also those at the top of the social hierarchy in terms of wealth.

Table 1 shows the changing class structure in China. From 1949 to 2006, agricultural labour decreased from 88.1% of the population (0.54 billion) to 50.4% (1.31 billion) while occupational groups expanded between 2.6 times (self-employed) and 22.4 times (sales and service workers).

From 1949 to 2006, the number of middle class people increased from 7.9% to 39.1%, with 12.5% of new middle class, 9.5% of old middle class and 17.1% of marginal middle class. Since 1978, the proportion of middle class has steadily increased by one percent each year (Figure 1). Based on data taken from China General Social Survey (CGSS) conducted by Renmin University and Hong Kong University of Science and Technology in 2006, the new middle class and old middle class, which together constituted about 22% of the total population, is predicted to reach 23% in 2010.

Except for the new middle class who exhibits the most democratic mentality compared with the other two groups, China's middle class as a whole has yet to hold a distinctive socio-political ethos, be it directed at self or others. The Chinese middle class' acknowledgement of the state authority is similar to that accorded by the rest of the society. As long as the majority of the middle class are able to maintain their current

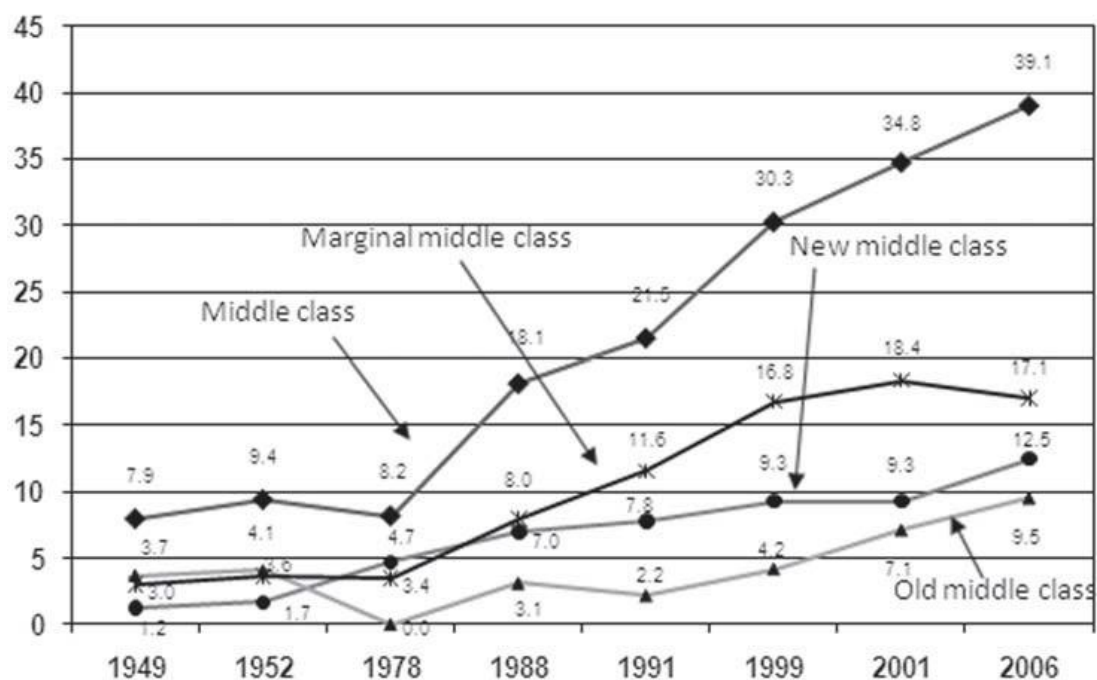
TABLE 1 CHANGING CLASS STRUCTURE IN CHINA, 1949-2006 (%)

