

China Insights

Peilin Li *Editor*

Great Changes and Social Governance in Contemporary China

 中國社會科學出版社
CHINA SOCIAL SCIENCES PRESS

 Springer

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Great Changes and Social Governance in Contemporary China



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Sponsored by Chinese Fund for the Humanities and Social Sciences (本书获中华社会科学基金资助)

This book is published with financial support from Innovation Project of CASS

ISSN 2363-7579

ISSN 2363-7587 (electronic)

China Insights

ISBN 978-3-662-45733-7

ISBN 978-3-662-45734-4 (eBook)

DOI 10.1007/978-3-662-45734-4

Library of Congress Control Number: 2015956173

Springer Heidelberg New York Dordrecht London

© China Social Sciences Press and Springer-Verlag Berlin Heidelberg 2016

Translation from the Chinese language edition: *中国社会巨变与治理* by Peilin Li,

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Printed on acid-free paper

Springer-Verlag GmbH Berlin Heidelberg is part of Springer Science+Business Media
(www.springer.com)

Preface

Modern China, since the Opium War, has dropped far behind and suffered from attacks and bullies. “Inferior technologies, systems and culture” becomes a prevailing cultural psychology among most Chinese. Changing the pattern that “China is comparatively weaker than western countries” and reinvigorating China start from cultural criticism and innovation. Since then Chinese has begun to “open their eyes to see the whole world around” and learnt from Japan, Europe, America and Soviet Russia. We are in tension and anxiety for long, dying to get over from being behind and bullied, poor and weak and surpass Western powers. As it were, in the pursuit of dream of power nation and national rejuvenation for the last century, we focus on understanding and learning but do a little even nothing to get understood. It has no significant changes even in the modernization evolvement after China’s reform and opening up in 1978. Such phenomenon is well demonstrated by a great amount of translation of western writings in 1980s and 1990s. This is how Chinese perceives the relation between China and the world in modern times.

At the same time when Chinese is pursuing for the dream of power nation and national rejuvenation in modern times, they are also trying to seek for **DAO** to rescue from national subjugation and get wealthy and powerful by “material (technology) criticism”, “institutional criticism” and “cultural criticism”. **DAO** is firstly a philosophy, of course, as well as a flag and a soul. What philosophy, what flag and what soul are critical to resist national destruction and get wealthy and powerful? For over a century, Chinese people keep exploring and attempting in disgrace, failure and anxiety, and have undergone the phase of “western learning for practical application while Chinese learning as basis”, the failure of constitutional monarchy practice, the bankruptcy of western capitalist politics and the major frustrations of world socialist movement in early 1990s, but finally harvest Chinese revolution success, national independence and liberation, especially combine scientific socialist theoretical logic with Chinese social development history logic together and find out a Chinese socialism modernization path – a path of socialism with Chinese characteristics. After the reform and opening up in recent 30 years, China’s socialism market economy has got rapid development; economic, political, cultural and social construction have made tremendous achievements; comprehensive national

strength, cultural soft strength and international influence have substantially improved; the socialism with Chinese characteristics has made huge success; although not perfect, the institutional systems are generally established. China, a dream catcher for last century, is rising among the world nationalities with more confidence in unswerving path, theory and institution.

Meanwhile, we should be aware that the long-developed perception and the cultural mental habit of learning from the West constrain Chinese from showing “historical China” and “contemporary real China” to the world, although China has risen to be one of the current world powers. Western people and nationalities, influenced by the habitual history pattern that “China is comparatively weaker than western countries”, rooted in Chinese and western cultural exchange, have little knowledge of China’s history and contemporary development, let alone China’s development path, as well as cognition and understanding of philosophical issues such as scientificity and effectiveness of “China theory” and “China institution” on China, and their unique values and contributions to human civilization. The omission of “self-recognition display” leaves much room for malicious politicians to wide spread “China collapse”, “China threat” and “China national capitalism”.

During the development process of “crossing a river by feeling the way over the stones”, we concentrate more energy on learning from the West and understanding the world, and get used to recognize ourselves by western experience and words, but ignore “self-recognition” and “being understood”. We blend ourselves into the world more forgiving and friendly, but are not objectively or actually understood. Hence, just and responsible academic and cultural researchers should undertake the important assumptions to summarize **DAO** of successful socialism with Chinese characteristics, narrate China stories, illustrate China experience, use international expressions, tell the world the real China, and let the world acknowledge that western modern pattern is not the end of human history and the socialism with Chinese characteristics is also a valuable treasure of human thoughts.

Chinese Academy of Social Sciences organizes leading experts and scholars and some outside experts to write series of *China Insights*. These books introduce and summarize China path, China theories and China institutions, and contain objective description and interpretation to modern development in aspects of political system, human right, law governance, economic system, economics, finance, social administration, social security, population policy, value, religious faith, nationality policy, rural issue, urbanization, industrialization, ecology and ancient civilization, literature and art.

These published books are expected to let Chinese readers have better understanding of China’s modernization process in the last century, and more rational concepts on current troubles; intensify the overall reform and national confidence; agglomerate consensus and strength for reform and development; improve foreign readers’ understanding of China and create more favorable international environment for China’s development.

Beijing, China
January 9, 2014

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Introduction: Social Governance Being a Major Task in China's Development

After the global financial crisis, despite some uncertainties in the economic situation, the reform in China has, in fact, developed into a new growth phase. Therefore, it is a major task that China faces in this new stage to accelerate the pace of social governance, which will provide a new power source to the sustained and healthy development of the national economy and help to establish a broad social infrastructure for the social harmony and the long-lasting political stability.

The Proposed Social Governance Issues

The concepts of social development and social governance were created after the Reform and Opening Up of the Chinese economy to improve the theoretical system of socialism as well as social development practice.

However, it does not mean that there had been no actual social governance before the concept's formation. The word "society," in the past, was more often referred to as a combination of economy, politics, and culture. As Chairman Mao Zedong mentioned in his treatise *On New Democracy*, it is the new democratic society where the three aspects in New Democracy coordinate with one another that we are going to build. All work concerning the social governance is, as a matter of fact, incorporated in the construction of the economy, politics, and culture, hence no separated work.

Since the Reform and Opening Up in 1978, the government has changed its focus from "the class struggle" to "the economic development," which became a popular word, and remarkable achievements have been made in the field of economy. The Chinese economy is experiencing the fastest growth today, and practical demand for a more harmonious development of economy and society has increased. In December of 1982, after finishing the fifth "Five-Year Plan of National Economy," which was renamed as the "Five-Year Plan of National Economy and Social Development," "Social Development" was added in it. The plan disposed not only economic but also social development. Since the sixth "Five-Year Plan" (1981–1985) to the twelfth (2011–2015), the social development in China has been gradually

enriched including issues concerning the population, employment, social security, income distribution, health, science and technology and education, eco-environment, democracy and rule of law, social governance, and spiritual civilization. These issues all became relevant to the “social development” in comparison with those belonging to the “economic construction,” which led to the coordination of the economic and social development. During this process, China made various specific strategic plans for major social development issues, which helped deepen the understanding of the coordination between economic and social development.

Entering the twenty-first century, the Chinese government has set up the goal of building a well-off society in an all-round way, pointing out that the goal was to “further develop the economy, improve the democracy, promote the science and education, enrich the culture, build a more harmonious society and improve the people’s livelihood” by 2020. The goal in the social aspect is to “build a more harmonious society.” The resolution of the fourth Plenary Session of the sixteenth Party Central Committee of the Communist Party of China (CPC) designed the crucial strategic plan of “building a harmonious socialist society” and the concept of “social construction.” On February 19, 2005, Chairman Hu Jintao delivered an important speech on building a harmonious socialist society on the seminar for provincial- and ministerial-level leaders in the Party School of the Central Committee of CPC. He explained the original thoughts for constructing socialist harmonious society, practical implications, basic requirements, and strategic plans. He also schematized the grand plan of constructing the socialism with Chinese characteristics, requiring that the social construction to be included in the original integration of economic, political, and cultural construction. In 2006, the *Resolution on Several Great Issues of Building Harmonious Society* was released at the sixth Plenary Session of the sixteenth CPC Central Committee. In 2007, the report of the seventeenth National Congress, for the first time, explained the “social construction” in a separate chapter of the report entitled “Accelerating Social Development with the Focus on Improving People’s Livelihood.” The term “social construction” became an important aspect in building the socialism with Chinese characteristics. In 2012, the Report of the eighteenth National Congress assigned the task of building a well-off society in six aspects, including employment, education, people’s lives, social security, health care, and social management. In 2013, the third Plenary Session of the eighteenth CPC Central Committee indicated to propel reforms and innovation of social sectors and social governance system. Innovation in the social governance system should be made with a focus on the fundamental interests of the general public. Harmonious factors should be promoted to the maximum extent, as well as the vitality of the social development and social governance level. The national security should be maintained in order to ensure that the people are content with their lives and jobs and the society is tranquil and orderly. It is also necessary to improve the methods for carrying out the social governance, to stimulate the vitality of social organizations, to reform the system which effectively prevents and reconciles social conflicts, and to improve the public security system.

In summary, the proposed concept “social governance” and the initial formation of the “social governance” system symbolized China’s in-depth understanding

about the social development patterns and as well enriched the theoretical system of the socialism with Chinese characteristics.

China Entering a New Stage of Social Development

Since the Reform and Opening Up and development over 30 years in the past, Chinese society has undergone tremendous changes, especially in the economic system, in the structure of the society, in the distribution of profits, and in people's ideas. China's economic and social development has entered a new phase due to these factors. Therefore, promotion of the social governance is the necessary choice for meeting the needs of socioeconomic development in its new stage.

The Changes in the Economic System Have Affected the Way to Organize Social Life

Among all the changes in the Chinese society, the most fundamental one involved reform of economic system and transition in social structure. There are two significant features in the changes of the economic system: the marketization of the economic functioning mechanism and the diversification in the types of ownership. The formation of these two features has their far-reaching social impact. Marketization levels in China were estimated at different rates in academia, varying from 50–60 % to 70–80 % according to different scholars. In any case, the estimate with over 80 % on the marketization of employment in China was accurate in practice. In terms of the changes in the ownerships; the scale of non-state-owned enterprises has surpassed that of the state-owned ones. According to the data of the second national economic census, released by National Bureau of Statistics (NBS) in 2008, the state capital accounted for 33.4 % of all the paid-in capital of the enterprises in China, while the collective capital with 3.0 %; the corporate capital with 25.5 %; the private capital with 22.9 %; the capital from Hong Kong, Macao, and Taiwan with 6.1 %; and foreign capital with 9.1 %. In terms of the components of Chinese Gross Domestic Product (GDP), the nonpublic economy (including individual economy) share exceeded 60 %. These changes have disintegrated the “unit system” formed in the planned economy era and have transformed the “unit people” into “social people” during the market economy era. According to a rough estimate, there are more than 70 % of the employees outside the “unit system” at present. This indicates that the social functions being performed by the government in the planned economy era are now shared by both the government and the society.

The Changes in the Social Structure and Those in the Profits Distribution Have Affected the Social System

There are four major changes in the social structure and the distribution of interests, which have profound and long-lasting influence on China's social system.

1. The changes in the urban–rural structure

Since the Reform and Opening Up, more than 200 million Chinese farmers have left their farms, even their villages, and became workers engaging in the secondary and tertiary industries. The percentage of agricultural labors in total employed population dropped from 70.5 % in 1978 to around 38 % in 2010, representing the world's largest urbanization process. This ongoing urbanizing process posits a big challenge for the social development in the future, in which transitioning farmers can adapt city life in terms of social system. Urbanization puts new pressure on China's development although it is also a new driving force in succession to the industrialization.

2. The changes in the income distribution

Through 30 years of the Reform and Opening Up, China has transformed from a nation with high degree of income equality to the one with relatively wide income gap in the world. The Gini coefficient, which is often used to measure the degree of equalization on income distribution, in China rose from about 0.2 in the beginning of the reform to about 0.5 now. The widening gap in income, unequal distribution, and relevant corruption led to a number of social problems. It became a major task to adjust the income distribution to a fair and reasonable one in order to establish an effective competition mechanism, to boost the economy by enhancing domestic consumption, and to maintain the social harmony and stability.

3. The changes in the population structure and the family structure

The strict policy of controlling the population growth has transformed China's population reproduction mode from one with high fertility, low mortality, and high increase rate to another with low birth and death rates and low increase rate. While the massive reduction in net population growth benefits the economic development and a general improvement in the people's living standard, it also accelerates the aging process. In 2008, the percentage of people aged 65 or older in China was 8.3 %, and in some large cities (i.e. Shanghai), it exceeded 20 %. The urban and rural family structure has also undergone fundamental changes: the traditional pyramidal form of the family structure in China has changed into a reverse-pyramid-shaped one, which has led to reduced impact of the traditional intergenerational care system in urban areas in China. It is thus urgent to establish a basic old-age insurance system benefiting both the urban and rural areas. The cost of the old-age security will put pressure on national finance, extending length of services to relieve financial pressure is conflicting to the employing demand, and it is also unsustainable to rely on the land subsidy.

Transformation of Development Mode Due to the Changes in the Supporting Factors for Economic Growth

After development of over 30 years, the political, economic, and social factors that support the rapid growth of China's economy have been greatly changed, which push for the changes of development modes in China.

1. The changes in the impetus behind reform

The reform in the economic system, which inspired the vitality of the society, has been an important driving force for China's rapid economic growth over the past 30 years. With the establishment of the socialistic market economy, the reforms in the economic sectors mainly focus on the improvement of the system. However, it is difficult to reach a consensus which benefits all as the reforms compromise the vested interests. Therefore, in order to deepen the reforms, it is necessary to expand them from the economic sectors to the social sectors. It is also necessary to encourage different parties of the society to provide new power for the development by sharing their fruits of development and providing new opportunities for development.

2. The changes in the supply and demand of workforce

The so-called demographic dividend is a favorable population condition for the economic development as a result of the relatively large percentage of working-age population and the relatively high ratio of workers to dependents. It is estimated that over the past 30 years, the "demographic dividend" has contributed to about 27 % of China's economic growth. As the demographic structure changed, the ratio of the working-age population kept declining and its growing rate declined. Thus, a negative growth is expected to occur between 2015 and 2020. In the future, China will meet a "shortage of migrant workers" more frequently while the unemployment rate remains high. Accompanied with the changes in the supply and demand of workforce and the fact that the new generation of migrant workers form the majority of the workforce, the migrant workers will soon have more requirements and expectations on their wages and labor rights. The topics on how to improve the technological state of the products so as to offset the increasing labor cost and how to establish harmonious industrial relations will become important to the social development.

3. The changes in the major factors driving economic growth

Among the three factors (investment, export, and domestic consumption) that promote economic growth, investment and export have played more and more important roles in the past 30 years, while the domestic consumption power has played a weaker role. The impact of the global financial crisis in 2008 and the generally strengthening protectionism in international trade in consequence clearly showed that the development pattern of big investment, big exports, and fast growth was unsustainable in the long run; we must take measures to expand domestic consumption, ensuring it will be the major factor that promotes economic growth.

4. The changes in the resource, energy, and environmental conditions

For the past 30 years, economic growth has been mostly relying on the high consumption of resources, energy, and environment. While the rapid exploitation and utilization of land, minerals, and energy and water resources promoted the economic growth, it also restrained the sustainable growth in the future and led to various social conflicts. Grim warnings are those repetitive outbreaks of large-scale mass incidents related to land and environmental issues in the past 2 years. The stricter limits on carbon emission set by the international community and the increasing shortage in resources (such as water) are now forcing us to change the development pattern.

All these cases show that for China's sustainable economic development, it is necessary to change the development pattern and create new driving force for economic growth.

China's Economic and Social Development Entered the New Growth Phase

The most outstanding connotation of the "new growth phase" is that the new driving force will change significantly compared with that in the past, which means it will depend more on the changes in the development pattern, the acceleration of urbanization, the expansion of domestic consumption, and the implementation of a comprehensive social reform.

1. The process of industrialization and urbanization entered the new growth phase of mid-term acceleration

According to international standards, a period of great transition in socioeconomic structure occurs when the percentage of added value in GDP in the agricultural sector is below 5 %, the percentage of agricultural workforce is below 30 %, and the degree of urbanization is over 50 %. In terms of the GDP composition in China, the ratio of agricultural added value in the agricultural sector was below 10 % in 2010 and is expected to be less than 6 % in 2015; when it comes to the employment structure, the percentage of agricultural workforce was below 38 % in 2010 and is expected to be 33 % in 2015. In terms of the composition of urban-rural population, the percentage of urban resident population was around 48 % in 2010, while in 2012 it is expected to be over 50 %, which is the critical point for a structural transformation, and is expected to be up to 53 % in 2015. These statistics indicate that the process of industrialization and urbanization in China has entered the phase of mid-term acceleration. Urbanization, in succession to the industrialization, became the driving force during China's development.

2. People's lives entered the new growth phase of mass consumption

China had spent more than 20 years (1978–2000) in increasing its per capita GDP from less than \$ 300 to more than \$800. However, since 2003 when the per capita GDP exceeded \$1000, China's per capita output and income have experienced exponential growth (it was over \$2000 in 2006, over \$3000 in 2008, and over \$6000 in 2012), and the residents' consumption mode will be upgraded frequently. Some large household consumption types, including those of housing and automobiles, became common in reality; consumers' spending in education, health care, communications, tourism, culture, and others rose quickly. These characteristics imply that China has generally entered a new growth phase of mass consumption. If the actual consumption level can rise correspondingly, the domestic consumers' demand will play an increasingly important role in promoting economic development.

3. The national education entered the new growth phase of mass education

China has established a universal 9-year compulsory education system, and a rapid development of vocational education and professional degree education. The gross rate of the higher education enrollment in 2009 reached around 24 %, entering a popularization phase. The overall quality of citizens has significantly increased: the illiteracy rate among people aged 15 and older dropped from 22.81 % in 1982 to 7.77 % in 2008. In general, China is now shifting from a country with rich human resources and large population to a country with a large number of competent workforces. Followed by a strong growth in consumption of education, the new growth phase of mass education has come and is rarely affected by the financial crisis.

4. The social security in the new growth phase of national safety net

In recent years, the social security system has been rapidly developing: the system of minimum living security has been quickly established in both urban and rural areas; a new universal health care system has been established with a focus on the medical insurance for urban workforce and that for urban residents and the new rural cooperative medical care; the pension system benefiting both rural and urban residents has been established as well. It is expected that by 2020, a social security system will be set up with three pillars: the old-age pension system, the basic medical insurance, and the minimum living security system. The national safety net will play a key role in protecting citizens' lives, stabilizing future consumption expectations, and improving current consumption ability.

5. The new phase of social reform starting from economic reform

Since the past 30 years, the reforms in system and mechanism in China have been focusing on the economic system. Compared with the reforms in other areas, the economic reform is the most comprehensive one. It released enormous power of the market and has significantly promoted the economic development. Although the socialist market economy has been established, the huge economic and social changes still require further reforms in China's system and mechanism and need a transition from economic reform to a comprehensive one. The crucial task is to conduct a social reform covering the areas of employment, income distribution,

social security, urban–rural social construction, and social governance, operation of public institutions, community organizations, and social organizations.

In the “new growth phase,” it became important tasks for the economic and social development to deepen the reforms in the social system by accelerating the urbanization, developing the social undertakings, expanding the public services, and improving the social security system.

In summary, the new concept and method of “social governance” and “social construction” were proposed to meet the requirements of the new phase, to solve the new great challenges in China’s development, to seize development opportunities in the new growth stage, and to seek a new impetus and a new prospect for development.

Key Areas of Social Governance

From a macro point of view, the work of social governance should be divided into three aspects: the basic livelihood construction, the social undertaking construction, and the social security construction. They are the key areas of the social governance and constitute a relatively comprehensive system.

The Construction of Basic Livelihood

Setting up basic livelihood construction as one of the major areas of social governance is determined by the goal of the social governance. The construction of basic livelihood touches upon several important areas, including those of employment, income distribution, and social security. Their development is related to people’s livelihood, social equity, and justice and is a symbol for the level of civilization in the city.

Now, the issues concerning the employment in China include those about employment of the incoming workforce in urban areas, transfer of the rural surplus workforce and reemployment of the unemployed ones, improvement of the workforce quality, adjustment and upgrade of the employment structure, and establishment of a national labor market. Addressing these issues will not only help realize the citizens’ right to seek for employment, but also ensure a healthy and sustainable economic development. In recent years, China has made tremendous efforts in promoting employment, but the unemployment rate of the total labor force remains high. Therefore, the first step is to solve the problem of unemployment. Considering the urgent need to adjust China’s economic structure, strengthening the workforce training and improving the labor quality become the next steps. Admittedly, the quality of the Chinese labor force is improved in terms of their education level. According to the statistics in 2007, the average schooling years of the working-age population ranging 15–64 in China is 8.90, being equivalent to the education level

of a junior high graduate. However, it was not sufficient enough according to the demand of the economic development and structural readjustment. Judging from the international experience, we notice that as long as a country's economic development reaches the medium level, its average national education level correspondingly proceeds into senior high education from junior high education while promoting higher education on a mass level. In addition to the development of the national citizens' education for raising the quality of the future workforce, another key job is to strengthen the training and improve the quality of the reserved labor. However, insufficient investment is the bottleneck in the current national labor training. According to the statistics of OECD in 2003, among its 26 member countries, 16 had over 1 % of their own GDPs invested in the public sectors concerning employment; even the percentage of the United States reached 0.68 %, and that of China was only 0.23 % in 2007. The third major task is to further reform the management of population migration; to eliminate all the left-behind institutional barriers from the planned economy, which restricted the normal flow of workforce and violated the basic social rights of migrant labors; and to improve the unified labor market across the country.