Class structure	1949	1952	1978	1988	1991	1999	2001	2006
Leading cadres and government officials	0.5	0.5	1.0	1.7	2.0	2.1	2.1	2.3
Managerial personnel	0.4	0.1	0.2	0.5	0.8	1.5	1.6	1.3
Private entrepreneurs	0.4	0.2	0.0	0.0	0.0	0.6	1.0	2.6
Professionals	2.6	0.9	3.5	4.8	5.0	5.1	4.6	6.3
Clerical workers		0.5	1.3	1.7	2.3	4.8	7.2	7.0
Self-employed	3.7	4.1	0.0	3.1	2.2	4.2	7.1	9.5
Sales and service worker	0.5	3.1	2.2	6.4	9.3	12.0	11.2	10.1
Manual worker	2.9	6.4	19.8	22.4	22.2	22.6	17.5	14.7
Agricultural labour	88.1	84.2	67.4	55.8	53.0	44.0	42.9	50.4
Semi-/Unemployed	1.3	-	4.6	3.6	3.3	3.1	4.8	5.9
Total population	0.54	0.57	0.96	1.11	1.16	1.26	1.28	1.31

(N unit: billion)

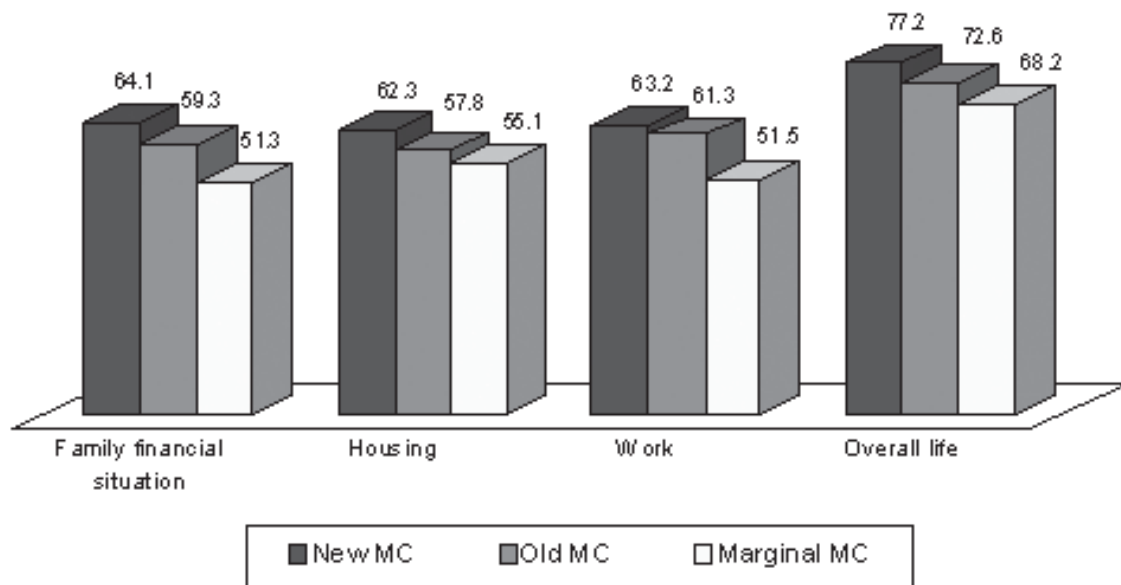
Note: Figures collected from Report on Social Class Study in Contemporary China (2002) and Social Structure of Contemporary China (2010), both edited by Lu, Xueyi, Institute of Sociology, CASS

FIGURE 1 CHINA'S MIDDLE CLASS, 1949-2006



Source: National Bureau of Statistics and China General Social Survey (by CASS) 2006

FIGURE 2 PROPORTIONS OF NEW, OLD AND MARGINAL MIDDLE CLASS' SATISFACTION WITH LIFE IN 2006



Source: China General Social Survey (CGSS) 2006

lifestyle despite the social policy reform, the force of democratisation is unlikely to become strong.