The widening gap among classes of is one key issue in income distribution in China, and it has been widely recognized in the society. In order to narrow the gap, China has done a lot of work in recent years, such as adopting the strategy of poverty reduction, implementing the strategy of developing the western region of China, increasing the minimum wage multiple times, abolishing agricultural taxes, increasing personal income tax threshold, and raising transfer payments for farmers and poor households in urban and rural areas. However, these measures failed to turn out remarkable results in reducing income inequality, and the trend of widening inequality has not been fundamentally reversed. The problems of uneven primary distribution have become even more serious in China. After a reflection over this worsening situation and a reference to the experience of the countries whose inequality levels of income distribution are relatively low, three important mechanisms are required to mutually function to regulate the income distribution. First is the economic mechanism, namely, economic growth and structural readjustment. As economic growth enlarges the "cake (i.e., social wealth)," which is available for allocation, the economic restructure leads to changes in the structure of employment and occupation. As a result, the size of middle class will expand and the share of property incomes will reduce in the total national income and finally will help narrow the income gap. The second one is the national redistribution mechanism, mainly including the taxes and various transfer payments. The experience of many countries showed that a good national redistribution mechanism has an obvious effect on narrowing the income gap. The third one is the social mechanism. Most of all, all relevant social interest groups participate in deciding the income distribution, such as developing trade union movements as well as establishing and operating the collective negotiation system of salary. Therefore, in order to accomplish the important mission of regulating the income distribution and narrowing the income gap, the first task, at this stage, of the social governance in China is to establish these three mechanisms and to ensure that they are functioning normally, reasonably, and

effectively. Of course, China's current way of income distribution is going through a transition period, especially suffering irregularity in distribution. Large scale of gray or even illegal incomes as well as the unreasonably high incomes in some monopoly industries have not only exacerbated the income inequality, but also posed a negative impact on social mindset of the public. Therefore, standardizing income distribution is also an important task in China's social governance.

Social security in China is quite comprehensive in terms of the types, but some problems remain in the system. For example, it still does not benefit all and remains to be an undeveloped system with programs that were on uneven levels, broken, or "fractionalized." It should also be noticed that in the implementation of the transfer payments, China's current social security system has, to some degree, a reversed regulation effect on the income distribution. In view of this, there are four aspects in the next step in building the social security system in China: the first aspect is to continue to expand its coverage, the second is to keep improving the level of social security in accordance with that of the economic development, the third is to gradually construct a relatively unified urban-rural security system, and the fourth is to provide social security more fairly and impartially and to resolve its current counter-effect issue. In addition, the issue of housing recently has become a social problem with strong social reaction. Superficially, the high cost of housing is unaffordable to buyers, but the real cause underneath is the lack of reasonable planning and management about the affordable housing and the real estate market supply. Therefore, it is where the reform of the housing policy could break through from so as to promote a healthy growth in the real estate industry.

The Construction of General Social Undertakings

The general social undertakings include those concerning education, science and technology, health care, and culture. In modern society, the development of these social undertakings can produce strong external benefits. All the undertakings are public goods or quasi-public goods, which can improve the national basic quality, strengthen national innovation capability, and enhance national soft power; they are also the foundation of the economic and social modernization. In different fields of social undertakings, the modes of employed social governance are as well different. As the development of education and health service determines the opportunity structure of a society, it requires more emphasis on equality. When it comes to science and technology and culture, their development is managed by both the foundational sector and the operational sector. The foundational sector requires more investment from countries, while the operational one grows through market development. Now we are going to discuss more about education development.

Objectively speaking, China has paid great attention to education development. In 1993, the Central Committee of the CPC and the State Council promulgated the first *Outline of Chinese Education Reformation and Development* (the third issue of CPC documents, 1993); in the June of 2010, the Political Bureau of the Central

Committee of the CPC held a meeting, reviewing and adopting the “National Mid and Long-term Reform and Development Plan (2010–2020),” which strategically planned and deployed the development of China’s education in the next decade. It is the critical point in the next decade to transform China from a country with rich human resources into the one with greater human resources.

The Construction of Social Harmony and Social Safety

A good social order and the secured social safety are basic social conditions to economic and social development. While China now lies in a period of rapidly developing economy as well as a period of frequent social conflicts, various social risks might trigger social safety problems and influence social orders in China. At present, the social problems which impact China’s social safety and stability can be roughly divided into three types. The first type includes various criminal offenses. Statistics have shown that from 1978 to 2008, the number of criminal cases of first instance in court increased from 147,000 to 768,000 throughout the country, with an average annual growth rate of 8.59 %, and the number of first-instance criminal cases increased from 1.53 to 5.78 among every 10,000 people. Particularly, the number of such cases has been increasing for 11 consecutive years since 1997. The second type includes different man-made disasters associated with production and life safety. In recent years, various serious accidents associated with production safety (especially mine disasters), poor food and drug quality, and the environmental pollution continue to occur and further result in a huge loss of lives and property as well as the social confidence. Safety issues resulted from environmental pollution have been accumulated for 20–30 years with high occurrence rates, and they cannot be ignored. The third category includes interest conflicts of all types that are deeply embedded in the social structure during the transition period.

The first commonly seen type of social safety issues can be controlled by the strengthened police force, while more fundamental solutions are needed for the other two types. The main reasons for these problems and conflicts lie in the violations of some stakeholders in pursuit of profits during the transition period and also in the consequent imbalances and conflicts of interests between different groups. Therefore, in order to fundamentally change this unstable situation, China has to solve those deep-rooted problems that are caused by the major social safety issues and to get rid of the vicious circle in which the government strengthens “stabilizing” work, while the social situation becomes more unstable. The construction of social safety is an important component of social governance and also an integrated and complex systematic project involving political, economic, and cultural constructions. In addition to the daily “stabilizing” work, constructing social safety system from the perspectives of reform and institutional innovation can be more important. On one hand, more standardized supplies are expected to make up the breakage of the norm system during the transition period and to eliminate possibilities with which one could seek profits in shady deals by taking advantage of the breakage. On

the other hand, the unified binding force restricting social norms is expected to be strengthened in order to resolve social misconduct due to the absence of standards, especially to eliminate alternative standards or the hidden rules that replace explicit rules. By cutting off the connection between social misconduct and forcefully obtained interests, the underlying causes of the abnormal social conflicts caused by the imbalance between different social interest groups should be eliminated. Meanwhile integration of social norms is also expected to be strengthened. It is supposed to establish a reasonable and effective mechanism for social psychological counseling in order to reduce effects, in which social problems and conflicts are intensified by various negative social emotions and attitude.

The Resource Support for Social Governance

Social governance is a huge systematic project requiring investment of large amount of resource. The investment is not purely resource consumption, but a type of productive input. On the other side, its output includes the growth of common welfare, the optimization of social restructuring process, and a new motivational source for sustained and healthy development of economy and society. After 30 years of development, China is now equipped with qualifications in meeting investment demands of resources for social governance. Of course, the resources required in social governance are not merely material ones, but also a large amount of human and organizational resources.

Financial Resources: The Material Guarantee for Social Governance

According to the international experience, the mobilization of financial resources involves two aspects: the national public resources and the social resources. Investment of the national public resources is the most important financial guarantee for social governance. Since the Reform and Opening Up, the Chinese government has invested more public resources in the field of social development. For example, the percentage of social culture and education expenses in China's total financial expenditure increased from 13.1 % in 1978 to 26.8 % in 2006. However, with regard to the demand of social governance, the investment of public resources in China was still insufficient. According to statistics from the Organization for Economic Co-operation and Development (OECD) in 2005, the total net expenditure of public fiscal systems given by 26 of its members accounted for 25.5 % in average of the gross national income (GNI); only the percentages of Korea and that of Mexico were less than 10 %, while those of the remaining 24 countries were all more than 20 %, in which France held the highest percentage of 35.3 % among all

countries. According to the data from "China Statistical Yearbook 2009," about four types among various types of public financial expenditure obviously belonged to the social spending, namely, those on education, social security and employment, health care, and urban and rural community affairs. These four types totally contributed 2.27777 trillion Yuan in 2008, accounting for 36.4 % of the total financial expenditure and being equivalent to 7.5 % of the GNI of that year. But the percentage was still below the 9.5 % of Korea's in 2005. In accordance with the need for social governance and the principle of avoiding social governance investment that would cause excessive pressure on national economy, China should consider gradually increasing the percentage of its net social spending in the GNI to 12 % in the next 5 years, and this requires further restructure of public expenditure. Thus, in the next 5 years, China should also consider to increase the percentage of its social spending in public expenditure to about 60 % while controlling the shares of expenditures in the economic development, administration, and other expenses at about 15 %. This structure will help invest more public financial resources into social governance according to the international level. For instance, among all the spending of federal, state, and local governments in the USA in 2005, the percentage of the economic spending was 8.4 %, government spending 6.5 %, social spending 58.9 %, national defense spending 10.2 %, and others 16.0 %.

There are three major sources of the social resource. The first source is the social governance investment inside various institutions. For example, the input of social responsibility as a part of the social responsibilities is provided by modern enterprises. The second is obtained from various private nonprofit organizations, which can sustain and develop themselves by providing nonprofit paid service. The third is the social donation, including charity donations. According to OECD statistics of its 26 member countries, the total nonpublic investment to society accounted for 3.8 % in the gross national income on average in 2008, and the net investment accounts for 2.9 %. In present China, its social resources investment in social governance is still relatively limited. For example, according to the statistics in China, the total charity donation amount was 50.9 billion Yuan in 2009, corresponding to 0.17 % of the GDP or 0.75 % of the total national fiscal revenue in that year, while the donation amount reached \$300 trillion in 2008 in the USA, accounting for about 2 % of its GDP or 10 % of its total fiscal revenue. In order to improve the social governance in China, it is urgent to study how to better mobilize the social resources into social governance, which specifically indicates that we should study how to carry out reforms and innovation in the system, so as to promote the input of social responsibility inside enterprises and other institutions, and how to develop civil organizations and foster channels for social donation, so as to provide sources of social donation to the society.

Human Resources: The Active Force in Social Governance

From the perspective of social governance, human resource is composed of professional and volunteer human resources. Professional human resources include teams of full-time staff from relevant departments of the government, social service agencies, community organizations, and civil organizations. In current China, more than 40 million people of the professional human resources serving in social governance are composed of the mass groups supported by public finance and the staff in relevant governmental agencies, public institutions, intermediary organizations, grassroots community organizations in both urban and rural areas, and civil organizations. It can be said that they are the basic human resource for social governance in China. However, considering the needs of modern social governance, the number of specialized personnel in the true sense is still not enough, and the key is to speed up the training of professional social workers.

Voluntary human resources include the mass volunteers. A great development of volunteerism in China has been promoted in recent years, and the number of volunteers has been growing fast. According to the statistics till 2009, the total number of registered volunteers is 30.47 million in China. From the international experience, the volunteer team is an important power for social cohesion. However, compared with many countries in the world, the development of volunteerism and volunteer teams of China relatively lags behind. Therefore, it is necessary to improve the volunteerism and accelerate the development of volunteers in accordance with the need of the times.

Organization Resources: The Integration Foundation and Effective Security of Social Governance

Social governance calls for organizational support and integration. Various existing organizations, including party and governmental institutions, enterprises and public institutions, grassroots community organizations, mass organizations, and civil organizations, are all organizational resources for social governance. However, their roles in social governance are different due to their different goals. Therefore, the government needs to set up a specialized social governance sector in order to better plan and coordinate its work in social governance. When it comes to enterprises, their organization function is to operate the economic resources in a market-oriented way with the aim at gaining profits. In general, they can participate in social governance in the light of their social responsibilities. Generally, various kinds of public institutions of culture and education sectors as well as those of medical care and health sectors are directly related to general social governance. Although being the significant organization resources, they still need to transform in accordance with the concepts and targets of social governance. Most of their transformation must be ensured so that the public interest and provide public services can be served with

increasingly high quality. In addition, by directly serving the masses, the grassroots community organizations can mobilize the masses to participate in organizations and provide the critical organization resources of grassroots community for social governance. With the main organizational functions, the official society organizations and civil organizations are the important platforms for social governance. All of them can be called as social organizations. Together with the public institutions of culture and education sectors and those of medical and health sectors, they form the third collective major sector which has the Chinese characteristics.

The official social organizations always function as a bridge or a connection among the party, the government, and the people. In the process of social transformation, such organizations are also faced with the transition phase, in which they should better provide services for relevant social groups. After a reasonable and moderate transformation of functions, the official and semiofficial communities will become vital organization resources for China's social governance according to the statistical analysis. The communities and organizations come from the Women's Federation, the trade union, the Association for Science and Technology, the Red Cross, the Humane Society, the Federation of TSU (Taiwan Solidarity Union), the Chamber of Commerce, the individual association office and the industry association, as well as their grassroots organizations. The total number of these organizations is nearly 1.6 million.

The development of civil organizations is also of great importance in social governance. Since the Reform and Opening Up, with the economic marketization and restructure of government administration, tremendous changes has taken place in the way of organizing social life in China; thus, "unit people" in the planned economy era have transformed into "social" ones, and reorganization of the society is required. In addition to urban and rural community organizations, the civil organization becomes a major alternative media to organize the society. According to the Civil Affairs Department, China has got more than 400 thousand registered civil organizations by 2009, 30 organizations in every 100 thousand people, more than 70 times as that in 1988 (0.4 organizations per a million people). But now the density of civil organizations in China is still low, which is not comparable with that in some deeper-developed countries. For example, according to statistics, in 2001 the United States had more than 1.6 million private nonprofit organizations, about 670 in every 100 thousand people, and in 2005, India had about 1.2 million private nonprofit organizations, about 110 for per 100 thousand people; Canada had 80 thousand registered non-governmental organizations, about 250 for per 100 thousand people; in 2007, Britain had 500 thousand to 700 thousand private organizations, about 830–1160 in every 100 thousand people. For various reasons, there are a number of nonprofit organizations registered in the business sector in China; besides, it is estimated that millions of unregistered grassroots organizations now exist in China. If these organizations can obtain the legal status of civil organizations, the density of them will have a substantial increase; thus, in the next 5–10 years the density will surely reach 100 per 100 thousand people.

The Systems and Mechanisms in Social Governance

In line with the rules and requirements of social governance, the sustainable development provides a stable foundation to accelerate the reform pace and to build relevant mechanisms and systems, which can be divided into three aspects in general:

The first aspect is the basic legal system. The Constitution, relevant laws, and regulations should be improved to form a modern civil right system, which functions as the basis for and the objective of the legal and institutional system and as the criterion for its efficiency. The civil right system in modern society consists of three types: the first is civil right, the fundamental personal right and property right for individuals; the second is political right, the right of equal political participation; and the third is social right, which is composed of the rights to get economic benefits, social security, and a standard civilized life. While all these three types of rights are reinforced in China's current Constitution and laws, they still need to be integrated, and laws concerning citizens' right of equality ought to be more explicit, especially those about the property right and equal right to political participation of the agricultural class. The goal of these laws is to eliminate the inequality of rights between urban and rural residents within the traditional dual social structure.

The second aspect is the social legislation system that directly regulates the practice of social governance. From the perspective of legal principle, social legislation refers to all legislation relevant to social governance, including those on employment and training, anti-poverty, family allowance, housing, education, medical and health service, social security, social organization, charity, and social responsibilities of enterprises. At present, two main problems of China's social legislation remain unsolved. The first is that the legislation in different fields is not integrated well yet, and each is still far from the basic requirement of justice. Therefore, it is necessary to arrange, integrate, and improve the existing laws, regulations, and policies and to enhance the equity and justice. The second problem is that there are only norms in forms of regulations, outlines, or policy schemes in some fields of social governance, including those income distribution, labor training, housing, medical and health service, social organization, and social responsibilities of enterprises. It is urgent to launch relevant national laws because the current norms cannot meet the need of developing China's social organizations and will even restrict their development. Fundamental laws on social organizations should be launched as soon as possible. Therefore, the private organizations will develop in accordance with the principle of pluralism, independence, and rule of law, and the management of basic concepts and regulations will be reexamined. The laws will also protect the civil right of associating free and foster reforms in the dual management system. Besides, they will help increase the number of civil organizations and improve their quality, ease the access limitation, and strengthen the management and supervision of the all processes.

The third aspect is the security system of social governance, whose goal is to protect the operation of social governance. Five specific systems under the security system need to be reformed urgently. They are the financial and taxation system, the

investment system, the personnel system, the appraisal system of government performance, and the social supervision system. In addition, the core of the reform in financial and taxation system is to provide tax support for groups involved in social governance except for the government, for instance, to give tax cut to the charitable donation from institutions or individuals or to the funds raised by social organizations. There are no institutionalized fiscal and taxation systems in China. Instead, specific ways of examination are used to offer tax preference to social organizations across the country. Only few civil organizations have the opportunity to enjoy the privilege, while many official or semiofficial ones are the beneficiaries. It will not help invest the social resources to social governance. The investment system refers to the way in which public resources, especially the fiscal budget, are invested to social governance. In general, the degree of the legalization in China's fiscal budget is not high. Some investments in social governance have not been included in the fiscal budget system yet; in particular, the financial support for civil organizations is far too weak. There are two key points in constructing the talent system. The first is to establish a system for the growth of the professionals in social governance (such as those specialized in social work). The other is to involve the employment, technical titles, and social security of the staff in social organizations, especially those private ones, in the national institutional system. It will ensure that the social organizations can attract and retain qualified people and inspire their enthusiasm. The CPC committees and the governments play a leading role in practicing social governance, and their efforts on it will have a large influence on its efficiency. Therefore, it is necessary to reform the performance-appraisal system of government, and it is critical to involve social governance in the system, so as to encourage the CPC committees and the governments to pay close attention to social governance.

On the basis of summarizing experiences of the other countries, there are four major mechanisms of social governance: (1) the social cooperation mechanism marked by broad social participation; (2) the mechanism to mobilize social resources, which is oriented by the investment in social governance; (3) the response mechanism of social demands, which gives priority to demands of the most needed and urgent in social governance; and (4) the mechanism of social competition and supervision with the goal of maximizing both cost and social efficiency of the resources allocation.

The Mechanism of Social Participation and Cooperation

The social cooperation marked by broad social participation provides the social governance with a vital socialized mechanism, which emphasizes cooperation rather than confrontation during the process of social governance, and encourages integration of different social resources instead of mutual competition. Logically, the mechanism of social cooperation includes three steps: the formation of partnership, the articulation of interests, and the equal negotiation.

Social governance entails not only the leading function performed by the governments and the state-owned enterprises but also the broad participation of non-state-owned enterprises, urban and rural communities, social organizations, and citizens. They provide a broader social foundation for social governance. Such social foundation is conditioned on the social participants' empowerment. The broad empowerment enables all these participants to share equal opportunities and sources and helps form a partnership in social governance. Socially, such kind of partnership, which requires more horizontal interaction than merely the vertical bureaucratic control, is essential to social resources mobilization and social solidarity and will stimulate all social participants to social governance. The vertical bureaucratic control, which has long dominated China's institutional system and political culture, however, must be reformed so as to create an environment suitable for a collaborative partnership.

According to the analysis of considerable social confrontations rooted in conflicts of interest, it is clear that inequality in profit distribution is merely one aspect of the overall problem. More seriously, the so-called venting angry behaviors are triggered by resentment toward society when an adequate, reasonable, and fair interests-related articulation mechanism was not sufficiently available to different groups of interests and when vulnerable groups lack access to suitable opportunities and sources of interests-related articulation or their appeals expressed are not heeded or responded acceptably. Therefore, a legal and valid mechanism of interests-related articulation, heed, and response is critical to reducing and solving conflicts of interest and to promoting social cooperation. Within the mechanism, the most important job is to socialize and systematize the expression through appropriate policy arrangement and consequently achieve a rational and orderly way of social interests-related articulation.

Next, another mechanism of democratic negotiation ensures that the interests-related appeals expressed are satisfied adequately. It is becoming a more important social mechanism to promote social solidarity and collaboration. In order to reach an agreement on certain solutions, the mechanism focuses on equal rights shared by different participants and improves dialogue and understanding between each other through consultations. The possible conflict of interests will be expressed rather than suppressed in consultations and then will be understood or even solved under compromises. Also, while such solutions are reached by equal and spontaneous consultation rather than coercion, they are more socially legitimate. It means no external factors, for example, the government, can be blamed once the solution does not work out. More generally, such mechanism is to address more public affairs in social lives than to coordinate the relationships between different interest groups. It is a new democratic system and mechanism and is more widely applicable, especially to the democratic process of local society, compared with the typical democracy of representative system in the West. This democratic negotiation mechanism based on the equal rights of participants proves to be quite effective according to the local practices in several parts of China.

The Mechanism of Resource Mobilization

The resources needed for social governance mainly come from the national public resource and various social resources. Additionally, another two types of resources are financial aid in developed countries given by the government to foreign development and resources provided by international non-governmental organizations overseas. These resources can also be used in social governance. As China continues its economic and social development, developed countries successively cut down or even canceled their financial aid to China. When it comes to the resources provided by international non-governmental organizations overseas, some are mainly undertaken by civil organizations in China, while others are unacceptable because they are provided by some organizations with particular political inclination. Therefore, overseas resources will not be the major source of resource needed in China's social governance although some domestic social organizations, especially those private ones, receive most of supportive resources from international non-governmental organizations. The resource for social governance in China should and must depend on the national public resources and the social resources inside the country.

Apart from the political leadership, the strategic planning, the regulation and social norm, and organizational implementation, the country of China shoulders many other responsibilities within social governance. Those being as important include providing public resources for social governance, organizing supervision and performance evaluation of its allocation, correcting deviation, and solving problems. When allocating available resources, the country needs to gradually increase the ratio of public investment in social governance to its total financial expenditure by providing a long-term growth mechanism in accordance with relative strategies and plans. It is expected that its ratio in China reaches 60 % in the next decade, and the government eventually provides a public investment mechanism with which national public resources mainly contribute to social governance.

Admittedly, social resources inside the country contribute to another major source of the resource required in China's social governance. The social resource, yet in terms of quantity, will not become the mainstream but an important complement to the national public resource, which is the case even in the countries where the culture of donation is well developed, such as the USA. However, the political and social values of social resource mobilization go beyond its quantitative value, which, in one way, strongly indicates that the social governance is a social participating activity. When it comes to the complex and diverse social resources, it generally includes three major types: the investment made by enterprises to fulfill their social responsibility, the charitable donation given by non-enterprises or individuals, and the initial investment made by institutions or individuals in order to create civil organizations especially private non-enterprises and foundations.

Among the enterprises' investment, a considerable amount will be used to meet the requirement of their own social responsibilities, including environment protec-

tion, production safety, and employee welfare. To standardize investment, a country is required to introduce relevant laws and regulations. The remaining part of the investment, as input to community development, is voluntary rather than compulsory. It is required to introduce a corresponding social mechanism that secures enterprises benefit from their community participation as they expected. Enterprises should be able to select suitable partners, either local self-organizing institutions or other active social organizations within the community. If they are forced to collaborate with a certain type of community organization, and if at the same time these organizations cannot earn the trust of the enterprises, they will surely lose initiative in community development participation. Additionally, to encourage its initiative, it is also necessary to design an encouraging institutional arrangement for assistance. Within this type of cooperation, tax advantage is the most important one to consider, followed by the right to know about resource flow and the motivation for reputation gains. In summary, voluntary participation, optional partnership, and institutional motivation are the main mobilization mechanisms for enterprises to fulfill their social responsibilities and participate in community development.

These mobilization mechanisms can also be applied to the active participation, social governance, and donation of non-enterprise institutions and individual citizens. The only difference is whether the mechanism of optional partnership converted into that of optional recipient of social donation. If the regulations only allow donors to give donation to specific recipients who are suspicious to be trusted, the donors may end up donating less or none, which has been a proven rule according to the world history of charity. The charity and donations in China are relatively falling behind due to its underdeveloped charity culture and improper mobilization mechanism. So far, the nation only entitles the donations to a few official social organizations, which turn in the donations to the government or authoritative department for reallocation. This regular practice restrains the society from its own development and the formation of a positive culture of donation.

Finally, apart from following the principle of free will and providing relevant encouraging regulations, reasonable requirements for market access set by the government are also essential to private organizations to be established, especially those private non-enterprise institutions. Although the government has so far realized the importance of reforming the social governance system and developing social organizations, it is still practicing the traditional logic with which government controls the society rather than encourage citizens and society together to grow. This has resulted in the fact that some civil organizations failed to register legitimately and otherwise had to be registered as in the business sector, which means they have to shoulder the responsibility as a for-profit organization, such as the pay duty, while carrying out nonprofit activities. This situation will also hinder the development of social organizations and thus become a disadvantage for mobilizing social resources.

The Response Mechanism of Demands

After the establishment of the public-investment-oriented mechanism that is mainly designed for social governance, social resources should be proportionately allocated in the following areas of social governance, including education and health, social security, job security, revenue assurance, housing security, social assistance, and construction of basic communities in urban and rural areas. Three principles are supposed to follow in the actual allocation of resources: the principle of impartiality and fairness, the principle of legalization, and the principle of demand response. The principle of impartiality and fairness requires the government to offer public services and products accessible to everyone and to narrow the quantitative and qualitative differences between individuals. Besides, the principle calls for impartial and fair public services and products apart from equal basic public services. The principle of legalization emphasizes the standardized and systemized investment in social governance resources, whose implementation requires relevant social legislation. This principle, on one hand, ensures that the social governance resources are legitimate and relatively stable and, on the other hand, prevents social governance from being embezzled or misused. Finally, the principle of demand response, a mechanical principle, is a prerequisite for the equality principles and legal regulations. This requires social governance resources to be invested in where social governance is needed the most and the most urgently rather than being allocated without differentiation toward any demand. It is obvious that instead of the strength of different stakeholders, the primary goal of social governance should be the yardstick to measure the significance of a certain requirement. Therefore, a scientific and democratic decision-making mechanism is needed when implementing the principle of demand response.

China has been through circuitous process learning about social development and allocation of resources for social governance. Before the Reform and Opening Up, the Chinese government dominated the social resource allocation in the context of planned economy. However, the government lacked access to adequate information about management and thus addressed all economic and social affairs by its administration, which led to the low efficiency or inefficiency as the outcome. After the Reform and Opening Up, China realized that the market mechanism was the most effective and essential tool for resource allocation in economical operation. It eventually established the socialist market economy, based on which the government focused its job more on macro-control, eliminating erratic elements for economic development, coordinating the relationship between reform, development, and stability, which ensured a rapid, stable, and sustained growth in economy. However, it was once believed that market economy also needed to be introduced into social development sectors such as those of health, education, and other nonprofit or welfare organizations. This will have a negative effect on realizing the social welfare function, and if the needs of people are not satisfied, there will be problems. We eventually realized that there are specific principles and power for allocating social resources in these sectors. That is to say, social governance is a

way of social development, where the resource allocation is based on specific social structures and in accordance with the interests of different social groups. Somehow, the mechanism of demand response is essential to a fair, reasonable, and effective way to allocate social governance resources.

The Mechanism of Social Competition and Supervision

From a macro perspective, social governance, which involves an enormous amount of resource input, should be carried out in accordance with the mechanism of demand response based on the principle of impartiality and fairness. From a micro perspective, there are two major problems when allocating the resources: (1) how to prevent the resource input from being embezzled or misused and (2) how to ensure their cost effect and social effect.

To maximize both the cost and social efficiency of social resource input, it is necessary to introduce an appropriate mechanism of resource allocation, where the competition mechanism is proved to be the most effective according to the international experience. Of course, the competition mechanism is different from the market mechanism, since its goal is to maximize both cost and social efficiency instead of economic profit as allocating the resources in social governance. Therefore, more should be done with the given resources to pursue efficient social development. Therefore, the restriction in budget of resource allocation and usage is not as "strict" as that in the market economy. In this sense, the competition mechanism, which aims at enhancing the efficiency of the allocation and the usage of social governance resources, can be named as the social competition mechanism. The typical pattern of competition mechanism is that the resource contributors select the most qualified resource consumers, such as social organizations, to purchase public service. The word "select" implies the situation that multiple resource consumers of the same type coexist, for example, many a social organization provides social service of the same type. When it comes to their "qualification," there are at least three concerns: (1) whether the scheme for resource use is rational or feasible, (2) whether the resource consumers are qualified and capable, and (3) whether they are credible. Though not being limitless, the social competition mechanism may still be adjusted to as many occasions as possible.

An authentic, effective, and comprehensive system supervising the allocation and usage of resources is necessary regardless of their types, public or social nature, or their ways to allocate and use. Social supervision is critical to preventing the resources from being embezzled or misused. Therefore, compared with the auditing and supervising departments of the government, an efficient social supervision system may be of more significance. The sources of social supervision include media, resource contributors, and an independent third party. In respect of media, it is necessary to promote the publishing system reform, adjusting the media structure, supporting private media, and regulating its behavior and management through legislation. In terms of resource contributors, any of them has the right to regulate

the use of the resources they contribute. As long as they make a request, the recipients have to provide them with the information of their resources that are in use and to respond to their questions. This should be confirmed by law and guaranteed by regulations. The audits from an independent third party function to address possible challenges regarding credibility of auditing inside organizations and auditing department of the government. It ensures that the auditors have no associated benefits from whom they audit and further to ensure an independent and impartial auditing process that brings unique advantages in preventing the resources from being embezzled or misused. Not to mention the significance in regulating social resources, the auditing from an independent third party also can be introduced into the supervision of public resources. Certainly, the independent third party itself should be supervised by the society.

The Policy System of Social Governance

The work practiced by social governance reflects on government's public social policy. According to the prevailing division approach, the government's public policy can be divided into economic policy, political policy, social policy, cultural policy, etc. The social policy can be further divided into policies concerning employment, welfare, income distribution, education, health care, environmental protection, etc. Thus, China has formed a rich social policy system when practicing social governance. The social governance in its short- and medium-term planning in China has gradually established relevant legislative system and institutional framework. Relevant innovations and policies that provide experience and direction for the legislative system and institutional framework can be carried out in the following areas.

First, the population policy. China claimed to maintain a low birth rate, improve population quality, and optimize its population structure. It implements favorable, rewarding, and supportive policies to those who practice family planning. It actively works to address the aging problem. It encourages rational migration and protects the right of the migrating population. China addresses different population issues coordinately and encourages people for comprehensive development.

Second, the employment and labor relation policy. In terms of employment, giving full play to the market, China establishes a unified, open, competitive, and orderly labor market coordinating urban-rural development. It strengthens the government's service function to promote employment. It improves the training and service system of employment and workforce and develops labor-intensive industries, service industry, and small and medium-sized enterprises with large employment capacity. It encourages people to find jobs on their own or start their own business and promotes various ways of employment. It helps new workforce in both urban and rural areas and graduate students to find jobs. It helps rural surplus workforce transfer to the urban labor market and promotes reemployment of laid-off workers. In terms of labor relations, China establishes a mechanism where the

government, trade unions, and enterprises together collaborate on labor relations. It improves relevant laws and regulations and the arbitration and mediation methods to address labor disputes. It protects employees' rights according to the law and aims at forming a win-win labor relation where both employees and employers can benefit from each other and promote social solidarity.

Third, the income distribution policy. The distribution system implemented in China practices distribution mainly based on the workload in addition to other various coexisting distribution modes. The system makes distribution in accordance with the contribution of different production factors. It promotes common prosperity by increasing the income of low-income earners, expanding the percentage of middle-income earners among the total population, limiting exorbitant incomes, and banning illegal incomes. It works to rationalize the order of income distribution by strengthening the regulating function of tax on income distribution, increasing the transfer payment from the government, so as to narrow the income gap between different regions and that between different social members. In particular, it is important to make and renew the policy that supports social forces to help regulate the income distribution. The policy encourages consultation on working conditions, remuneration, and relevant social insurance and helps to balance the force between labor and capital and solve the problem caused by the excessive inequality in primary distribution.

Fourth, the social security policy. China advocates the social security system should be improved in coordinating social insurance, social relief, social welfare, and charity in the hope to benefit all urban and rural residents. It advocates improving insurance systems of basic pension, basic medical, unemployment, work injury, and maternity. It promotes reforms of the endowment insurance system in the government and public institutions, develops supplementary insurance from enterprises and commercial insurance, and works to address the issue of social security of migrant workers. China promotes the social welfare by improving special-care mechanism and social assistance system for the purpose of protecting the rights of women, children, and the disabled and supporting social activities in the areas of charity, community donation, and mutual aid among people. In particular, it is important to integrate various established social security systems with one another and address the ubiquitous problem that different social groups receive unequal social security service within the same system.

Fifth, the urban-rural administration policy. China works to coordinate the urban-rural development by encouraging industries to assist the development of agriculture and cities to support rural areas. It promotes reforms which can help narrow the gap between urban and rural areas, including residence, employment, social security, and housing sectors, and works to gradually eliminate the institutional barriers against migrant farmers. It gives policy support to education and health care in rural areas and improves the compensation system of land requisition.

Sixth, the technology and education policy. China implements the strategy of rejuvenating the country through science and education. It encourages innovation, the leaping development in major areas, and the practical and sustainable

development in technology. It gives priority to technological development in major areas including energy, resource, environment, agriculture, and information, so as to promote a national innovation system and popularize the science and technology. In the area of education, China gives priority to educational development. It works to popularize the education for all-around development and strengthen the government's responsibility to guarantee compulsory education and popularize the 9-year compulsory education. It develops vocational education, improves the quality of higher education, and ensures the equal opportunity of education, so as to nurture a learning society.

Seventh, the public security policy. China establishes a public security system including social security, food and drug safety, production safety, traffic safety, and disaster prevention and mitigation. It follows the rule and law and addresses social security issues comprehensively. It tempers justice with mercy and punishes various criminal activities by the law. It encourages citizens to participate in the public safety. It protects human rights and people's lives and property and maintains the social order.

Eighth, the environmental protection policy. China gives priority to protecting the environment and allows rational development, while it limits excessive exploitation of it. It carries out the comprehensive protection with a focus on preventing pollution. The policy aims to prevent the pollution from the source and protect ecological environment and change the present status of protecting the environment after pollution or polluting the environment along with protection. It advocates developing circular economy, building a resource-saving and environment-friendly society. It establishes the ecological compensation mechanism by adhering the ecological idea that those that exploit the environment should protect it and those that benefit from the environment should pay back.

Part I
Social Structure Transition and Social
Governance System Innovation

Chapter 1

Changes in Age Structure Posing Challenges to Social Governance

After more than 30 years of Reform and Opening Up, China has made remarkable achievements in its economic development and became the world's second-largest economy. The achievements also help China accelerate its economic restructuring and improve the people's living standard. China's social structure, as well as its economic development, underwent great changes. The government's family planning policy (or the one-child policy) together with the people's attitude and behavior changes in giving birth created a "demographic dividend." During this period, as the birth rate remained below the replacement level, the child dependency ratio (CDR) declines rapidly and the percentage of working-age population continues to rise. The abundant labor force and low dependency ratio thus boosted the economy. According to experts' calculation, the "demographic dividend" contributed to over 1/4 of China's economic growth in its takeoff¹ stage (Cai Fang and Wang Dewen 2005). Obviously, the changes in China's social structure, especially those in its population's age structure, had a large influence over its economic development. However, behind the "demographic dividend" also hid a serious social problem—the aging of the population.

The family planning policy reduced births in China and indirectly increased the percentage of working-age population, which created a huge "demographic dividend" in a relatively short time and boosted the economy. On the other hand, this policy will lead to a decline in the percentage of working-age population in the future, which means an indirect increase in the percentage of the aged population and an increase in the old-age dependency ratio. It will accelerate population aging and pose a predictable risk for China's socioeconomic development. Though enjoying the golden period of "demographic dividend," China will soon face the crisis of "growing old before being rich." As the percentage of working-age population declines while that of the aged population increases, the "demographic dividend" will soon disappear (Guo Zhigang 2012).

¹ Translator's note: The American economist Walt Whitman Rostow published the Rostow's stages of growth model in the 1960s. The model postulates that economic growth occurs in the following five basic stages: traditional society, preconditions for takeoff, takeoff, drive to maturity, and age of high mass consumption.

As the birth rate remains low for a long time in China, there have been irreversible changes in Chinese population's age structure. The number and the percentage of the elderly both keep rising. The sixth nationwide census indicates that China has become an "aged"² society because the over-60s (including those aged 60) account for 13.26 % of the whole population. The percentage is 2.93 % higher than that in 2000 (National Bureau of Statistics 2011). China is now a "highly aged" society. This situation in China also aroused concern among the international community. One of the most important problems is that China's advantage of abundant labor force will no longer exist, so that its economic development pattern based on cheap labor force can hardly sustain. Then, how will the Chinese government address the negative impacts resulting from the aging population and the disappearance of the "demographic dividend?" In the report of the "Population Ageing in China—Facts and Figures" (United Nations 2006), UN calls for "changes in attitudes, policies and practices at all levels in all sectors so that the enormous potential of ageing may be fulfilled ... With a good social policy, including pensions and health care, aging can be converted into a second demographic dividend rather than a burden." Then, where is the path of socioeconomic development that China should take to address its aging process? Could China transform the aging process into the second demographic dividend by implementing a reasonable social policy as the UN has stated?

1.1 Different Phases of China's Aging Population and Their Characteristics

From a global perspective, with a combination of low birth rate and high average life expectancy (i.e., low mortality), most developed countries have experienced the demographic transition. During the process, the population pyramid will change from an expansive one to a stationary one and then to a constrictive one. Population aging has been a common problem in the major developed countries. For example, in the 1970s, Japan became an aging society, which has lasted for more than 40 years, and in Italy, there were more than 20 % of the total population aged 65 or above by 2007. Unlike these countries, China's population aging developed unexpectedly and rapidly within only 30 years after implementing the family planning policy. Therefore, compared with other countries, China's aging process is much faster and its population will become more highly aged than the other countries. However, China's economic growth and social policy fail to synchronize with this process, and they even fall far behind those of the developed countries. Based on the census and the population forecast, China's population aging can be divided into four stages according to their different characteristics and social policy orientations.

²Translator's note: According to the United Nations, a country is considered as "aged" when 14 % of its population is aged 65 or older.

1.1.1 A Slow Growth of the Elderly: The First Phase of the Demographic Transition (1980–1995)

With the constantly extended average life span, the number of elderly in China keeps increasing. Shortly after the implementation of the family planning, the population of booming babies still outnumbered the growing elderly population. In 1982, for example, there were over 23 million newborn babies while the number of the elderly (65 and above) was less than 50 million. Also, due to the relatively fixed number of the senior citizens, this aging phase was therefore featured by a high birth rate and a slow growth rate of the aged, which caused a relatively low increase in the percentage of the latter. This situation did not change until the mid-1990s. From 1982 to 1995, the percentage of the 65-and-above age-group in China had risen from 4.9 % to 6.2 %, with an increase of only 1.3 % or an average growth of 0.1 % per year.

It is also a critical period of China's socioeconomic transformation from a planned economy to a market one. During this period, the economy growth rate maintained high. Although there were a number of people of working age and during that time the dependency ratio was low, the rigid economic system and employment mode had severely constrained the way of utilizing this advantage and the improvement in productivity. Consequently, the annually increased number in the labor force did not become a complement to the society but a burden instead. According to estimates, there were 200 million disguised people who were unemployed in China's rural areas while in urban areas, the unemployed population has increased from 2,357,000 in 1984 to 5,190,000 in 1996, and the number of unemployed youth rose from 1,959,000 to 3,102,000. This means that the large amount of human capital was not effectively used (Fig. 1.1).

Since the Circular of the State Council on Deepening the Reform of the Old-Age Insurance System for Employees of Enterprises was issued in 1995, the reform



Fig. 1.1 The numbers of the unemployed individuals and the unemployed youth in the urban areas of China during 1980 and 1995

of the old-age insurance system for employees of enterprises has been carried out in many regions and departments. According to the circular, the funds for basic old-age insurance shall be paid by the state, enterprises, and individuals altogether, and an overall collection of insurance funds from society shall be combined with individual accounts. However, as this reform was still in the exploratory stage, only 89 million people, mainly the workers in the state-owned enterprises, had been included in this system by the end of 1995. In this phase, China was transitioning from an egalitarian society to an efficiency-oriented one, where the employment of the working-age population is a priority. As the need for social justice expressed by the aged and other vulnerable groups was overshadowed by the efficiency-oriented values, the social policy defending these citizens was actually weakened. The most obvious example is that in the urban areas, though the integrated system of employment and social security of the planned economy era did not exist, a nationally unified pension system for the employees of enterprises has not yet been established; in the rural areas, the pilot old-age insurance system had not achieved substantial progress since the mid-1980s, which led to an elderly care mode dominated by the family support system of old age since the establishment of the contract responsibility system.

1.1.2 A Steady Growth of the Elderly: The Second Phase of the Demographic Transition (1995–2015)

After the mid-1990s, the percentage of the aged in China grew in a stable way, with a continuously decreasing birth rate together with a sharply reduced newborn population. During this stage, two factors that accelerated the aging process are the increasing number of the aged and a drop in the annual number of births. Clearly, the impact of the second factor is more prominent, as its highest number of more than 25 million in the late 1980s fell to around 14 million in the late 1990s. Although the number of newly added birth cases is still higher than the emerging elderly population every year, the effect in which the increasing ratio of the senior citizens being offset will greatly decline; therefore, the growth of the elderly-age population becomes steadier. According to statistics, the percentage of the elderly aged 65 and above in China increased from 6.2 % in 1995 to 8.9 % in 2010; by the end of 2010, there were nearly 130 million people belonging to the 65-and-over cohort, and 26 of the country's 31 provinces have entered the "aging" stage (Fig. 1.2). It is predicted that by 2015, the number of working-age population (aged 15–64) will reach its peak with nearly 10 million, about 72.7 % of the total population, while the percentage of the aged (65 and above) will be more than 10 % (Fig. 1.3), which is close to the average rate of the developed countries in the 1980s. The year around 2015 will be a turning point for the changes in China's age structure of population and also the time for the "window of opportunity for demographic dividend" to close (Figs. 1.4 and 1.5).