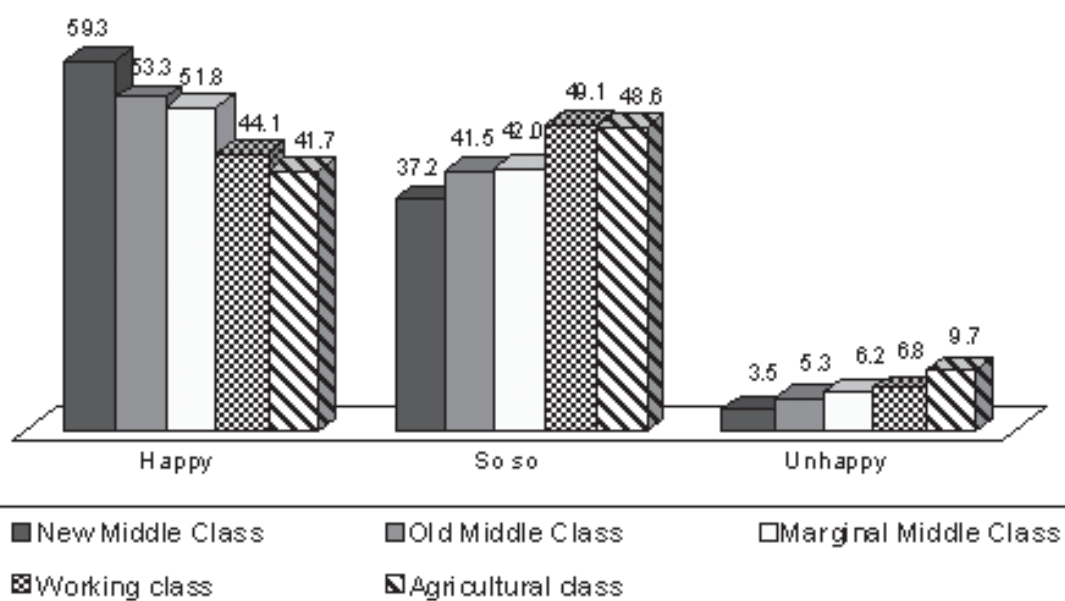
#### Life Satisfaction of China's Middle Class

As the majority of the middle class are business professionals, government officials and intellectuals, most of them ranked career and professional life highly in their social life. They ordinarily expect long term employment and regard working life as one of the top priorities. Recent research found that they are dependent on the current economic system, generally have savings in banks and lead a comfortable life.

Figure 2 shows that about 77% of new middle class are satisfied with their current life, in comparison to 73% of old middle class and 68% of marginal middle class. Similar patterns are also found in some particular aspects of life such as family financial situation, housing and current job. More new middle class claim satisfaction with their life than old and marginal middle class. Therefore, in terms of happiness (Figure 3), on average, over 50% of middle class are happy with their life, compared with around 44% of working class and 42% of agricultural labour. Of the middle class, the new middle class is again found to be the happiest group.

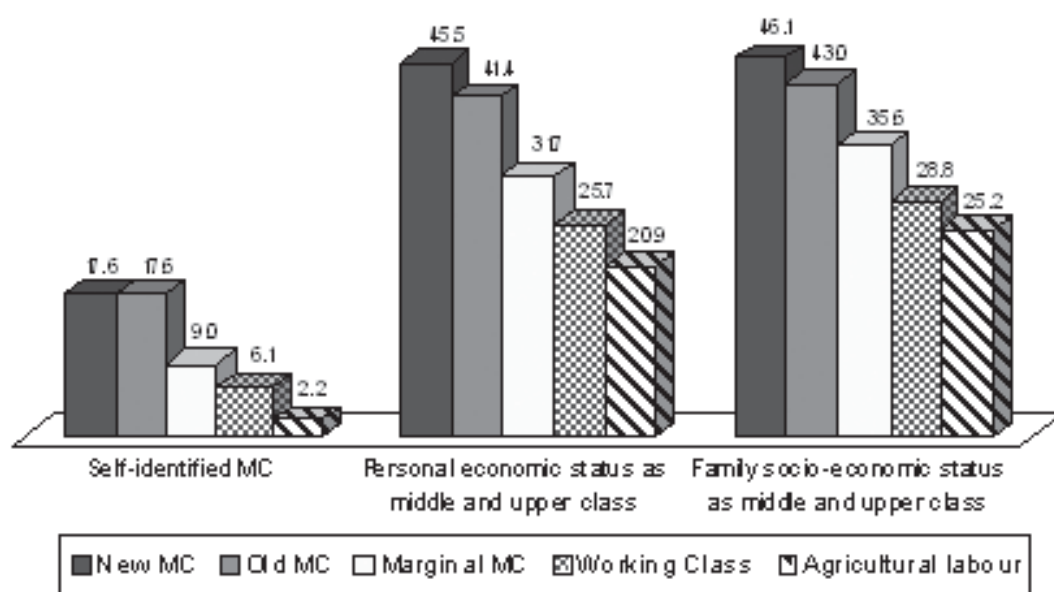
Respondents were fairly humble when they were asked to rank their personal economic status and family socio-economic status in society, as shown in Figure 4. About 46% of new middle class and 42% of old middle class ranked their personal economic status as well as their family socio-economic status as middle or upper level of Chinese society. Meanwhile, for the less confident marginal middle class, both figures drop to around 30%.