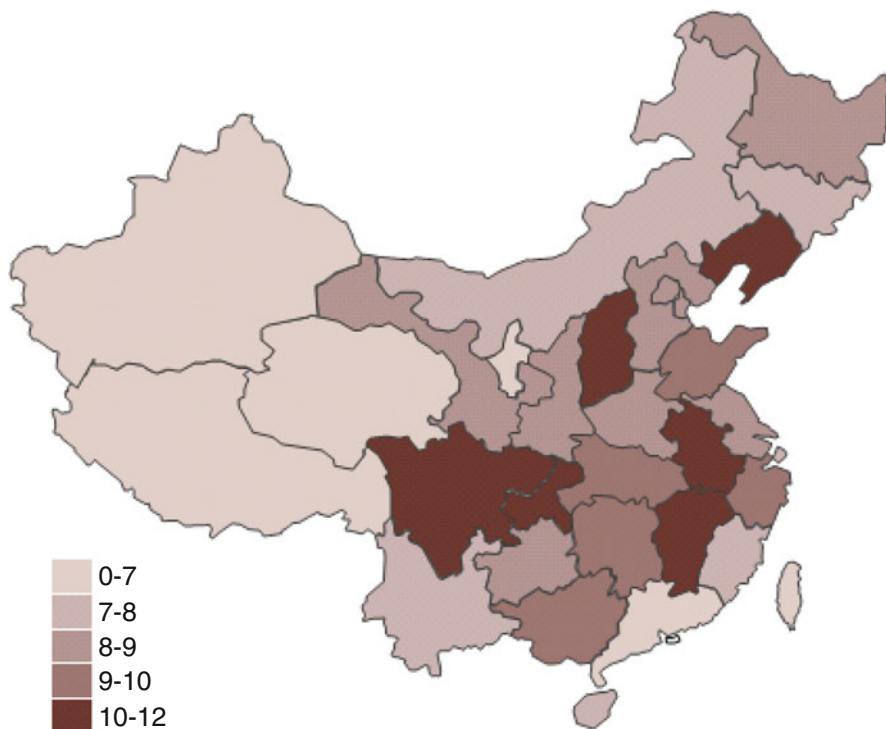


Fig. 1.2 The percentages of the elderly (65 and above) in different provinces of China in 2010 (%)

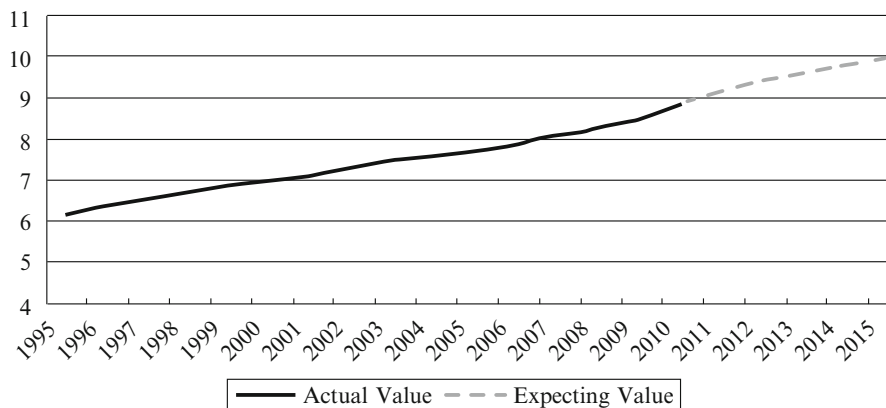


Fig. 1.3 The tendency of the changes in the percentage of the 65-and-above age-group in China from 1995 to 2015

After the market economy was eventually established in the mid- and late 1990s, China fully used its labor resources and reached the world-renowned “Chinese speed.” Its economic aggregation became the second in the world soon after it went

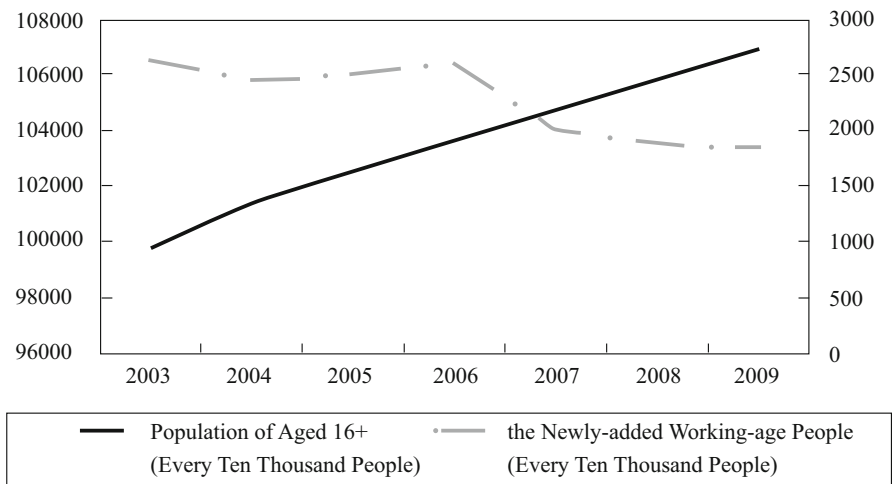


Fig. 1.4 The numbers of the population aged 16 and older and the newly added working-age people in China from 2003 to 2009

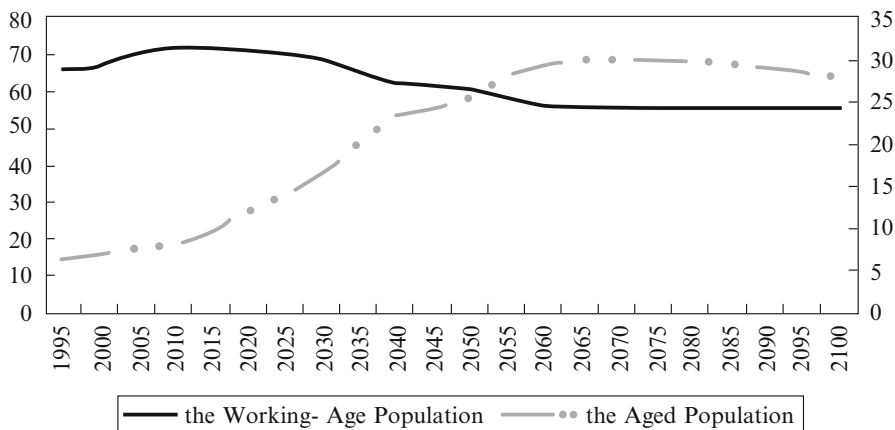


Fig. 1.5 Changes in the percentage of the working-age population and the elders in China during 1995 and 2100

through the “takeoff” stage. To some extent, its economic growth and aging can be attributed to the demographic dividend brought by the declining birth rate. The demographic dividend had played an important role in the “takeoff” stage in some Asian countries as well. For instance, since Japan “took off” in the early 1950s, it had achieved rapid growth for more than 20 years: from 1950 to 1973, its average annual economic growth rate was 9.29 %. In 1950, the percentage of the elderly

aged 65 and older was 4.9 % and 7.1 % in 1970. It can be concluded that it is common among the new developed countries to enter the aging stage after a long period of high-speed growth of economics. While Japan entered the aging society, its economic restructuring has been almost completed. At that time, Japan had a substantial increase in its labor productivity, which in the 1980s surpassed that of the USA: from 1980 to 1985, the labor productivity in the USA averaged about 0.4 % and it was about 3 % in Japan. But unlike Japan, China's aging population is facing serious challenges in economic restructuring. Currently, Chinese labor productivity significantly falls far behind the developed countries, only 1/12 of that in the USA and 1/11 of Japan. Therefore, faced with a decrease in the new working-age population, China has significant difference from other developed countries in terms of economic structure and labor productivity during the aging period.

For its base of large population, China's aging population has become a concern among the international community. The World Bank advised, in its report *China of 2020* released in 1997, that the Chinese government should establish a social security network, create mandatory individual pension accounts, and encourage savings with a view to addressing future problems in supporting the large number of elderly. Precisely, from a static perspective, the Chinese will "grow old before they grow rich"; on the other hand, from a developmental perspective, they are "growing rich while growing old." As a matter of fact, except from the nations or regions (such as the USA) that absorbed a large number of immigrants, most developed countries have already gone through the process of "growing rich while growing old." However, most of the negative effects brought about by the aging population can be, to a great extent, reduced by adequate social policy. Germany and Italy had maintained the pension insurance during their industrialization before World War I. Japan has also provided all its citizens with pensions since the 1960s. A sound social policy not only compensates for the risk of the aging population but also plays a key role to stabilize the society in narrowing the wealth gap and in adjusting interest distribution. Under the dual backgrounds of the population having aging issues and the deepening wealth gap, China's present social policy is obviously not sufficient enough. Problems, especially the relatively low level of social security and poor coordination and the inadequate coverage, are now directly affecting the life quality of the current aged.

1.1.3 A Rapid Growth of the Elders: The Third Phase of the Demographic Transition (2015–2050)

After 2015, population aging in China will continue to develop rapidly. It is also notable that the growth in the percentage of the working-age population will reach a turning point, on which the percentage will have a rapid decline from 75 %. At the same time, the social dependency ratio will begin to grow fast. This change, from the demographic perspective, is mainly caused by the increased "numerator" which consists of a relatively stable number of newborn babies and an increasing number of elders, together with a declining percentage of the working-age population as the "denominator."

According to the estimates predicted by the United Nations, the number of Chinese elders will increase till 2050 and reach a relatively stable status of heavily aging phase—in 2050, the number of the Chinese elders aged 65 and above will be over 330 million, exceeding 25 % of the total population. In fact, compared with other countries, although the degree of aging in China is higher and higher, the situation China will face by in 2050 will not be too serious, as the UN's "State of World Population 2009" showed that the first 10 countries with the most rapidly aging process all had aging levels of more than 23 % of their whole populations. Among all the top three "aging" countries, Japan's elderly people have a percentage of 29.7 %, Italy has 26.4 %, and Germany has 25.7 %. Thus, from 2015 to 2050, China as a whole will be in the status of "growing rich while growing old."

According to principles of the socioeconomic changes during the aging process in foreign countries, the most notable characteristic of this process is the steady decline in the number and percentage of the labor force, as well as the increase in the dependency ratio due to the rise of the number and percentage of the nonworking population. Its socioeconomic influence includes the reduction in labor supply and the rise in social welfare spending and the declining performance of the labor production in promoting economic development. This led to a slowdown in economic growth or even stagnation and decline. Japan, a typical case, is often mentioned: since the country entered the aging society in the 1990s, its economic growth has been slumped as its real GDP growth rate maintained at around 1.5 %, far below its original growth rates during the aging period. However, the aging population has the positive effect, which is a potential mechanism for driving the transformation and upgrades within the economic structure. Again, the instance of Japan is that during the 1960s and the 1970s, there were still lots of people working in the primary industry while the aging process took place almost simultaneously with the development of the tertiary industry after the 1970s. This suggests that the aging can also promote economic structuring adjustment and interindustrial transfer of labor force. Thus, the key in this stage is to properly deal with and make use of the aging population, to keep adjusting the economic and industrial structure, and to maintain a stable economic growth.

In the process of "growing rich while growing old," the Chinese society is still faced with challenges from its economic structure transformation, adjustment in the profit distribution, and aging population. According to the experience of developed countries, both social and economic policies play equally important roles, which are mainly reflected in the following aspects: (1) Economic growth cannot spontaneously mitigate the risks posed by the widening gap within the populations of wealth and the aged. (2) After transferring into the aging society, the growth rate of total social wealth will decline; thus, to distribute the benefits fairly through social policies can help build a harmonious social order. (3) A stable economic growth can be achieved through the social policies conducive to accumulating human capital. (4) An equal social security policy which benefits all can help maintain social stability. Therefore, during this phase, the government should invest a lot of resources to improve the social security system, especially to fill the gap within education and the pension.

1.1.4 The Stable Phase of Elders: The Post-demographic Transition (2050–2100)

After the establishment of the People's Republic of China, the ones who were born during the baby booming era of three times will gradually enter their old age in the next 40 years. In addition, the influence of family planning policy on the population fluctuation will also be stabilized after 2050. Given the existing age structure of population, it can be estimated that the percentage of the elderly in China will reach to a peak around 2050, and those aged 65 and above will account for 1/4 of the total population. In the circumstances that the average life expectancy remains relatively stable, the only variable that can affect the process of aging population is the number of the newly born, but it will take a long time to see the influence. According to the UN's 2011 Revision of the World Population Prospects, in a long period between 2050 and 2100, the percentage of China's aged people will remain high, and it will keep between 25 % and 30 % even with some fluctuations. Thus, China will maintain the age structure where aging was prevalent (Fig. 1.6).

So far, no country or region has fully been in a stable stage of aging. For example, both Japan and Germany have growing size of aging population. Therefore, there is no global experience that China can learn from. However, there is no doubt that what China faces in this phase will depend on its socioeconomic development during the previous stage. In other words, if China can restructure its economy and improve relevant social policies, it is likely to maintain a steady economic growth and social stability and may take advantage of the second demographic dividend. Otherwise, there may be some uncertainties.

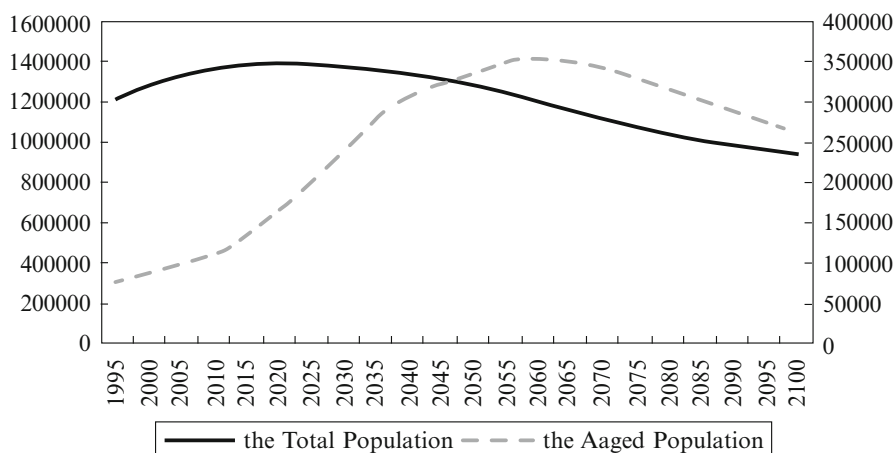


Fig. 1.6 Changes in the total population and the aged in China from 1995 to 2100

Before the industrialization, people's average life expectancy was short. Therefore, it is impossible for the aging society to emerge in that case. In fact, the aging society is a result of the development of human society and science and technology especially. According to the categorization above regarding phases of aging levels, it is easy to find that China is undergoing the transition from the "aging" to the "aged." In this period, China will inevitably experience the process transitioning from "growing old before growing rich" to "growing rich while growing old" and will have an aging population for a long time. During three "baby boom" periods from 1950 to 1990 that China experienced, the annual average birth rate was more than 20 million. Among those who were born in those periods, the oldest generation has just entered the old age, and the rest will gradually enter their elderly phase in the next 40 years, which determines that China's aging population will enter the "aged" period after 2050. Therefore, when studying the strategy of population development, the whole period of the twenty-first century should be taken into consideration. Especially from now to the mid-twenty-first century, during the economy restructure, it is critical for China to implement an effective social policy and measures, to adjust the distribution of interests, and to improve the social security system and population policy, so as to be ready for the aging society.

1.2 Challenges and Problems Associated with Aging in Population

As the population aging becomes a common normality in human society, we must change the stereotypical view of the aging society as "atypical" into "typical" during the long-term social development. The aging society has been unprecedented, as well as to the developed Western countries that began their aging process since several decades in the past. Our previous understandings about the rules of social and economic development are thus based on the population of expansive and stationary pyramidal shape. Therefore, there is no experience that can be learned from. Also, China's aging process is accompanied by a profound change in the distribution of profits, which means that the aged are a group of people not only classified by age but also by social status. Apparently, in order to cope with the inevitable problems of the aging society, it is impossible to follow the past logic that avoided or alleviated the negative effects of the aging population on economy and society. We should prepare for both the aging process and outcome in an aging society. Hence, the key is to have more concern about the ways to ensure a sustainable development of the aging society during the process of socioeconomic development and adjustment in the distribution of profits. Several outstanding issues that may pose challenges for the sustainable development of the aging society are as follows:

1. The relatively low social status of the aged may affect social stability.

As its name suggests, the aging society is a type in which the aged occupy the majority of the population. Compared with the current society, a common aging

society is characterized not only by the increase in the number and percentage of the aged but also by the following three aspects: (1) The aged will mainly reside in urban areas during the urbanization development, forming a cohort of the size for necessary social movements. (2) People of prime age for working right now will become the main component of the elders in the future. Compared with the elders nowadays, the younger generations have better human capitals and economic capitals and more social resources that will greatly enhance their influences to the socioeconomic development. (3) The future population of elders will have a stronger awareness of democracy and are bound to have more political participation; they will have more influences in social policy and even political activities. Thus, ensuring social status of the aged is the key to maintaining social stability.

Currently, the group of the aged is obviously in a vulnerable position. Especially in the context that the traditional society and family cultures are challenged by industrialization, urbanization, and modernization, people pay more attention to their freedom of independence and practical interests, which resulted in the deteriorating social status of the elders who possess poor human capital and economic capital and live scattered in the urban and rural areas. According to the research results of the “aging well-off indicator system” by the Research Center on Age of the Chinese Academy of Social Sciences, the increasing impoverishment of the aged was reflected in the increasing poverty rate and lowered income of the elderly. There was one in poverty out of every six senior citizens on average (Zhu Qngfang 2005). By analyzing the data from the census in 2000 and a sampling survey on China urban and rural elders, researchers in 2000 found that there were 921–1168 elderly people being in poverty with the poverty rate of 7.1–9.0 % (Wang Dewen and Zhang Kaiti 2005). Thus, in the process of social stratification, a significant decline has shown in the economic and social status of the elders, whose interests were relatively compromised. Some aged people even have downgraded to the bottom of the society without guaranteed quality of life. This will to some degree improve the chance for social instability.

2. The rural elders suffer from the rural-urban separation and population mobility.

In the process of urbanization and industrialization, a prominent feature in China’s society is its large-scale population movement from the underdeveloped regions to the developed ones, e.g., from the rural areas to the urban ones or from the central/western areas to the eastern ones. In essence, this kind of movement is the optimal configuration of the production factors in the context of market economy in China. This is conducive to China’s economic growth and social development. According to the National Bureau of Statistics, the floating population was 221 million in 2010, with an increase of 100 million compared to 2000. Also, the percentage of resident population in the east-coastal provinces increases, with more people migrating from the western inland areas to the east. Due to the urban-rural separation in terms of employment patterns, retirement systems, and social security policies, distinctive urban-rural relations are formed in the way the elders from urban and rural areas have different living conditions.

So far, China's urbanization rate has been over 50 %. A traditional agricultural country has gradually transformed into a modern industrial one; however, the Chinese in the rural areas still follow the elderly support system of "familial transfers" which has been passed down since the agricultural society. With the declined birth rate in the rural households, the low yields of agricultural production, the great shortage of young population, and many other facts, this traditional elderly support system began to collapse and differentiate, because the mode in which elders survive or even get through hardship by depending on their children is not sustainable. Considering that the age structure of the floating population mainly consists of a younger generation, one additional young adult working in the eastern region resulted in one less person to support their elder parents in the central and western areas. In the long term, although the birth rate in the eastern and urban areas is lower than that in the central and western regions and rural areas, the large-scale population movements have brought about a change to the social benefits distribution among these regions. The large scale of labor force from the rural areas in central and western China has not only contributed to the economic development in east China but also slowed down the population aging there. However, as the value they created is mostly preserved by people in the eastern areas, it becomes more difficult to support elders in the rural areas of central and western China.

3. Insufficient human capitals restrain the improvement in the productivity in the aging society.

Due to China's abundant supply of cheap labor force, there has been great economic development since the Reform and Opening Up. But the aging population has been depriving China of its comparative advantage in the international labor market. Now in China, the cost of labor is rising, getting closer to the international average; the "labor shortage" has affected more and more aspects. All these phenomena show that it's difficult to keep depending on the cheap labor, and the negative influence of population aging on the economic growth is becoming clearer. The cheap labor has led most Chinese enterprises to overly depend on the production factor of labor, which locked them in a vicious cycle of "comparative advantage trap" and low-end industry and inhibited them from industrial transformation and upgrading. Some studies believe that there has yet no significant increase in the productivity of China since the late 1990s. Once the productivity growth begins to slow down, the emerging market can hardly get rid of its dependence on the cheap labor and resources and may fall into the "middle-income trap." The shortcoming of the over-reliance on the cheap labor has become clearer. Incapability in science and technology innovation and commercialization will directly influence the productivity of China. Obviously, in an aging society, the labor supply can hardly meet the current requirement for economic growth, for the large number of elderly people cannot be substituted for those of the prime working age to be the main source of labor. Thus, in the long run, the fundamental way to carry out economic development in an aging society is to transform the economic growth pattern. It is critical to encourage innovation in science and technology, so as to promote social productivity.

China is concerned about the aging society that comes from the traditional development pattern relying on the cheap labor force. In other words, it is believed that when the elders lose their ability to work, they will become a burden to the society. Hence, the shortage in labor supply is considered as a social risk brought about by the aging population. Currently, the economic growth of the developed countries is mainly dependent on the production, diffusion, and application of new knowledge and technology; when it comes to the workforce, these technological progress and knowledge accumulation will turn into the human capital; thus, the workers with specialized knowledge and skills will be the real driving force for the economic growth. Additionally, they will still be able to play their role in their old age. On contrary, for those relying on their physical ability, their labor capacity will drop significantly as they age. This shows that the lack of knowledge capital will be the biggest social risk facing China in its transformation in economic development pattern before entering the aging society. Thus, the key to deal with the aging population is the accumulation of workers' knowledge and skills, human capital, and human resources. According to the current population condition, the generation going through the enrollment expansion of colleges will enter the old age after 2040, and only then will emerge the accumulation effect of knowledge capital brought about by the enrollment expansion. However, China happens to be the country that lost most of its talents around the world. During 1978–2003, over 75 % of the students studying abroad had not yet been back. Since 1985, 80 % of the graduates majoring in high tech in Tsinghua University have gone to the USA, and 76 % of those from the Peking University made the same choice. Therefore, to avoid the risk brought about by the aging population, it is essential to accumulate more high-quality human resources at home.

4. The weakened function of family and unsoundness of the social old-age security system may lead to intergenerational conflict.

With the changes in the social environment and the development of market economy, the function of supporting the elderly has been gradually transferred from the family to the society, for the culture of “piety” based on paternity tends to decline, which means its binding force on the social members is decreasing. As a common sense, the government should provide public services to address social problems elders are confronting. However, the current government is functioning inadequately, and the market resources are relatively limited. Undoubtedly, in the situation of “growing old before growing rich,” the limited family economic resources and social resources will exacerbate intergenerational conflicts inside the family and among different social groups. Inside the family, the traditional intergenerational relationship of “respecting the old and cherishing the young” has been replaced by “overlooking the old and valuing the young.” What’s more, the intergenerational allocation of family resources is seriously distorted, and the elderly are neglected and marginalized. As for the social groups, the population aging has caused a huge financial crisis for the pension system. Among all the social spending of the social welfare states, the pension is the largest part, generally accounting for 1/5 to 1/2 of the total welfare spending and 5–10 % of their GDPs (Liu Ji 2007).

Inevitably, as the beneficiaries of the pension reform, the elderly will have intergenerational conflicts with the youth who suffer the loss.

The reallocations via social security are a major mechanism that help narrow the first-time distributional gap, mitigate conflicts of interests among different social strata, and avoid the increasingly worsened situation in which elders are isolated from the mainstream society. Especially in the aging society that becomes normalized, a comprehensive old-age security can promote people's social identity and social integration, so as to prevent fragmentation of the society. In a society where elders take up quite a percentage of the whole population, concerns should be raised about the social stratification resulted from the current social security system, because the elderly are relatively vulnerable in the case of retirement. Firstly, the current social security system affects senior citizens' incomes, which thus determine their general economic status in the society. Secondly, the current social security system, together with the labor force market and the residence registration system, has led to the unique social stratification in China. Therefore, a gap emerged between elders of different social strata, where those who are urban residents or were employed enjoy a higher-level social care than the others. According to available statistics, the former group of senior citizens accounts for less than 10 % of the whole elderly population, which will definitely lead to fragmentation and opposition of different social groups. Finally, the conflicts of interest among generations are concealed in the current social security system. Therefore, social security does not only help reallocate profits but also stratifies the society. The inadequate social security system may cause the elderly to be in isolation from the mainstream society or even at the bottom of the society so that to cause conflicts of interests among different social groups.

5. The underdeveloped industries and service industries for the elderly can hardly make full use of the second demographic dividend.

In the next four or five decades, the elderly population in China will keep increasing. It is expected by 2020 to be 247 million people aged 60 or older, with an average growth of more than 7 million more elders per year. By 2054, the size of this population is believed to reach the peak, which is up to 472 million, accounting for over 33 % of the overall population, being equivalent as one senior citizen in every three people. Therefore, regardless of the growth in economy and consumption level, the growing number of the elderly will require relevant industries to grow by more than 2.8 times by the year around 2050. According to the general rule of socioeconomic growth, after the per capita income increases to \$3000, the large-amount consumption (including those of housing, mobile, etc.) will become mass consumption rather than that within a niche market. The aged will contribute more to the total consumption and their role in economic growth will become increasingly significant. In fact, the elderly always account for one of the major consumer groups in developed countries. In Japan, for example, more than 60 % of the total personal financial assets are held by senior citizens. The industries related to the aged are also called the "silver economy." It can be seen that there is huge potential in the products and service market targeted at the aged in China. In particular, with the processes of modernization,

industrialization, and urbanization, the elderly will find products and services with improvement in terms of categories, quantities, and quality. Opportunities for development in the elderly market will finally emerge, where the aging population can be utilized as the second demographic dividend, a major force to ensure the stable economic development and drive the consumers' demands in China. However, for long, the industries and service industries for the elderly in China lack the plans and majorly tend to be welfare services instead. Compared with the aging rate in China, these industries develop slowly and fail to show the socioeconomic benefits brought by the increasing demand of the elderly.

According to the international experience, the nursing and service for the elderly belong to the service scope of social work, especially in those countries or regions where the institutional care dominates. The latest statistics of the Bureau of Labor Statistics (BLS) showed that there were 650,500 social workers in the USA in 2010, which means that 2–3 social workers in every 1000 people. According to Zeng Yi's estimate, in the aging process, especially when the population size and percentage of those over 80 increase, they will account for more than 15 % of the whole population in China by around 2080 in the context of current family planning, and a considerable number of them are empty nesters or disabled. This will surely lead to an increasing demand for the social services for the aged, including life care, spiritual solace, and daily nursing. The low birth rate and the reduction of working-age population in China suggest that the traditional support system of "familial transfers" should be complemented by institutional care. However, the current shortage of personnel who specialized in social work, their relatively low reputation and low incomes, and the inadequate training system and talent reservation pose challenges for the adaptation to the aging society and the exploitation of the second demographic dividend.

As China entered the aging society, it underwent socioeconomic transitions and changes in the age structure. It is also facing the most complex adjustment in profit distribution since the Reform and Opening Up. The aged are the most vulnerable in this process. Therefore, in order to achieve a stable socioeconomic development in the context of population aging, it is the key strategy to formulate and implement policies that protect the elder people's basic interests from being violated and to properly use the resources among elders by unearthing the second demographic dividend while avoiding intergenerational conflicts.

1.3 The Governance Measures Against Aging Society

Before the industrialization, people's life expectancy was far below 60, which means that there were fewer people who could live through their elderly phase. In modern society with abundant material production and advanced technology, people live longer and longer and the percentage of the elderly continues to grow and thus emerges the aging society. Therefore, the aging society is completely a result of the civilization development. The process of aging, together with the

development of society, is in line with the rule of historical development. It has only existed for several decades even since the time when some countries and regions initially entered the aging society. In view of the whole history of the human civilization, the aging society is a new thing in accordance with the rule of historical development and will last for a long time. Hence, when adjusting its profit distribution, China should take into consideration both the periodical and long-term characteristics of the aging society and implement strategies in line with the rule of historical development so as to address relevant problems.

1.3.1 To Change the Traditional Mind and Carry Out Strategic Planning to Address the Aging Society

Dramatic social changes often cause panics and anxiety, so does the population pyramid's transformation from an expansive one to a stationary and then to a constrictive one. In the traditional mode of production, the elderly tended to be regarded as merely the consumers for social wealth, due to their declined ability of creating social wealth and decreased body function. Therefore, a society with the constrictive population pyramid is often lacking in vitality. In addition, neither an adequate policy system nor a countermeasure is available at present. These cause some people to mistake the population aging as an abnormal phenomenon and seek to avoid it or to lower the percentage of the elders.

In the long run, with the increase in people's life expectancy and the decrease of fertility desire, it is inevitable that the human society will start aging and this process will sustain for a long time. It is impossible to change the rule of historical development, and the population aging has become a global issue. China is the most densely populated country in the world and will become the one with the largest elderly population. Thus, it is required that people should take it seriously. They should regard the elderly as the participants and creators of social development and change the stereotype that views population aging as an abnormal process. They are supposed to use social policy and economic measures to address the unbalanced, uncoordinated, or unsustainable profit distribution during the process and to promote a long-term, steady, and fast growth in economy and social harmony.

1.3.2 To Improve the Administrative System and the Consistency Inside the Policy System

China is the most populated country in the world, so its population issue always causes considerable concern and its population policy is critical to its development. The Chinese government has incomparable experience in population control through national policy and regulatory measures. In terms of the current population

policy, it will not take effect in one day but will undergo a relatively long period of time, which may even last for generations. To ensure the effectiveness of the policy, it is the key to establish an executive administration accordingly. Especially, it is unlikely to ensure a smooth implementation of population policy when an administrative system that integrates relevant functions and resources, that provides guaranteed organization and fund, and that coordinates corresponding social policies is absent in such a highly centralized government. Therefore, corresponding departments should be set up during the administrative reform so as to tackle with the upcoming aging process.

While controlling the population growth in China, the family planning policy also speeds up the population aging process. As a matter of fact, the family planning policy has failed to adjust to China's socioeconomic development for long. Instead, it overdrew the demographic dividend and accelerated the aging process. Hence, people will "grow old before they grow rich." From the current population policy, it is learned that the social policy should be made in line with the universal rule of development and be adjusted in accordance with different phases of the population development. In the long run, the policy system should be consistent, which means that the social policy should be scientifically and properly planned, managed, and implemented in accordance with the population growth. However, it is not unchangeable. Especially because of the different characteristics in different phases of the aging process and the socioeconomic development, differentiated emphases are required in different phases. In this case, a fixed social policy would only bring about severe socioeconomic consequences. This consistency inside the policy system is mainly embodied in its development in line with the socioeconomic growth.

1.3.3 To Protect the Rights and Interests of the Elders and Promote Economic and Social Justice

According to Article 4 in the *Law of the People's Republic of China on Protection of the Rights and Interests of the Elderly* issued in 1996, the nation protects the statutory rights and interests of the elders. They have the right to get material assistance from the state and society and to benefit from achievements in social development. During the development of the market economy, a phenomenon exists that people value the efficiency rather than justice. The elders are relatively vulnerable in the market competition; their living conditions are worsened especially in most rural areas where large numbers of young and mature adults are absent. With the socioeconomic development, it is necessary that China eventually realizes the common prosperity and economic and social justice. During this process, it is indispensable to protect the rights and interests of the elderly group.

According to some developed countries, we find that although the elderly are vulnerable in the market competition, they are usually a decisive political force

because of their large population, high proportions, and strong common interest. However, in the current socioeconomic system, some governments or parties work to meet elders' requirements so as to achieve political stability at the cost of the contemporary younger generations' profit or even the potential profits of future generations (Peng Xizhe et al. 2011). Obviously, it is inconsistent with the goal that China sets for a sustainable socioeconomic development. Therefore, the looming aging society asks for economic and social justice, without which there must be intergenerational conflicts that affect the long-term stability in the society.

1.3.4 To Accumulate Human Capitals and Ensure the Sustainable Development

The absence of a demographic dividend, which is a popular topic at present, mainly refers to the changes in both the numbers and percentages of the people at their working age versus who do not work. During this period, the former abundant people of working age are in shortage, which shows a social characteristic of "growing old before growing rich." Such concept reveals the public's anxiety about the current development pattern by which the economic growth depends on the comparative low cost of labor force. It can be understood that the change in China's population structure forces alteration in the development pattern. It is urgent to invest more to education, transforming the rich human resource into human capital. It is also urgent to encourage technical innovation, so as to accumulate technology and knowledge. The enhanced labor quality will raise China's social productivity and thus ensure a stable economic growth.

In the future, the traditional development pattern driven by production factors will turn into the one driven by creativity. This means the human capital with professional techniques and knowledge will continuously generate and encourage economic growth. In addition to investing more in education and technology, it is also important to unearth the potential human capital of the aged. Let's take a look at the current situation in China. Those people born in the 1980s, most of whom have accepted higher education, will successively enter their elderly phase after 2040. At that time, the shortage of human capital will, to some extent, be made up for by some reasonable social policy, including the flexible retirement system and the extended years of employment, for these will fully find out the human capital of the elderly and will make full use of the second demographic dividend. However, these measures are unsuitable for the current situation. On the one hand, China has not suffered from the shortage of workforce yet and still has to address the issue of employment instead. On the other hand, these measures will discourage the youths, who are the main force in the new development pattern, from taking participation in management and making innovation. It will not help promote a creative and sustainable economic development.

1.3.5 To Clarify the Right and Duty of the Elderly Care and Build a Multilevel Service System

As family members are able to obtain more resources from the outside, the family has transformed from a productive unit into a consuming unit and from an economic-political community into a mental-culture community. Thus, the function of supporting elders has been eventually transferred from the family to the society. The traditional elderly support system of “familial transfers” has also changed. Especially when considering China’s large-scale urbanization in the coming decades, the population mobility caused by it will further change the pattern and function of the family. Also, due to the increasing number of nuclear families and the lower birth rate, there will be more empty-nest families and elderly people living alone. Hence, it is unlikely for the people to regain the traditional system of “familial transfers.” Besides, the care mode used in nations of welfare is not suitable in the socioeconomic context of “growing old before growing rich,” for it may result in financial crises and intergenerational conflicts. Therefore, the elderly care should be addressed properly by pragmatic compromises among the government, the society, the market, and the family.

As a basic issue concerning people’s well-being, the elderly care system should be addressed seriously by the country, which should play the leading role in the system. Besides, more economic and social resources should be invested to the elderly care system. The country, or the policy maker, should also act as the “parent”: first, it should establish corresponding preferential policies to help and promote those social organizations that can shoulder the responsibility of elderly care and to encourage and support social forces to take part in the elderly care system; second, it should make the rules regarding market access and competition in the market, introducing the market economy into the industry of elderly care; also, it should encourage the elderly support system of “familial transfers” by providing corresponding resources and privileges. In general, for the elderly care, it is critical to establish a multilevel social care system for the elderly: economic and social resources should be distributed reasonably and used effectively; the different roles, functions, and scopes of government, society, market, and family in the aging society should be well defined and their cooperation should be cemented.

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Chapter 2

Transition of Occupational and Social Stratum and Innovation of the Social Management System

2.1 Literature Review and Data Illustration on Occupations and Social Strata Analysis

Since 1978, the structure of social stratum had undergone dramatic changes due to the development of Reform and Opening Up in China. In order to categorize classes or strata, scholars adopted various criteria such as income, consumption levels or consumption styles, and occupations or occupational prestige. Each adopted criterion for class/stratum categorization has significance in each area of research interest and was helpful for in-depth analysis of relevant issues (Li Chunling 2005). However, social strata being categorized by occupational types have become a prevalent method in academia (Li Peilin 2005). Occupations represent directives concerning information of occupied and used socioeconomic resources. Changes in occupational status influenced and restructured the occupational structure and further led to the transition in the structure of social stratum.

Among the studies on the Chinese occupational structure at present, scholars conducted studies on the population of the nation, local regions, ethnic groups, employed groups, and international groups (Guo Yuqiang 2009). In the early phase of investigation, researchers made a great amount of studies on the current occupation structure, characteristics, and transition in China through the National Census and data of large sample size (Research Group on Transition of Contemporary Social Structure in China 2008; Zhang Yi 2011), and they as well had a thorough discussion about the factors that influenced the occupational structure and the transition from the perspectives of industrial structures, economic developmental levels, segmentation of labor market, and so on.

Conclusions are made from the “inverted T-shape” theory and “pyramid” theory which are the most representative ones in the studies of analyzing social stratum in China by using the occupational structure (Lu Xueyi 2002; Li Qiang 2005). Li Qiang (2005), for example, took the approach by using international indices for socioeconomic status and concluded an “inverted T shape” representing the Chinese

social structure by analyzing the data from the 5th National Census in 2000. Zhang Yi and Hou Huili (2004) had similar findings by employing the data from the 5th National Census as well as from the scale of international occupation prestige and information regarding the percentage of employers with above-high-school degrees from each profession. They discovered that the structure of social stratum was a “candleholder” with a large base. Based on the “big ten social strata theory,” Lu Xueyi and colleagues compared 1 % of the sampled survey data in 2005 with the 5th National Census in 2000 and concluded that the big ten social strata were distributed in the shape of a pyramid including relatively a small scale of intermediate stratum and a big body of agricultural labors (Lu Xueyi 2002; Research Group on Transition of Contemporary Social Structure in China 2008).

The conclusion, according to Li Qiang (2005), is that the key to alternate the structure of the “inverted T shape” was to realize the transformation in structures of population or social stratum. The structure needs to transition to a “pyramid shape” and then to an “olive shape.” Academia argues that whether the society being an “inverted T shape” or in the transition is a scholarly and practical issue that is worth debating (Qiu Liping and Gu Hui 2007). The 5th National Census was the most important data source for this study. Along with economic and societal changes over the past 10 years, social stratum transformed as well.

Therefore, the question regarding what formation of China’s social stratum is and how it has changed since the past becomes an important issue for this study to answer. Our research inspired by the theory of social stratification historically investigates the transformation of occupational structure and social stratum while utilizing market transition and institutional segmentation as the fundamental driving force for occupational transition in China. This study has several parts: (1) describing the current condition and characteristics of occupational structure from 1990 to 2010 employing National Censuses in 1990, 2000, and 2010, (2) analyzing new phenomenon and new changes regarding social stratum in the past ten years in China in order to reveal the new characteristics of transition of social stratum, and (3) providing constructive suggestions to issues in regard to innovation of the social management system based on the analysis of occupational structure and social stratum.

2.1.1 The Literature Review and Framework for Analysis

Since Reform and Opening Up, industrialization and urbanization propelled by rapid economic development not only had fundamentally shaken the basis of the status hierarchy system but also constructed a new mechanism of social stratification based on market differences (Bian 2002). The establishment of a market economic system and the rapid development of social economy after 1992 propelled the change of transforming the social structure. The pursuit of interests and value orientation rebuilt social stratum in China. Therefore, only with the comprehensive analysis of China’s social stratum can the interests of various social strata be taken

care of so that everyone can mutually contribute to constructing a harmonious society in terms of social policy configuration and social construction and governance.

2.1.1.1 Occupational Stratification and Social Mobilization

Besides Marx's class theory and Weber's multi-hierarchical theory in social stratification research, the theory of stratification based on the occupation should not be overlooked (Li Qiang 2008). The very first criteria of using occupations for social stratification can be traced back to Emile Durkheim (2000). Social interaction generated from mutual work leads to awareness of cooperation and shared values among workers of the same occupation. Socialization made from various professional trainings results in homogeneous effects. Professional responsibility and obligation allow employers to form mutual benefits (Emile Durkheim 2000). Social division of labor and occupational stratification stated by Durkheim not only made crucial influence on the development of the social stratification theory but also led to a precedence of the functionalism social stratification theory.

Blau and Duncan (1967) afterward raised the model of class stratification on the basis of the occupational status. They believed that the rapid changes among capitalist classes had made the population classification meaningless, leaving occupations as the only criteria for social stratification. Nowadays, with the definition of class as the economic roles of people and their organizational roles in companies, the roles are more accurately reflected by their specific occupations rather than employment status. Without covering concepts regarding all aspects of classes, occupation was the most important indicator for the division of classes or stratum.

The neo-Weberian Goldthorpe proposed standards of market condition and working condition for the division of classes. Goldthorpe primarily used occupational classification as the foundation for practice and then combined various occupations into several major classes according to the state of the market. Goldthorpe believed that this type of categorization indicated a "high level of diversification of occupational functionality and employment status," in which "employment status can be considered as a part of occupational definition." The framework of the constructed class categories "blended in technical relations and social relations of production." Thus, the divided occupations and classes "shared market and working conditions" (Goldthorpe 1987).

Studies on social mobilization have two prevalent traditional dominant schools, one of which was prone to a gradational form of social structure (Svalastoga 1959) while the other was prone to its categorical form (Glass 1954; Carlsson 1958). Scholars of a gradational form of school believed that parents had inherited their occupational reputation and socioeconomic conditions to their children; on the other hand, the ones of a categorical form of school argued that parents passed down their classes and social status to their children. Under these two models of analyses, certain occupations initiated the inequality of various structures. The unevenness can be interpreted as either the causes summing up the disparity of classes (categorical form) or being quantified as the differences in socioeconomic conditions and

reputations within human society (gradational form). In that sense, dynamic research had been simplified into understanding the process of generational inheritance among classes or promotions and declines of class positions (Zhang Yi 2004).

These simplified approaches for sure were able to explain some problems in regard to social mobilization. A third explanation, however, is that the supplement interprets the problems by using occupation as the most basic approach for social reproduction and explains other unfair issues. This is because as long as families exist, social, cultural, and economic resources will be inherited to children under parental influences. Therefore, the occupation plays an important role in generational reproduction.

The realization of many characteristics (e.g., formation of benefits and culture) in the class analysis model was due to its being on the aspects of not only classes but occupations as well (Weeden and Grusky 2005). Based on representative observations of national data from the USA, Sweden, Germany, and Japan, Jonsson, Grusky, and colleagues (2009) discovered that (1) the occupation is an important approach for social reproduction, (2) only analyzing on the level of occupations can extreme rigidities be revealed in social mobility, and (3) the reproduction of classes revealed by social mobility analysis can merely be a false impression and yet it is in fact a reproduction of occupations.

To conclude, the occupation is the major vehicle for classification of social stratum in the modern society. The mobilization of hierarchy proceeds inside the framework of occupational structure. Occupational changes are the result of social development and transition; meanwhile, it is a crucial indicator for maturity of social development. Mastering contemporary occupations and stratum structure has important practical significance to construct a harmonious society and enact social governance.

2.1.1.2 Market Transition and System Segmentation

Marketization and industrialization are the primary propelling force for the structure of social occupations and social stratum changes in China. Industrialization on one hand promotes the specification and professionalism of labor, leading the system of occupational differentiation based on technical levels or professional maturity; on the other hand, industrialization extends the number and size of research organizations, such as business, government, and other organizations. The increasing organization size and the number of enterprises, governmental organizations, and management levels have a huge impact on the structure of social stratum.

In the marketization process, a series of system settings have influences on the distribution and flowing direction of resources. Segments of systems and market transition are the main characteristics of current formation of social structure in China. Market transition prevails in commodity market and then extends to labor and other production markets. Szelenyi and Kostello (1996) distinguished three types of socioeconomies by the level of market penetration, which specifically was determined by the existence of commodity, labor, and capital markets. The economic

phases included the local market in 1977–1985, socialist mixed economies in 1986, and capitalist-oriented economies after the emergence of the national labor market and capital market in 1996.

The developmental process and institutional separation of labor market challenged the industrial logic of social stratification. As the industrialization process continued, occupational stratification became even bigger, and the occupational structure became reasonable while flows of social status were normalized. However, the process was concurrent with the separation of the labor market. Being different from other early industrialized and transitional economic entities, institutional segmentation supported by household registration and social welfare hindered the diversification of occupational structure (Lai Desheng 1996).

Among studies on transition of occupational structure, the theory of labor market segmentation emphasized the changes in occupational structure being limited by occupational segmentation of occupations and industry in the labor market (Piore 1987; Hodson 1983). Later on, scholars adopted the segmentation of occupations and industry in the labor market to investigate the changes of occupational structure. Scholars emphasized dynamic adjustment of occupational structure while paying attention to mutual interactions between changes of industry and occupations (Bagchi-Sen 1995). Li Lulu (2002b) believed that the labor market in China was intertwined with multiple segmentations of city-county, districts, departments, formal labor market, and affiliated labor market. Zhang Zhanxin (2004) believed that since the 1990s, with the segmentation of the city-county, state-owned and non-state-owned sectors in the labor market consistently faded away while the labor market of cities experienced industrial segmentation. These factors all profoundly impact changes of occupational structure.

Scholars learning social stratification emphasize more on the impact of the macro-system and marketization on occupational structure and stratum stratification. Functionalism emphasizes that economic and technological reasoning development fundamentally alternates the relationship among strata, resulting in more openness of the stratified social structure. During the transformation of economic mechanisms, the redistribution mechanism debilitates as the market develops. As a result, stratified social structure either redistributes or changes (Li Lulu 2002a). Theoretical logic of institutionalism believes that the changes in stratification of social structure should not be considered as a passive reflection of economy and technology. Whether it is before the foundation of the nation or after Reform and Opening Up, national policies and adjustment in crucial systems have a huge impact on the stratification of the Chinese society and diversification of occupations (Whyte and Parish 1984; Zhou 2004; Li Qiang 2008).