FIGURE 3 HAPPINESS OF CHINESE PEOPLE IN 2006



Source: China General Social Survey (CGSS) 2006

FIGURE 4 CHINESE PEOPLE'S SELF-RANKING IN 2006



Source: China General Social Survey (CGSS) 2006

However, very few people that were defined as middle class actually claimed themselves as middle class. As shown in Figure 4, only 17.6% of new and old middle class identified themselves as middle class, and the proportion drops to nine percent for marginal middle class. In fact, 54% of new middle class claimed themselves as working class, while the proportion increased to 76% among the marginal middle class, with

around 11% of both groups claiming to be agricultural labour. At the same time, for the old middle class, about 41% claimed to be working class while about 35% claimed to be agricultural labour.

There are two possible explanations to this phenomenon. One is modesty. The respondents could be too humble to label themselves as middle class. The second is this genuine feeling of inadequacy brought about by the heavy burden of housing loans and high costs of living. Some commentators have warned that if housing price increases keep out-pacing growth of income or savings, in five to eight years' time, the majority of urban middle class in China will be gradually squeezed out of the housing market. The majority of middle class will slip to a vulnerable position as in the case of Japan. The social structure would then be in the shape of "I" instead of an "olive" or "onion".

The identity of China's middle class has yet to be formed, resulting in a discrepancy in the size of objective and subjective middle class groups. Soaring housing prices and costs of living strongly affect people's perception of their own class status and their socio-political preferences. It is evident that a number of China's middle class are still struggling to make ends meet. Nonetheless, some segments, particularly the financially more secured new middle class, are becoming more confident. It would benefit the Chinese government if this group continues to grow and becomes a stabilising force, and provides mainstream values to the rest of the society.

More middle class people claim satisfaction with their financial status, job, housing and overall life. Therefore, they appear to be living a happier life than the rest of the society. The self-evaluation of these aspects of life from a high to low range of satisfaction corresponds with the order of new, old and marginal middle class groups.

#### Socio-political Attitudes of China's Middle Class

With the rapid growth of China's middle class, there has been growing interest in the socio-political attitudes of this rising group since the 1980s. Early studies of the emerging middle class described them as the most active pursuers of democracy. In the 1990s, mainstream perception had it that the middle class was supportive of government policies and economic reform, as well as politically conservative; they would therefore become a strong stabilising force of the society.

Most recent research shows that China's middle class actually hold a mix of both liberalistic and conservative views due to their divergent backgrounds and life experiences. They tend to have more positive feelings about democracy and high expectation of social justice, and show higher confidence in participating in politics. Most of them hope to benefit from the economic growth and maintain their current lifestyle; they are therefore more prepared to be subservient to an authoritarian state for economic security and socio-political stability (Table 2).

Table 2 shows that the middle class as a whole appears to be more open-minded regarding the pursuit of democracy (S1), and has more confidence in participating in politics (S4) than the working class and agricultural labour class. They are aware of the income gap and agreeable to taxing the rich to help the poor; they also show a higher rate of acceptance to the pursuit of profit to sustain economic growth.