The economy in China has stepped into a new transitional period since 1992. The establishment and further improvement in the system of socialist market economy led to fundamental changes in the external mechanism for economic development. The society of China has entered into a new developing phase for industry and service, in which urbanization was the leading force, the foundational industry and infrastructure became the mainstream power, and processing and manufacturing and assembly industry became the important components. The development of

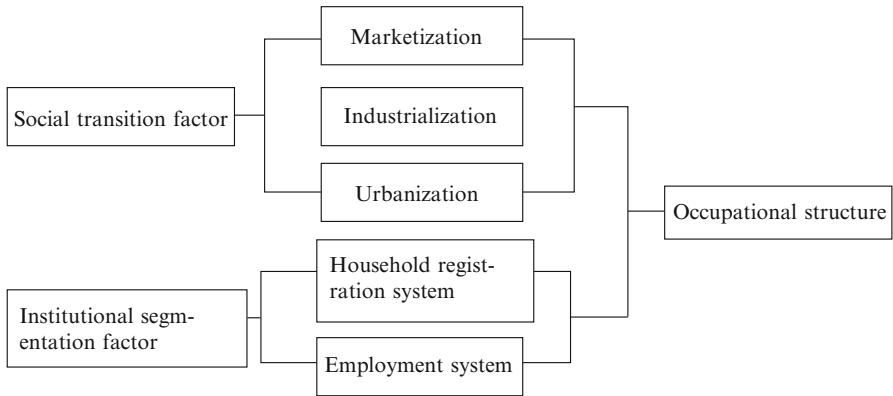


Fig. 2.1 Analytical framework of this study

market economy is deeply impacting the occupational distribution and promoting the changes of occupational structure. On the other hand, restraining the labor mobility, household registration for employment, and social welfare systems still exist and result in changes of the occupational structure according to the social perspective.

The analytical framework in Fig. 2.1 concludes that market transition is presented with marketization, industrialization, and urbanization during economic development; institutional segmentation includes household registration and employment systems that affect population mobility. To be more specific, we analyze the impact of factors such as holistic occupational structure, gender, urban-rural, location, and age upon the occupational structure and transition.

2.1.2 Data Source and Explanation

2.1.2.1 Data Description and Explanation

This study obtains data from the 4th National Census in 1990, the 5th National Census in 2000, and the 6th National Census in 2010. Specifically, in order to compare with the 5th and the 6th National Census, the 4th National Census from the Chinese National Census data of 1990 utilized the second caliber of urban-rural division.¹ The 5th National Census data sampled 0.95 % of the original data. The

¹In order to achieve seamless convergence of new and old calibers, the 4th national survey of 1990 categorized urban and rural by both calibers. The second caliber defines the urban population as the combination of population in cities with districts and without districts (not including districts directly under the cities). Town population refers to registered population in neighborhood committees in towns and counties that are within the cities without districts (not including neighborhood committees in villages). County population refers to the overall population in cities and towns. The second caliber was used when comparing population categorizing criteria in the 5th

6th National Census was obtained from historical summary of the National Census in 2010. We believe that the general trend of occupational differentiation can emerge during the longitudinal data development.

In the National Census, employed population refers to the ones who provide production, business, and service activities in order to receive wage, remuneration, or income. The National Census in general defines the employed population by dimensions of age, time, and content.

The 4th, the 5th, and the 6th National Census have different inclusion criteria in terms of age. For example, the age range in the 4th and the 5th National Census was above 15 years, while it was above 16 years of age in the 6th National Census. In this report, population above 16 years of age was sampled for comparing all three National Censuses together.

Three National Censuses differ in terms of time point for analysis. In the 4th National Census survey, employed population included individuals who provided social labor for wage, remuneration, or income and individuals with temporary work on June 30 and accumulated social labor days of 16 and more in that month in 1990. While in the 5th and the 6th censuses, employed population referred to those who had no less than 1 h of work with income on October 25 to 31 or about 1 week before the census.

In terms of content, these censuses commonly defined employed population as individuals with stable, temporary, or part-time jobs and individuals with working vacation, training, or seasonal leave. However, there are differences among these three censuses. Employed population in the 4th census did not include population with full-time commitment in vocational schools and broadcasting schools, while in the 6th census, it included students of official status who worked for after-school income.²

2.1.2.2 Changes in Employed Population

Tables 2.1, 2.2, 2.3, 2.4, and 2.5 demonstrate the basic characteristics of the data used in this study. According to Table 2.1, employed population after 16 or above had declined percentage among the age group of the national level. Compared with the percentage in 1990, it respectively decreased 4.97 % in 2000 and 11.38 % in 2010.

Table 2.2 presents gender composition of employed population. During 1990–2010, males had constantly been 10 % higher than females in the employed population, and this hasn't changed much during these 20 years.

Table 2.3 reflects the distribution of employed individuals in cities, towns, and villages. During the 20 years, the percentage of employed population has improved

National Census. See the details in the *Impact Made by Census of Two-Times Regarding Urban–Rural Population on Progress of Urban–Rural Planning in City of Chongqing* and the 1st issue of *Population Study* from Gao Baowang et al. 2002.

²This portion of information is retrieved from the summary of the 4th, the 5th, and the 6th National Census.

Table 2.1 Percentage of employed among total population of 16 and above^a (%)

| Years | 1990 | 2000 | 2010 |
|-------------------------------------|-------------|---------|-------------|
| Employed population of 16 and above | 638,523,371 | 664,314 | 71,478,429 |
| Total population of 16 and above | 795,864,993 | 882,672 | 103,817,124 |
| Percentage | 80.23 | 75.26 | 68.85 |

Note: "Employed population" excludes "not-specified population." It is the same for all the following tables

^aAccording to *Underage Protection Law* and *Labor Law*, child labor refers to employees under 16 years of age and minor refers to people under 18 years. The age limit for child labor depends on accounts of behaviors. Civil Law, Article 11, defines the 18-year-old being the adult that has full capacity for civil conduct. Adolescents between 16 and 18 who depend on labor income as the main source of their living are considered as capable in civil conduct. Therefore, according to the laws, any enterprise, institution, and private industrial and commercial party that hire employees who are younger than 16 is considered to violate the law. Thus, the population only consists of individuals who are 16 and above, even though it can be more commonly categorized as children (0–14), labor force (15–64), and elderly (65 and above or 60 in some developing countries)

Table 2.2 Gender characteristics of employed population

| Years | 1990 | | 2000 | | 2010 | |
|--------|-------------|-------|---------|-------|------------|-------|
| | N | % | N | % | N | % |
| Male | 352,442,084 | 55.20 | 363,496 | 54.72 | 39,553,791 | 55.34 |
| Female | 286,081,287 | 44.80 | 300,818 | 45.28 | 31,924,638 | 44.66 |
| Sum | 638,523,371 | 100 | 664,314 | 100 | 71,478,429 | 100 |

Table 2.3 Employed population in city, town, and village

| Years | 1990 | | 2000 | | 2010 | |
|---------|-------------|-------|---------|-------|------------|-------|
| | N | % | N | % | N | % |
| City | 119,922,046 | 18.78 | 136,381 | 20.53 | 19,174,209 | 26.83 |
| Town | 45,558,964 | 7.14 | 80,224 | 12.08 | 12,961,519 | 18.13 |
| Village | 473,042,361 | 74.08 | 447,709 | 67.39 | 39,342,701 | 55.04 |
| Sum | 638,523,371 | 100 | 664,314 | 100 | 71,478,429 | 100 |

Table 2.4 Age of employed population

| Years | 1990 | | 2000 | | 2010 | |
|-------|-------------|-------|---------|-------|------------|-------|
| | N | % | N | % | N | % |
| 20–29 | 212,928,991 | 37.42 | 161,757 | 25.82 | 15,869,397 | 22.94 |
| 30–39 | 161,693,650 | 28.41 | 200,501 | 32.00 | 17,716,187 | 25.61 |
| 40–49 | 103,776,010 | 18.24 | 142,597 | 22.76 | 19,219,300 | 27.79 |
| 50–59 | 63,016,819 | 11.07 | 79,595 | 12.70 | 11,026,224 | 15.94 |
| 60+ | 27,678,810 | 4.86 | 42,093 | 6.72 | 5,339,406 | 7.72 |
| Sum | 569,094,280 | 100 | 626,543 | 100 | 69,170,514 | 100 |

Table 2.5 Locale conditions of employed population

| Years | 2000 | | 2010 | |
|-----------------------------|---------|-------|------------|-------|
| | N | % | N | % |
| Eastern region ^a | 265,399 | 39.95 | 30,469,342 | 42.63 |
| Central region ^a | 209,999 | 31.61 | 21,578,564 | 30.19 |
| Western region ^a | 188,916 | 28.44 | 19,430,523 | 27.18 |
| Sum | 664,314 | 100 | 71,478,429 | 100 |

Note: ^aIn this study, the eastern region of 11 provinces includes Beijing, Tianjin, Hebei, Liaoning, Shanghai, Jiangsu, Zhejiang, Fujian, Shandong, Guangdong, and Hainan; the central region of 8 provinces includes Shanxi, Jilin, Heilongjiang, Anhui, Jiangxi, Henan, Hubei, and Hunan; the western region of 12 provinces and municipalities includes Chongqing, Sichuan, Guizhou, Yunnan, Tibet, Shaanxi, Gansu, Qinghai, Ningxia, Xinjiang, Inner Mongolia, and Guangxi

in cities from 18.78 % to 26.83 % with 8.05 % of increase and in towns from 7.14 % to 18.13 % with 10.99 % of increase, while the population in villages decreased rapidly from 74.08 % to 55.04 % with 19.04 % of decrease.

Table 2.4 demonstrates the age distribution of employed population. There is a trend of aging during the 20 years—the percentage of employed youths of 20–29 has decreased from 37.42 % to 22.94 %. Percentages of employed elders have increased with 9.55 % for 40–49-year-olds, 4.87 % for 50–59-year-olds, and 2.86 % for 60 and above (Sect. 2.1.2.2 on “Changes in Employed Population”).

The percentage of employed 20- to 29-year-olds among all employed population who are 16 or above decreased due to extended education in recent years for youths. Since colleges and vocational schools increased their enrollment, the number of full-time students rapidly increased to 1.08 million in 1998,³ 1.6 million in 1999, 5.46 million in 2006, 6.08 million in 2008, and 6.82 million in 2011. Meanwhile, enrollment of secondary vocational education has reached to a historical height with 7.48 million in 2006, 8.1 million in 2007, and 8.7 in 2010,⁴ yet the number went down to 8.09 million in 2011 possibly due to the competition from high schools. If enrollment of colleges keeps increasing, enrollment of secondary vocational schools will decrease, and it will further lead to the decrease of employed 20- to 29-year-olds among the total employed population.

Table 2.5 indicates locale distribution of employed population during the 10 years,⁵ in which there is an increase of 2.68 % from 39.95 % in 2000 to 42.63 % in 2010 in the eastern region and decrease in central and western regions with, respectively, 1.42 % (from 31.61 % to 30.19 %) and 1.26 %.

³ http://cn.chinagate.cn/economics/2007-03/01/content_2368186.htm

⁴ http://cn.chinagate.cn/economics/2012-02/23/content_24710631_5.htm

⁵ Stats of three regions cannot be compared due to the differences in age inclusion criteria of 15+ in the National Census of 1990 and 16+ in this study.

2.2 Occupational Structure and Transition

Establishment of socialist market economy in 1992 dramatically impacted the transition in the structure of Chinese social stratum. Characteristics of occupations and social stratum became significant during the transition, in which marketization developed, social labor was specifically divided, innovative occupations emerged, and rural labor migrated rapidly. In other words, marketization accelerated the transition of occupational structure; industrialization promoted the migration of rural labor and led to the decreasing number of employed population in rural regions. However, household registration for employment and the urban employment system have still been influencing the free flow of labor force and yet have restrained the transition of occupational structure to some extent.

2.2.1 *The Overall Situation and Transition of Occupational Structure*

According to Table 2.6, the main characteristics of transition in occupational structure during 1990–2010 in China included: large transformation in occupational structure, faster transitional speed, and diverse structure of occupations.

Firstly, the percentages of production workers in industries of agriculture, forestry, animal husbandry, fishery, and water conservancy decreased greatly while the percentages of clerical and technical personnel in production, transportation equipment, business, and service increased.

During the period of 20 years, the percentages of production workers in agriculture, forestry, animal husbandry, fishery, and water conservancy industries decreased 21.96 % from 70.32 % to 48.36 %; the percentages in business and services increased 10.73 % from 5.46 % to 16.19 %; the percentages in production, transportation, and others increased 7.22 % from 15.29 % to 22.51 %. At the same time, clerical and technical personnel separately had 2.56 % and 1.46 % of increase.

Secondly, the transition of occupational structure accelerates and the rate of the second 10 years is faster than that of the first 10 years.

It was clear that the transitional rate of occupational structures in the second 10 years (2000–2010) is much faster comparing to that of the first 10 years (1990–2000). The percentages of changes in the number of workers during the second 10 years were compared with the first 10 years: being the greatest with 10.11 times more (than the first 10 years) in production and transportation equipment occupation; 3.42 times in professional and technical personnel; 2.65 times in agriculture, forestry, animal husbandry, fishery, water conservancy, and industry production personnel; 1.84 times in business and service personnel; 1.4 times in national organizations, party organizations, enterprises, and institutions; and 0.92 times (negative growth) in staff and associated personnel.

Table 2.6 Changes in structure of various major occupations in 1990–2010

| Occupations ^a | 1990 (1) | 2000 (2) | 2010 (3) | First 10 years (4)=(2)-(1) | Last 10 years (5)=(3)-(2) | Between 2 decades in average (6)=(5)/(4) | Between 2 decades in percentage (7)=[(3)-(1)]/[(1)×100] |
|--------------------------|-------------|-------------|-------------|-------------------------------|------------------------------|--|---|
| 1 | 1.77 | 1.71 | 1.77 | -0.06 | 0.06 | -1.00 | 0.00 |
| 2 | 5.38 | 5.71 | 6.84 | 0.33 | 1.13 | 3.42 | 27.14 |
| 3 | 1.77 | 3.10 | 4.33 | 1.33 | 1.23 | 0.92 | 144.63 |
| 4 | 5.46 | 9.24 | 16.19 | 3.78 | 6.95 | 1.84 | 196.52 |
| 5 | 70.32 | 64.30 | 48.36 | -6.02 | -15.94 | 2.65 | -31.23 |
| 6 | 15.29 | 15.94 | 22.51 | 0.65 | 6.57 | 10.11 | 47.22 |
| Sum | 100 | 100 | 100 | - | - | - | - |
| Frequency | 638,523,371 | 664,314 | 71,478,429 | - | - | - | - |

^aThe National Bureau of Standards and National Bureau of Statistics issued the first national standard “occupational classification and codes” and made 8 occupational categories: (1) heads of national organizations, party organizations, enterprises, and institutions; (2) professional and technical personnel; (3) staff and associated personnel; (4) business and service personnel; (5) agriculture, forestry, animal husbandry, fishery, and water conservancy industry production personnel; and (6) transportation equipment and related workers (and two categories not listed in the table: military and others). It is the same in following tables

Thirdly, employees in production and transportation equipment in industries of agriculture, forestry, animal husbandry, fishery, and water conservancy take higher percentages while the medium stratum extends. Transition in occupational structure rapidly increases along with significant improvement in modernization of occupational structure.

Labor force has still been the main part of occupational structure; it takes up 48.36 % in agriculture, forestry, animal husbandry, fishery, and water conservancy industry and 22.51 % in production and transportation equipment. However, the occupational structure has further transitioned into the modern social structure. On the one hand, occupations of business, clerical, professional, and technical personnel, national organizations, party organizations, enterprises, and institutions have increasing percentage of workers that take up one third of the overall employed population. On the other hand, nonagricultural class expanded with a rapid rate. Workers of business and services increased by 3 times during the 20 years; clerical and associated personnel had 2.5 times of increase; professional and technical personnel had 1/3 times of increase.

2.2.2 Gender Difference and Transition of Occupational Structure

National sectors have experienced a series of adjustments and changes along with the development of marketization. However, being directly under the monitoring and management, they are preserving many characters of redistribution system in terms of redistribution in labor force, wage system, and benefits. While in private sectors that gradually rise, egalitarian ideology has gradually been replaced by the principle of prioritizing efficiency. Employers owned great power of autonomy in allocating labor and wage. Ideology of gender equality has restraining power in national sectors while discrimination in genders is a concern in nonnational sectors (Zhang Zhanxin 2004; Bian Yanjie et al. 2006). Table 2.7 indicates gender difference in main occupational population during 1990–2010: (1) the gender composition of each occupation is unbalanced, and changes in rates were significantly different; (2) women's occupational status significantly rose. The growing rate in percentages of women was higher than men in occupations of party and government cadres, business leaders, and professionals and technicians.

Firstly, in national organizations, party organizations, enterprises, and institutions, there were higher percentages of male leaders than female leaders yet male leaders had slower growth rates of percentage than females. Female leaders in professional and technical occupations have been higher than males in terms of percentage and growth rate of percentage.

Among leaders of national organizations, party organizations, enterprises, and institutions, there was higher percentage of males than females by 2 % in average over the 20 years. However, females had a faster growth rate of percentage than

Table 2.7 Gender difference in percentages in various occupations during 1990–2010

| Years | 1990 | | 2000 | | 2010 | |
|-------------|-------------|-------------|---------|---------|------------|------------|
| Occupations | Males | Females | Males | Females | Males | Females |
| 1 | 2.84 | 0.46 | 2.60 | 0.62 | 2.40 | 1.00 |
| 2 | 5.34 | 5.44 | 5.03 | 6.53 | 6.04 | 7.83 |
| 3 | 2.38 | 1.01 | 3.96 | 2.05 | 5.24 | 3.20 |
| 4 | 5.06 | 5.95 | 8.50 | 10.14 | 14.12 | 18.76 |
| 5 | 66.52 | 75.00 | 60.51 | 68.87 | 44.38 | 53.29 |
| 6 | 17.85 | 12.14 | 19.39 | 11.78 | 27.81 | 15.93 |
| Sum | 100 | 100 | 100 | 100 | 100 | 100 |
| N | 352,442,084 | 286,081,287 | 363,496 | 300,818 | 39,553,791 | 31,924,638 |

males. The percentages of male leaders in national organizations, party organizations, enterprises, and institutions were 2.84 % in 1990 and 2.4 % in 2010 with 0.44 % of decrease over the 20 years. Meanwhile, females had 0.54 % of increase from 0.46 % in 1990 to 1 % in 2010. Among the professional and technical workers, females were 5.44 % in 1990 and 7.83 % in 2010 that were both higher than males who took up 5.34 % in 1990 and 6.04 % in 2010. Moreover, the growth rate of percentage of female leaders was higher (2.39 %) than that of male leaders (0.7 %).

Secondly, among clerical and associated personnel, there were higher percentages and faster growth rate of percentages of males than females. However, in the business and services, females had higher percentage and faster growth rate of percentages than males.

During the 20 years, male clerical and associated personnel increased by 2.86 % from 2.38 % in 1990 to 5.24 % in 2010; females colleagues increased by 2.19 % from 1.01 % to 3.2 %. In the business and service occupations, there was a higher percentage of females than males. Male business and services workers took up 5.06 % among all employed ones and females took up 5.95 % that is 0.89 % higher than their counterpart males. In 2010, percentages of males and females in these occupations increased greatly to 14.12 % and 18.76 % with 4.64 % of difference between genders.

Thirdly, agriculture, forestry, animal husbandry, fishery, and water conservancy occupations had higher percentages of females than males that were both decreasing greatly, while production and transportation equipment occupations had higher percentages and growth rate of percentages of males than females.

During the 20 years, agriculture, forestry, animal husbandry, fishery, and water conservancy occupations had more females who were 8 %–9 % higher than males. From 1990 to 2010, the percentages of both males and females have been decreasing. The percentages of males dropped from 66.52 % to 44.38 % by 22.14 %, and the percentages of females dropped from 75 % to 53.29 % by 21.71 %. Production and transportation equipment occupations had more males than females, and percentages of males increased more than that of females. From 1990 to 2010, the percentages of males increased from 17.85 % to 27.81 % by 9.96 %, and percentages of females increased from 12.14 % to 15.93 % by 3.79 %.

It is necessary to note that there was a fewer percentage of females than males left in the agricultural sector among all occupational groups. Agriculture, forestry, animal husbandry, fishery, and water conservancy occupations had 75 % of females among all occupations in the 4th census in 1990 and had 66.52 % of males working in the agricultural sector. In the 5th census in 2000, there were 68.87 % of females and 60.51 % of males working in this occupation. In the 6th census in 2010, there were 53.29 % of females and 44.38 % of males working in this occupation. However, with the development of market economy and the increasing demands of labor market in cities and towns for female workers, the number of female workers in agricultural sectors will decrease in the next 10 years while the service occupations in cities and towns will be developing. The demands for women workers will deeply impact the allocation of the labor market.

2.2.3 The Urban-Rural Differences and Changes in China's Occupational Structure

As the industrialization and marketization develop in China, this country is also experiencing a rapid growth in urbanization, where population transfer and accumulation dominate. The major task of urbanization is the economic activity concerning industrial integration and that of different factors of production. Its essence is to enhance the cities' ability of accumulation and mobilization, so as to drive the economic development in the whole region and its economic restructuring, to coordinate the development of urban and rural areas as well as that of different areas, and to promote social progress and harmony. According to Table 2.8, the non-peasants have a high rate, as well as a high degree of urbanization. An increasing percentage of the urban residents are composed of the heads of the government agencies, parties, mass organizations, enterprises, or public institutions, professionals, office workers, business people, and workers in the service industry. On the other hand, there is a sharp reduction in the percentage of the workers in agriculture, forestry, animal husbandry, fishery, and water conservancy, as well as a slight decline in the percentage of the operators of manufacturing equipment and vehicles.

Firstly, the percentage of the heads of government agencies, parties, mass organizations, enterprises, or public institutions and the professionals increased significantly in urban areas while there was a decrease in towns and villages.

In 1990, the percentages of the heads of government agencies, parties, mass organizations, enterprises, or public institutions in towns, which were 5.42 %, surpassed that in the urban area and in villages, while in 2000 and 2010, its percentage in urban areas of 4.52 % and 4.16 %, respectively, ranked the highest among all the three areas. During the two decades, its percentage kept declining in rural areas, especially in villages, where there was a 3.15 % drop. In 1990, the percentage of professionals in towns, which was 17 %, surpassed that in the urban area and in villages, while in 2000 and 2010, its percentages in the urban area, which were 14.15 % and 15.64 %, respectively, ranked the highest among all the three areas. During the

Table 2.8 The urban-rural differences and changes in China's occupational structure during 1990 and 2010 (%)

| Year | 1990 | | | 2000 | | | 2010 | | |
|-------|-------|-------|---------|-------|-------|---------|-------|-------|---------|
| | City | Town | Village | City | Town | Village | City | Town | Village |
| 1 | 4.66 | 5.42 | 0.69 | 4.51 | 3.35 | 0.56 | 4.16 | 2.27 | 0.45 |
| 2 | 12.93 | 17.00 | 2.35 | 14.15 | 11.48 | 2.11 | 15.64 | 9.17 | 1.79 |
| 3 | 5.01 | 7.07 | 0.43 | 9.63 | 6.05 | 0.58 | 10.84 | 5.50 | 0.77 |
| 4 | 13.57 | 18.63 | 2.14 | 23.18 | 19.62 | 3.14 | 31.94 | 22.21 | 6.53 |
| 5 | 25.11 | 14.92 | 87.12 | 14.52 | 32.14 | 85.22 | 4.92 | 32.30 | 74.82 |
| 6 | 38.71 | 36.96 | 7.27 | 34.01 | 27.36 | 8.40 | 32.50 | 28.54 | 15.65 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

two decades, the percentage of professionals in the urban area kept increasing and went up a growth of 2.71 %, while it declined in towns and villages, especially with a drop of 7.83 % in towns during the 20 years.

Secondly, the percentages of office workers and associated ones, business people, and workers in the service industry increased significantly in the urban area while the percentages decreased slightly in towns and increased slightly in villages.

In 1990, the office workers and associated ones took up 7.07 %, which was much higher than those who are in cities or villages, of the population in towns. However, the percentages in the urban area surpassed the other two areas in 2000 and 2010, the percentages of which were 9.63 % and 10.84 %, respectively. During the two decades, it experienced a continuous increase of 5.83 % in the urban area while it experienced a continuous decrease of 1.57 % in towns and a slight increase of 0.34 % in villages.

In 1990, the business people and workers in the service industry took up 18.63 %, which was much higher than those of cities or villages, of the population in towns. However, its percentages in the urban area were 23.18 % and 31.94 %, respectively, in 2000 and 2010 and surpassed the other two areas in those two years. During the two decades, there was a continuous increase in all the three areas. The percentages increased by 18.37 % in the urban area, 3.58 % in towns, and 4.39 % in villages.

Thirdly, the workers in agriculture, forestry, animal husbandry, fishery, and water conservancy still take up a large percentage of the employed population in villages. The percentage of the operators of manufacturing equipment and vehicles is always large in the urban and town areas and has an increase in villages.

During 1990 and 2010, the workers in agriculture, forestry, animal husbandry, fishery, and water conservancy kept taking up a large percentage of the village population. In 2010, its percentage (74.82 %) was slightly smaller than that in 1990 (87.12 %) in villages. In the urban area, there was a significant decrease by 20.19 % from 25.11 % in 1990 to 4.92 % in 2010 while it experienced a significant increase by 17.38 % in towns.

During 1990 and 2010, the operators and relevant personnel of manufacturing equipment and vehicles had a large percentage in the urban and town areas although

there was a slight decrease of 6.21 % in the urban area and 8.42 % in towns during the past two decades, while in villages, it had an increase of 8.38 %.

Table 2.8 indicates that China's rural area has been greatly nonagriculturalized during the last two decades. In 1990, 87.12 % of the rural population engaged in agricultural production. Later on, there was a decrease in percentage during the industrialization and urbanization. In 2000, the percentage was 85.22 %, which was slightly smaller than that in 1990, while it decreased by almost 10 %—74.82 % in 2010. This means China's rural area has experienced a rapid change in its social structure.

2.2.4 The Regional Differences and Changes in China's Occupational Structure

As the international manufacturing business eventually transferred to China, an industry pattern dominated by manufacturing has been formed along its southeast coast, where the tertiary industry is also booming. In addition, the industry in the central and western regions seized a certain degree of development. However, there is a significant difference in the development between the coastal region in the east and the inland areas in the mid-west and west due to their different paces of development. The unbalanced economic development resulted in a different industrial structure and thus led to a career structure that is regionally unbalanced. Table 2.9 indicates the regional differences in China's occupational structure between 2000 and 2010: firstly, the difference is highly correlated with the level of economic development, marketization, and industrialization. From the east to the west, the heads of government agencies, parties, mass organizations, enterprises, or public institutions and the professionals; office workers and associated personnel; business people and workers in the service industry; and the operators of manufacturing equipment and vehicles take up a declining percentage within the occupational structure. This means its percentage is the highest in the east, lower in the central region, and the lowest in the west. On contrary, the workers in agriculture, forestry, animal husbandry, fishery, and water conservancy take up an increasing percentage in the occupational structure from the east to the west. In view of the changing tendency, there is a significant decline in the central and western area while a more significant decline in the east.

When it comes to the percentages of heads of government agencies, parties, mass organizations, enterprises, or public institutions, the east region had the highest while the west had the lowest. In view of the changes during the decade, the east experienced a slight increase in it while the central and west experienced a slight decline. For the percentage of technical professionals, the east had the highest while that the west had the lowest. In view of the changes during the decade, all the three areas experienced an increase. However, there were differences in the percentages of growth during the past decade. The east had a largest growth of 1.64 %, the central area had a smaller growth of 0.93 %, and the west had the smallest growth of 0.51 %.

When it comes to the percentage of office workers and associated personnel, the east region had the highest while that the west had the lowest. In view of the changes

Table 2.9 The regional differences and changes in China's occupational structure during 2000 and 2010 (%)

| Year | 2000 | | | 2010 | | |
|------------|---------|---------|---------|------------|------------|------------|
| Occupation | East | Central | West | East | Central | West |
| 1 | 2.23 | 1.50 | 1.21 | 2.49 | 1.31 | 1.18 |
| 2 | 6.41 | 5.56 | 4.88 | 8.05 | 6.07 | 5.81 |
| 3 | 3.87 | 2.71 | 2.44 | 5.60 | 3.43 | 3.33 |
| 4 | 11.75 | 7.93 | 7.19 | 19.08 | 14.60 | 13.42 |
| 5 | 51.41 | 71.01 | 74.95 | 34.24 | 56.09 | 61.92 |
| 6 | 24.33 | 11.29 | 9.34 | 30.55 | 18.51 | 14.34 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 |
| N | 265,399 | 209,999 | 188,916 | 30,469,342 | 21,578,564 | 19,430,523 |

during the decade, all the three areas experienced an increase. However, there were differences in the percentage of growth. The east experienced a largest growth by 1.73 %, the west with a smaller growth of 0.89 %, and the central area with the smallest growth of 0.72 %. For the percentage of business people and workers in the service industry, the east had the highest while the west had the lowest. In view of the changes during the decade, all the three areas experienced a rapid increase. The east experienced a growth of 7.33 %, the central area with 6.67 %, and the west with 6.23 %.

When it comes to the percentage of workers in agriculture, forestry, animal husbandry, fishery, and water conservancy, the east had the lowest while that the west had the highest. In view of the changes during the decade, all the three areas experienced a significant decline. The east experienced a decrease of 17.17 %, the central area with 14.92 %, and the west with 13.03 %. For the percentage of operators of manufacturing equipment and vehicles, the east had the highest while the west had the lowest. In view of the changes during the decade, all the three areas experienced an increase. The east experienced a growth of 6.22 %, the central area had 7.22 %, and the west had 5 %.

2.2.5 *The Age Differences and Changes in China's Occupational Structure*

As the marketization has different influences on different age groups, it will influence the age distribution in the occupational structure. Table 2.10 shows the age pattern of China's occupational structure during 1990 and 2010. There were three major findings. First, the average age of the heads of government agencies, parties, mass organizations, enterprises, or public institutions became younger. Second, there was no significant change in the age structure of office workers and associated personnel while business people and workers in the service industry of all age groups experienced an increase in their percentages, and the younger the group was, the more increase it experienced. Third, among the workers in agriculture, forestry, animal husbandry, fishery, and water

Table 2.10 The age differences and changes in China's occupational structure during 1990 and 2010 (%)

| Year | Occupation | 20–29 | 30–39 | 40–49 | 50–59 | 60+ |
|------|------------|-------------|-------------|-------------|------------|------------|
| 1990 | 1 | 0.40 | 2.05 | 3.89 | 4.45 | 1.07 |
| | 2 | 5.77 | 6.13 | 6.74 | 6.08 | 1.82 |
| | 3 | 1.65 | 2.11 | 2.18 | 2.17 | 0.75 |
| | 4 | 5.36 | 6.56 | 5.80 | 4.86 | 5.59 |
| | 5 | 67.82 | 65.34 | 68.61 | 75.53 | 88.24 |
| | 6 | 19.01 | 17.81 | 12.79 | 6.90 | 2.53 |
| | Total | 100 | 100 | 100 | 100 | 100 |
| | <i>N</i> | 212,928,991 | 161,693,650 | 103,776,010 | 63,016,819 | 27,678,810 |
| 2000 | 1 | 0.75 | 1.86 | 2.89 | 2.59 | 0.45 |
| | 2 | 7.43 | 6.49 | 5.51 | 4.70 | 1.33 |
| | 3 | 3.39 | 3.22 | 3.59 | 3.02 | 1.44 |
| | 4 | 10.94 | 10.57 | 9.30 | 5.48 | 3.56 |
| | 5 | 55.46 | 60.01 | 64.80 | 77.56 | 91.16 |
| | 6 | 22.03 | 17.86 | 13.92 | 6.65 | 2.06 |
| | Total | 100 | 100 | 100 | 100 | 100 |
| | <i>N</i> | 161,757 | 200,501 | 142,597 | 79,595 | 42,093 |
| 2010 | 1 | 1.17 | 2.29 | 2.36 | 1.79 | 0.45 |
| | 2 | 8.80 | 9.14 | 6.60 | 4.40 | 1.29 |
| | 3 | 4.88 | 5.05 | 4.41 | 4.16 | 1.49 |
| | 4 | 20.65 | 19.30 | 16.04 | 10.14 | 4.99 |
| | 5 | 36.09 | 37.68 | 47.78 | 66.07 | 87.11 |
| | 6 | 28.42 | 26.55 | 22.81 | 13.43 | 4.67 |
| | Total | 100 | 100 | 100 | 100 | 100 |
| | <i>N</i> | 15,869,397 | 17,716,187 | 19,219,300 | 11,026,224 | 5,339,406 |

conservancy, those between the age of 20 and 39 experienced a decrease in the percentage while the operators of manufacturing equipment and vehicles of all age groups experienced an increase in their percentages and those between 40 and 59.

In 1990, the age group of 40–49 took up 4.45 % of the heads of government agencies, parties, mass organizations, enterprises, or public institutions and the age group of 50–59 took up 3.89 % while those of the age group of 20–29 took up 0.4 %. However, the average age apparently became younger since 2000. Compared with 1990, the percentage of the people of the age group of 40–49 dropped by 1 % and that of those who aged 50–59 dropped by 1.56 % while that of the age group of 20–29 rose by 0.35 % in 2000. In 2010, the percentage of the people of the age group of 20–29 rose by 0.42 % and that of the age group of 30–39 rose by 0.43 % while that of the age group of 40–49 dropped by 0.53 % and that of the age group of 50–59 dropped by 0.8 %. Also, the average age of the professionals apparently became younger since 2000. Compared with 1990, the percentage of the age group of 20–29 rose by 1.66 % and that of the age group of 30–39 experienced a slight increase while that of the age group of 40–49 dropped by 1.23 % and that of the age group of 50–59

dropped by 1.38 %. During 2000 and 2010, the percentage of those aged from 30 to 39 kept rising while that of those aged from 40 to 59 dropped continuously.

In 1990, office workers and associated personnel of all age groups took up similar percentages except those aged 20–29 and 60 or above. In 2000, the percentages of different age groups were even closer. In 2010, apart from the age groups of 20–29 and 30–39, who took up relatively high proportions, all the other age groups took up similar proportions. In 1990, business people and workers in the service industry of all age groups took up similar proportions. By 2000, all age groups except those aged 60 or above have experienced an increase in the proportion. Among these groups, the percentages of the groups of 20–29, 30–39, and 40–49 had more growth. In 2010, the growth continued, and the younger a group was, the faster increase in percentage they had. Compared with 2000, the percentage of the group of 20–29 increased by 9.71 %, 30–39 by 8.73 %, 40–49 by 6.74 %, 50–59 by 4.66 %, and 60 or above by 1.43 %.

In 1990, more than 65 % of the people from the age groups of 20–29, 30–39, and 40–49 were workers in agriculture, forestry, animal husbandry, fishery, and water conservancy, and the percentages of those belonging to the other two age groups were even higher. In 2000, there were, respectively, 12.36 %, 5.33 %, and 3.81 % drop in percentage of the three age groups while there was a small growth in those of the other older age groups. In 2010, there were continuous significant declines in the first three age groups and slight drops in the two older ones.

In 1990, there were, respectively, 19.01 %, 17.81 %, and 12.79 % of the three 10-year age groups ranging from 20 to 49 who were operators of manufacturing equipment and vehicles while the 50-year-old age group took up 8.43 %. In 2000, there were, respectively, 3.02 % and 1.13 % of growth in the percentage of the age groups of 20–29 and 40–49 while there was no significant change in the other age groups. In 2010, each age group experienced a growth in proportion. The largest growth occurred in the age groups of 30–39 and 40–49, each with 8.69 % and 8.89 %, while the groups of 20–29 and 50–59 also increased by 6.39 % and 6.78 %.

2.3 The Social Stratum Structure and Its Changes

As mentioned before, the discussion was on whether China's social structure being an "inverted T shape" or a "pyramid type." In other words, the essence of this debate should be whether social structure can be reduced or extended if there is a need. For instance, can the large number of peasants at the bottom of the society be reduced quickly? Can they take on nonagricultural occupations? Can the middle stratum keep being extended? Li Qiang (2005) believed that the horizontal line in the inverted "T" represented the rural stratum while its vertical line represented the urban stratum. There was hardly a buffer area for the two tiers of strata, thus making a dichotomous structure of strata. Therefore, China's social transition can be very time consuming. However, some optimistic studies including Lu Xueyi's believed that China has formed modern social strata. Although the overall social structure

remains the “pyramid type,” the society is gradually being modernized. The bottom of the “pyramid” is downsized while its middle part is extended.

To better respond to the discussion above and better indicate the changes in the current social structure, we congregate six occupations in the census into three strata: the workers in agriculture, forestry, animal husbandry, fishery, and water conservancy are considered as the peasant stratum; the operators of manufacturing equipment and vehicles belong to the blue-collar stratum; the heads of the government agencies, parties, mass organizations, enterprise, or public institutions and professionals, office workers, and business people and workers in the service industry⁶ belong to the white-collar stratum. By analyzing the data of the 5th and 6th census and studying the changes among the three strata during 2000 and 2010, the new changes in China’s social structure can be described and the discussion about its type can be responded properly.

2.3.1 The Peasant Stratum Downsizing Sharply While the White-Collar Stratum Upsizing Rapidly

During the transition from an agricultural society to an industrial or a postindustrial one, the process of peasant stratum downsizing and non-peasant stratum upsizing is irreversible. The faster the industrialization and urbanization are, the quicker the peasant stratum will be downsized. For example, 53 % of the US citizens were farmers or farm workers in 1870. The percentage dropped to 37.5 % in 1990, which means a decline of 15.5 % over three decades. According to Fig. 2.1, on the one hand, the percentage of China’s peasant stratum dropped from 64.3 % to 48.36 % during 2000 and 2010, which indicated a decline of 15.94 % over one decade. This means in terms of occupation, China’s bottom stratum was downsizing rapidly during the first decade of the twenty-first century. On the other hand, there were more non-peasants than peasants in China. The Chinese society, to some degree, has been transformed from a nation dominated by rural society into one dominated by urban society, which is a landmark, as well as the biggest change in its social structure since the Reform and Opening Up. In terms of the social stratum structure, the bottom of the “pyramid” or the base of the “candleholder” is shrinking sharply, which means that the social stratum structure is changing into a reasonable one.

While the bottom stratum is shrinking, the white-collar stratum is growing rapidly. This is partly resulted from the expanded size of higher education enrollment in China since 1999, which directly provided around 4,000 graduates for the labor market. According to Lu Xueyi’s research, China’s middle class is expanding with a growth of about 1 % every year, which is similar to our conclusion.

Figure 2.2 shows the percentage of white-collar stratum of 25.61 % in 2010, with a growth of 7.94 % within one decade. The speed of annual increase was nearly 0.8 %.

⁶The warehouse keepers, waiters, and drivers are classified as blue-collar workers.

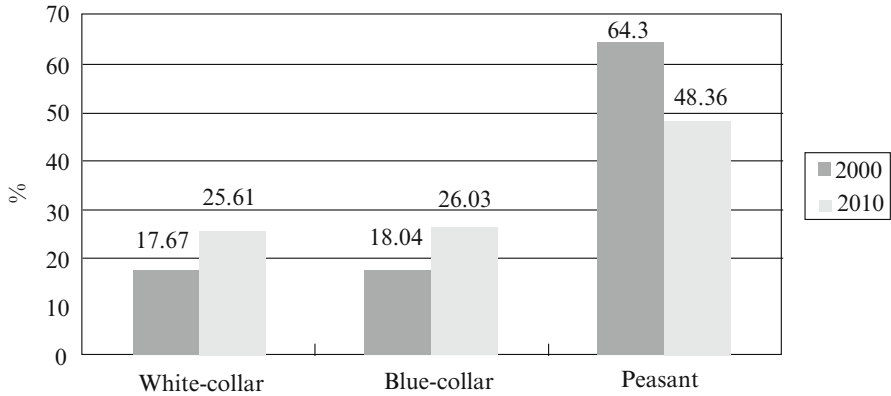


Fig. 2.2 The distribution of the three major strata in 2000 and 2010 in China

2.3.2 *The Modernizing Urban Social Structure and the Higher Percentage of Non-peasant in Rural Areas*

The peasant stratum is shrinking and fewer people take part in agricultural production activities. There is a significant growth of the white-collar stratum in urban areas. Figure 2.3 showed that 14.52 % of the urban citizens were peasants in 2000 while the percentage shrunk to 4.92 % in 2010. There was a drop of 9.6 % during one decade, which means the percentage decreased by nearly 1 % per year. On the other hand, more than a half of the urban citizens were white-collar workers in 2010; the percentage of 56.03 % was nearly 10 % more than that in 2000. Despite of the huge urban-rural gap due to the household register system, the rural areas still underwent a certain degree of nonagriculturalization during 2000 and 2010: the white-collar stratum experienced a growth of 2.18 % in its percentage while the peasant one experienced a decrease of 10.4 %.

Li Qiang's (2005) in his study indicated that China's rural society was mainly formed by citizens with lower social status. There was hardly any middle-class individual in villages except a small amount of blue-collar workers. Table 2.11 showed the changes of the occupational structure in China's rural areas between 1990 and 2010. From this table, we found during 1990 and 2000 that the number of the workers in agriculture, forestry, animal husbandry, fishery, and water conservancy decreases by only 1.9 % and the peasants took up 85.22 % of the population. This indicated a low level of nonagriculturalization in the rural area, which was in line with Li Qiang's findings. However, during 2000 and 2010, greater changes were taking place. The nonagriculturalization process went faster in the rural area, where the white-collar stratum and blue-collar stratum extended. The percentages of business people and workers in the service industry and the operators of manufacturing equipment and vehicles experienced significant increases by 3.39 % and 7.25 %, respectively.

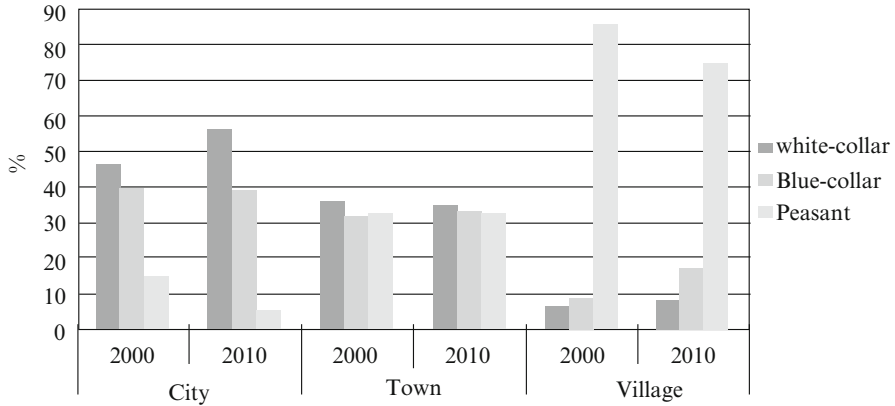


Fig. 2.3 The urban-rural distribution of the three major strata in 2000 and 2010 in China

Table 2.11 The changes in China’s rural occupational structure between 1990 and 2010 (%)

| Occupation | 1990 | 2000 | 2010 | The changes in the first decade | The changes in the second decade |
|------------|-------------|---------|------------|---------------------------------|----------------------------------|
| | (1) | (2) | (3) | (2)–(1) | (3)–(2) |
| 1 | 0.69 | 0.56 | 0.45 | -0.13 | -0.11 |
| 2 | 2.35 | 2.11 | 1.79 | -0.24 | -0.32 |
| 3 | 0.43 | 0.58 | 0.77 | 0.15 | 0.19 |
| 4 | 2.14 | 3.14 | 6.53 | 1.00 | 3.39 |
| 5 | 87.12 | 85.22 | 74.82 | -1.90 | -10.40 |
| 6 | 7.27 | 8.40 | 15.65 | 1.13 | 7.25 |
| Total | 100 | 100 | 100 | - | - |
| Frequency | 473,042,361 | 447,709 | 39,342,701 | - | - |

2.3.3 Peasants Stratum Transforms into Blue-Collar Stratum and the Younger Generation Has the Higher Flowing Percentage

The greatest change in China’s social structure is the transformation from peasant stratum into blue-collar one.