TABLE 2 VIEWS ON SOCIO-POLITICAL ISSUES: MIDDLE CLASS (MC) VERSUS WORKING CLASS AND AGRICULTURAL LABOUR CLASS (WC+ALC)

	% of agreement among				% of
	New	Old	Marginal	All	WC+AL
I. Regarding democracy and political					
S1: Democracy is not necessary with sustainable economic growth	33	40	37	36	44
S2: The richer have more rights to speak on public issues than the poorer	39	47	41	41	43
S3: Only professionals can exercise the rights of decision-making	50	54	50	51	54
S4: Politics is too complicated to understand	43	54	51	48	59
S5: Rights to appeal regarding inadequate local	85	83	84	84	81
II. Regarding current government					
S6: Insufficient policies are key reasons for poverty	72	70	75	73	73
S7: Obedience to government never goes wrong	56	55	58	57	61
S8: Operation of law requires government's support	79	81	84	81	81
III. Regarding social inequality					
S9: No social development without pursuit of profits	76	72	77	76	69
	59	59	60	59	58
S10: Enlarging rich-poor gap stimulates positivity at work	60	63	61	61	65
	76	73	79	77	77
S11: Lack of education is a key reason for poverty					

Source: China General Social Survey (CGSS) 2006

Within the middle class, there are also differences in socio-political attitudes. The new middle class with more cultural capital shows most democratic consciousness. The old middle class tend to be more mindful of their own financial situation. They hold relatively conservative political views and are more likely to support state authoritarianism and have the least consciousness of social inequality and justice. The marginal middle class are comparatively more vulnerable and therefore more sympathetic towards the lower class, exhibiting a stronger sense of social justice and democracy than the old middle class.

In China as in elsewhere, education is positively correlated to liberalism. Younger people have displayed more democratic consciousness and lower confidence in the government. Seen in this light, whether the rising middle class is a stabiliser or a challenger will depend on whether the political system can accommodate their political demands.

The rise of the bourgeois is also regarded as a potential driving force for democratisation. Some scholars speculate that continued economic growth and the increasing scale and scope of state enterprise privatisation might ultimately lead to political



changes initiated by private entrepreneurs. Some scholars however believe that China's private entrepreneurs are too heterogeneous to form a cohesive identity. For the past three decades, the CCP government has been slowly whittling away the institutions that defined the planned economy to embrace market mechanisms. This has reinforced property relations between central and local governments, and further engendered cooperative relationships between local officials and the businesspeople. Therefore, class formation has not occurred within this group and it is unlikely for private entrepreneurs to promote democratisation in China in the near future.

Along with these changes and gradual privatisation was the central government's strategy for granting greater autonomy over the local economy to local governments. This transformed the relationship between local officials and private entrepreneurs from critical to an interdependent patron-client relationship.

Chinese entrepreneurs have also adopted a series of adaptive strategies and maintained close ties with local government officials, which essentially prevent them from being a force for change. As Dickson, Bruce J. pointed out in his article on "Integrating Wealth and Power in China: The Communist Party's Embrace of the Private Sector" (2007), as long as private entrepreneurs share the same interest of promoting economic growth, "many will rely heavily on government patronage for their success in making profits" and "they are among the Party's most important bases of support". Consequently, both sides in this debate commonly agree on the Party's embrace of the private sector and the impact of entrepreneurs as a new social group.

China's middle class has grown to become a major component in urban China. The size of the middle class indicates how sustainable the economic growth has been. Modern political economists consider a large middle class with better education and understanding of democracy and politics, as well as capability of self-justification, to be a beneficial and stabilising influence on society. And the relatively open mobility within the entire middle class provides a perfect buffer zone for the confrontation between the top leadership and the mass, which further maintains political stability.

China's middle class is a mix of liberalists and conservatists with divergent backgrounds and life experiences. They tend to have more positive feelings about democracy and high expectation of social justice, and show more understanding and readiness to participate in politics. The middle class as a whole appears to be less confident of its class status in society. The middle class identity has yet to be formed in China.

However, they also hope for stability and to benefit from economic growth; they are prepared to be subservient to the authoritarian state for economic security and socio-political stability. As economic conditions largely affect people's perception of class status, they will further shape a person's socio-political attitude. The financially more secured new middle class is the probable social stabilisers the Chinese government may count on in the future. ❖

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