In terms of occupation, migrant workers are an emerging group of industrial workers. Most of the jobs they do are similar to the work that the industrial workers do. In terms of workplace, similar with the workers, most of the migrant workers work in the secondary and tertiary industries in cities and towns. In terms of the form of salary, the same as workers, most of the migrant workers’ salaries receive currency. In terms of lifestyle and values, the migrant workers have different ones from peasants yet have more similar ones to values of workers in cities, such as democratic

ideas, the legal consciousness, and the idea of equality that are gradually blended into their lives. In 2005, rural areas had a significantly increasing number of the operators of manufacturing equipment, vehicles, etc. The majority of the non-peasants who took up physical work were from the rural area. In particular, 70.49 % of the operators of manufacturing equipment and vehicles, with a growth of 8.64 % compared with 2000, were from the rural area. There were 54.89 % of the business people and workers in the service industry were from the rural area, with a growth of 2.84 % compared with 2000 (Research Group on Transition of Contemporary Social Structure in China 2008). As the urbanization proceeds and the urban-rural integration increasingly raises concern, the number of the migrant workers, who were originally peasants, has reached 260 million by the end of 2010 (Zhang Yi 2011).

In terms of age structure, the ones in younger age group are less likely to work in the occupations of agriculture, forestry, animal husbandry, fishery, and water conservancy. On contrary, the farmers in the older age group are more likely to take on these local jobs. Younger migrant workers tend to have higher education and active minds as they are longing for the urban life and having the impulse to seek outside employment so that they can more easily adapt to the modern industrial production. On the contrary, most of the rural labors are middle-aged and elderly people. The “2011 Investigational and Monitoring Report on Chinese Migrant Workers” showed that “older migrant workers are not only less competitive but also responsible to take care of their families, which reduce their initiative to go outside.” Therefore, “married and older migrant workers are more likely to migrant to work nearby or locally.”

This, to some extent, indicates that China’s labor market and social security system are not close to perfect and that the cities are not ready to accept middle-aged and elderly migrant workers. Most migrant workers take on jobs in labor-intensive industries and most they do is simple repetitive work that requires workers to have high quality of strength, agility, and operation precision. Therefore, young migrant workers are more effective when doing this work. When the nontechnical migrant workers enter their middle age, their strength, agility, and operation precision decline, which leads to lower effectiveness. When their salaries cannot cover their living cost and the basic savings for them to take back home, they will choose to go back home as they are not paid enough for their work. Besides, there are no corresponding measures or systems concerning employment and social security that help the migrant worker adapt to urban life.

2.4 Changes and Social Governance of Occupational and Stratum Structure

China’s occupational changes currently take place in two ways: One follows the market development. As the marketization triggers new occupations and promotes their development, individual occupational identities are diversified. The urbanization encourages rural labors to engage in nonagricultural industries, and thus it causes integration of labor force and nonagricultural economics in the

cities. The industrialization promotes the changes in the occupational structure during the adjustment and upgrade of industrial structure. The other way follows the system changes. Although the changes in the employment system would loosen the restriction of the household register system, they still influence people's occupational mobilization and restrains migrant workers from acquiring citizenship. It, on the other hand, has also influenced changes of the entire occupational structure.

From the aspect of gender, there is imbalance among different occupations as well as their growth speeds. From an urban-rural perspective, the urbanization of the employed non-peasant group accelerates and it takes higher percentages than before. In terms of regions, there are fewer non-peasants in the developed area and the number of this population quickly decreases, allowing a more reasonable occupational structure. From the perspective of changes, the east areas have the greatest growth while the central and western areas as well have quite a lot of improvement. From the aspect of age, individuals being operators of manufacturing equipment and vehicles are experiencing their aging phase. The average age of the heads of the government agencies, parties, mass organizations, enterprises, or public institutions and professionals turns out to be much younger than before. More people of all age groups are taking occupations as business people and workers in the service industry. The younger they are, the faster they developed.

From the perspective of social structure, the bottom stratum is contracting while the middle class is expanding. The peasant stratum is significantly shrinking and the white-collar stratum is growing extremely fast and makes social structure into a more reasonable state. However, some recent research shows that the social mobilization tends to halt, while people of lower stratum are less likely to move to upper class. This means that the upper class is closing and will restrain the elites in the lower stratum to move up to the upper class. The barriers on emergence will lead to alliance of lower-class elites and society with their antagonizing psychology resisting the whole society. However, the nonagriculturalization in the rural area is getting faster during the industrialization. The opportunities for the peasants transforming into blue-collar workers is not open. The younger generation will have more opportunities of moving to the class of non-peasants.

China's occupational structure has changed a lot since Reform and Opening Up and led to the changes in its social stratum structure. However, the occupational structure will keep changing relatively for a long time. As China's current occupational structure and social stratum structure are changing quickly, we should seize the opportunity. We should make greater adjustment to the social policy and improve the systems that restrain those changes so as to rationalize and modernize China's social stratum structure.

Firstly, the system reform to adjust to the marketization should be speeding up, and the industrial development should be encouraged so as to modernize the occupational structure. A marketization system should be established so that the administration will have less intervention in resource allocation and the market will play the leading role. The relative market system should be improved, as well as the market rules. The market will thus be fair and a good system environ-

ment will be created for the development of occupational activities. Also, active industrial policies should be implemented and more technology should be invested in the manufacturing industry. In order to promote industrialization, the high-tech industry should be significantly supported and the industrial structure should be upgraded. To develop the tertiary industry, we should focus on developing labor-intensive industries including business and service industry as well as the knowledge-intensive industries including IT, financial industry, communication, and cultural creativity. Therefore, the occupational structure will be modernized and upgraded.

Secondly, the household registration system and employment system should be reformed so as to promote reasonable occupational mobilization and better occupational structure. China's current occupational structure is not sound enough. There is still unfairness in occupational mobilization and distribution. These issues are directly related to the rationality of the social structure and social relationship as well as the social stability. The unfairness in the household registration system and employment system impacts China's occupational mobilization and restrains the changes in occupational structure. The systematic obstacles left by the planned economy system still prevent social members from mobilizing across different strata and are not beneficial to the modernization of the occupational structure. Therefore, in order to build a modern society with a high level of openness, these obstacles should be removed systematically so as to create a better systematic environment for reasonable social mobilization in China.

Thirdly, the mobility of rural labor force and the nonagriculturalization should be promoted. As the modernization proceeds, the number of peasants will reduce quickly. As the mechanization proceeds, the way to carry out agricultural production will be fundamentally changed. Therefore, the government should make more policies and specific instructions which will promote migrant workers' mobility and help build a uniform labor market. The different systems in urban and rural areas should be changed and a new urban-rural relationship should be built to adjust to the market economic system. The household registration system should be reformed. The rural people should be transformed reasonably and the urbanization should be promoted. The restriction on rural labor force should be removed and the integration of the labor force markets should be encouraged.

Fourthly, progress and innovation should be made in social governance and measures should be made to help migrant workers better merge into city life. The supportive policies for migrant workers should be implemented and the training system for them should be established and be improved eventually. The government's role in providing public services for migrant workers should be emphasized and the service mechanism should be improved. The urban community should be a major platform to create a good atmosphere and harmonious neighborhood so that migrant workers will be accepted by cities more easily. The public infrastructure in communities should be built so that living conditions of the migrant workers will be improved. The interaction between citizens and migrant workers should be encouraged through community service stations. Migrant workers should also be encouraged to participate in consulting commu-

nity issue, which will enhance their city identifications. Knowledge about law and order, healthy and safety, and family planning can be spread through lectures, psychological counseling, and social gatherings. Therefore, the organizations will develop properly and play an important role in help migrant workers merge into city life.

Fifthly, education resources should be allocated properly so that the children of migrant workers can take the college entrance examination locally. In order to access more citizen rights involving migrant workers and equality to education, different policies have been made about how the children of migrant population take the college entrance examination. However, it is inevitable that to have more migrant workers and more restricting policies in bigger cities. These problems are disadvantaged to the occupational mobilization across different generations. The restrictions will expose “the second generation” to more unfairness and frustrate them severely anywhere in the world. For an instance, the “riot” caused by the second generation of the black population in Paris has led to serious social conflict. These are what we must take consideration of when studying and making relevant policies or making innovation in the system of social governance.

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Chapter 3

Transition and Governance of Family Structure

In the recent 30 years, China has transformed from a typical and traditional society with agricultural industry to a society of city-oriented industry. Some major cities have appeared with typical characteristics of a postindustrial society. Under the huge drive of societal transition, China has experienced a revolutionary transition of population—from a society of high birth rate, low mortality rate, and high natural growth rate to one of low birth rate, low mortality rate, and low natural growth rate.

Societal transition and population transition intertwine, while the family as societal compositional unit has been through great changes. Postponed age at first marriage, increasing divorce rate, and more frequent mobilization of population have led to the separation of couples, rapid increase number of single-member households, significant trend in shrinking size, fewer children, and the household of single member.¹ The major characteristics of Chinese societal transformation are posterior, compressible, and imbalanced. Societal transition and population transition both can be accomplished within a short period of 10 years. This analysis primarily used the National Census data. Authoritative survey data and mass survey data collected by research institutions supplement the attrition within original data.

¹The household family of single member refers to a family of a single adult, regardless of one's marriage status, living alone in a place for a period of time.

3.1 Main Characters of Transition in Chinese Family

3.1.1 Family Miniaturization

3.1.1.1 Family Household and the Shrinking Size

The family structure demonstrates intergenerational relationships and kinships. The size of family household² indicates the number of family members within a household. In general, the bigger a family size is, the more family members it has and the more complex the family structure is. As we take the total fertility rate as the control variable into the analysis, it is not difficult to understand that in a nuclear family of high total fertility rate, the size of this household can be quite large. However, as the total fertility rate declines in a society, the family size declines as well, and the trend of family miniaturization can be further strengthened.

According to Table 3.1, the total fertility rate in the 2nd National Census in 1964 was 6.18, and its average number of household members was 4.43. However, since the one-child policy was strictly implemented in the 1970s (Zhang Yi 2006), the average number of members in one household declined greatly.³ The total fertility rate of the 4th National Census in 1990 went down to 2.31, and the average number of household members decreased to 3.96. In the 5th National Census of 2000, the total fertility rate decreased to 1.23 and the average household members to 3.46. The total fertility rate was still decreasing in the 6th National Census of 2010 as the historical low as 1.18 (even though it is not confirmed by many people), and the average household members simultaneously decreased to 3.09.

This report is supposedly to have sufficient data of recording the lowest average household members in the history of China thus far. However, along with the development of industrialization and urbanization, the trend that the family size is shrinking will continue. Even in the USA, where the postindustrialization and urbanization are well developed, its average number of household members is declining: its census in 1960 showed that the average number of household members was 2.59, while

²To note that, single-member family household is included in China National Census yet not in US National Census. Thus, the data of National Census from China and the USA is not comparable considering the different definitions on “family household.” A household refers to the living community with permanent residence and stable interaction. A household in China National Census consists of its major parts—family household and collective household. The household in this report refers to family household only, excluding collective household.

³In 1970s, Zhou Enlai criticized the action of putting the one-child policy and health acts together when meeting all staff from health department of military control commission. He said, “the one child policy is a part of national planning as a planning issue rather than a health issue. If you cannot handle the population, why bother the national planning!” Because of Zhou Enlai’s direction, the state council issued the *Report about Better the Work of One-Child Policy* in 1971 and first mentioned about to bring down the natural birth rate during the 4th Five-Year Planning and achieve 10 % decrease in cities and 15 % in rural areas by 1975. Thus, this plan has been noted in the 4th Five-Year Planning (1971–1975).

Table 3.1 Average population and fertility rate of households in all previous National Censuses

| Survey time | 1953 | 1964 | 1982 | 1990 | 2000 | 2010 |
|------------------------|------|------|------|------|------|------|
| Average household size | 4.33 | 4.43 | 4.41 | 3.96 | 3.46 | 3.09 |
| Total fertility rate | 6.05 | 6.18 | 2.86 | 2.31 | 1.23 | 1.18 |

Data source: Data of 1953 to 1990 is from *China Population and Employment Statistics Yearbook* in 2007. The data of 2000 is from Table 1-1 in the 5th National Census. The data of 2010 is from Table 1-1 in the Chinese National Census

the figure of the census in 2010 was 2.58.⁴ According to this, if China's industrialization and urbanization keep developing, its average number of household members will possibly keep declining.

Of course, the decline is also influenced by population mobilization. China's sixth census in 2010 showed 261,390 thousand people whose places of residence were different from that of their registered residence, and they have left the registered places for more than a half of a year. Among all these people, 39,960,000 mobilized within the urban areas, while the rest 221,430,000 mobilized between urban and rural areas. In other words, there were 221,000,000 floating people. More than 70 % of the floating population migrated with their family members.⁵ Due to the employment, members from the same family may be divided into two or even more "households." Some family members migrate into cities for their work and become migrant households there, while the others stay in their hometown and become left-behind households. These different households⁶ from one family are related with each other but also independent. Therefore, the division of Chinese families does not only multiply the number of households but also reduces the number of family members as the birth rate is decreasing, which means the average family size in China is decreasing.

⁴In the National Census in the April of 2010, the average household members (including family members) were only 3.14. However, if including all family and non-family members in a housing unit, the average household members reached 4.42. If including non-family households in the calculation, the average members per household were 2.58. To note that, the definition of the family in National Census was a group of people who have kinship, marital relationships, or adopting relationships and are living together. Therefore, the census regards a single-member household as a non-family household by the definition. Moreover, the census defined households of homosexually married couples, homosexually unmarried couples, and straight couples as non-family households. Of course, non-family households also include so-called collectively living households, such as students living in the dormitory, soldiers in the barrack, or renters and collective renters.

⁵According to the floating population monitored by the *National Population and Family Planning Commission* in the second half of 2010.

⁶As the concept of an independent household is defined as a group of related individuals who have lived in a place of independent residential space for a half year or more, it is different from another concept "the identity of the family" or the "family" that is commonly referred to. In fact, National Census investigates each "household," which includes family household and non-family household. This "household" concept is determined by kinship, marriage relationship, support relationship, and adopting relationship, and thus, it is more operationalizable to measure a family.

Historical analysis of Chinese “household” population found out that big families only took a small percentage of the overall population. In other words, the average number of household members in the past generations had never been quite large—“four generations under one roof” has been rarely seen (even though certain foreign books considered big families or extended families as the main part of Chinese families in history, recent research discovered that Chinese families mainly consisted of nuclear families and stem families). Considering a family as a for-profit organization, stable mortality rate on an established level would result in the following conditions: the bigger a household is, the more management and organization cost it has; the smaller a household is, the less cost it has. Altruism within a family context could resolve some conflicts. In a big family of complex relationship, however, the chances of having egoism may increase, while altruism diminishes. Therefore, the average size of household in historically written records was not so big. The data Li Yinhe cited from Liu Dai’s *Our Land and People* indicated that the average household size in A.D. 2 of Han Dynasty was 4.87, in A.D. 1003 was 2.08 in the second period of Xianping during Songzhengzong’s reign (for this extreme data, the household size can be misreported due to policies of taxes, labor, etc.), and in 1812 was 5.33 in the 17th period of Jiaqing during Qingrenzong’s reign. Under the influence of high morality rate that was expected, the natural growth rate will be effectively restrained. Therefore, the increase in average household size will comply with many restrains and restrictions of external conditions (Li Yinhe 1995:5–13).

Nevertheless, the consistent small number of household members has been different from that in traditional agricultural society due to the long-term implementation of one-child policy. Even though the average number of household members was as well small in the traditional society, siblings can establish a family network of close kinships and marital relationships. The familial closeness and altruism could support a family member or a family that is suffering certain risks and pressure. In the contemporary society, the one-child policy or male-to-stop policy⁷ in certain provinces/districts implemented per the family planning policy rapidly lessened the family network of close kinships and marital relationships. Moreover, the floating population such as young adults who were employed or lived away from home would compromise family bonds and frequency of interaction with their family members as the physical distance between child families and parental families is longer now.⁸

3.1.1.2 Family of the Only Child and “Family that Loses the Kid”

The one-child policy in China follows “One Nation, Multiple Policies”: it is one-child policy in the east rural and urban areas; it allows two children in the Midwest mountainous areas and the entire west areas; it permits more minority children in rural area where minorities live. Therefore, cities have now first entered the only-child period.

⁷For example, some regions like Hubei province implemented policy of “no more child if it is a boy, more children until it is a boy.” This is a typical boy-to-stop policy.

⁸A parental family refers to one’s original family, and a child family refers to one that is extended from the original family.

During the 5th National Census in 2000, households with the only child have reached to take up 29.30 % of the total households in China. More specifically, one-boy households took up 32.02 % and one-girl households took up 26.38 % of the national household counts.⁹

On the other hand, Beijing has households of one child as 53.46 % of the total household counts; Tianjin has 52.98 %; Shanghai has 58.34 %; Chongqing has 44.69 %. Besides municipalities under central governance, the Northeast region has a high percentage of one-child households. Liaoning has 51.75 % one-child households of all household counts; Heilongjiang has 48.64 %; Jilin has 47.43 %. Moreover, Zhejiang has 37.27 % and Jiangsu has 47.18 %.

A couple of the only child who reaches the age for marriage is allowed to have two children according to the policy. In fact, however, rarely a couple with two only children gives birth to two children. For example, a study in 2011 investigating only-child families in Fujian province analyzed trend of population and found out that:

The population of a married two-only-child couple in cities who were nulliparous were 23,000 and took up 41.6 % of the population, who had one child were 31,000 and took up 55.7 %, and who had two or more children were 1518 and took up 2.7 %.

The population of the one-only-child spouse in cities who were nulliparous were 21,000 and took up 24.6 % of the population, who had one child were 63,000 and took up 72.5 %, and who had two or more children were 2493 and took up 2.9 %.

The population of married couples with one only-child spouse or a two-only-child couple in cities who were nulliparous were 6396 and took up 15.4 % of the population, who had one child were 25,000 and took up 59.5 %, and who had two or more children were 10,000 and took up 25.1 %.

The process of households with shrinking size and the growing percentage of only-child families have resulted in certain risks to families to some extent. A certain mortality rate exists in each generation? Therefore, deaths and disabilities among only-child group must bring tremendous burden to their parents' physical and mental health. Academia defines a family whose only child deceased later on as "parents/families who have lost their only child," in other words a family of parents loses their only child. This definition in fact was made from the perspectives of fostering and supporting relationships, yet not considering the structure of residential household. Nevertheless, many parents who have lost their only child not only suffered from physical and mental health problems but also experienced many hardships due to deficits and conflicts in many institutional allocations. For instance, parents of a family who loses their only child (even loses a spouse) may encounter problems in signing operations at the hospital when they entered their senectitude. Thus, in order to better implement the one-child policy, corresponding institution allocation related to the only child must be updated.

⁹The 1 % sample data in the 6th census was not accessible, and thus, the data from the 5th census in 2000 is used here.

3.1.2 Nuclear Family and Single-Member Household

Throughout the human history, transformation in family types and development of society had such patterns: in the hunter-gathered society, majority of families were big or extended ones (or joint families). In the agricultural society, linear families became the majority, while extended families decreased in numbers. The percentage of nuclear families became greater in industrial society, yet the percentage of single-member household significantly grew in the postindustrial society. Almost every human civilization had been through this sort of transition. Family types as well has been transforming greatly along with the development of industrialization and urbanization.

According to Table 3.2, the linear or stem families had taken a very big percentage of all Chinese families prior to 1949 when the urbanization level was no more than 10 %, and China still retained the characteristics of agricultural society. Household structure in China had quite high percentage of linear and extended types. For instance, around 1935–1937, linear families, extended families, and nuclear families each took up 34 %, 10 %, and 55 % of all families (Li Yinhe 1995:4).¹⁰ Throughout the entire written history of feudal society, nuclear families took a big percentage. Literary work or history data recorded the so-called phenomenon of big family; meanwhile, polygamy had been legalized during that period. However, factors such as family being split up, short life expectancy, and high cost on inner management of family business had influenced the formation of a “big family” or an extended family that only existed with a wealthy background.¹¹ Therefore, in the process of family-type transformation, linear family and extended family had varying percentages, while nuclear family was the major household type. It further reflected the impact of industrialization or urbanization on social structure or household structure and reflected people’s preference selection by different social contexts and social policies.¹²

¹⁰The cited percentages did not add up to 100 % because all the digits were rounded up.

¹¹In Chinese history, there was regulation of laws to stimulate or against the division of the family. The former ones were set such as in Qin dynasty, where the adult sons had to divide assets with their parents otherwise suffered from heavy taxes (Li Yinhe 1995:3). The latter regulations were issued such as in Tang Lv, in which “whenever grandparents and parents are still alive, children will get punished with one hundred strikes if they divide assets with their parents. They will also receive 80 strikes of punishment if they divide assets after parents deace.” Therefore, the government will issue different policies on division of family assets in various historical periods so as to induce social development.

¹²Among the studies regarding the nuclear family, the stem family, and the extended family, there are a few pieces of data considering stem families being the main family mode in rural areas. For example, according to the studies conducted by Ma Xia and colleagues in the population study department in Chinese Academy of Social Sciences, around 1940, there were 30 % of nuclear families, 43 % of stem families, 23 % of extended families, and 4 % of other families. Around 1981, there were 36 % of nuclear families, 55 % of stem families, 3 % of extended families, and 6 % of other families (Shao Qin, and Hu Mingxia 1988).

Table 3.2 Changes of Chinese household types (%)

| Years | Sampling survey | | | | | | National census | | | | |
|-------------------------------------|-----------------------|----------|----------|-------|-------|-------|-----------------|------------|------------|--|--|
| | 1937 | 1978 | 1986 | 1982 | 1993 | 2008 | 1982 | 1990 | 2000 | | |
| Urbanization level | <10 % | 17.9 | 24.5 | 21.13 | 27.99 | 45.68 | 21.13 | 26.41 | 36.22 | | |
| Sampled regions | North China, Shanghai | Suburban | Suburban | Urban | Urban | Urban | Nation | Nation | Nation | | |
| Nuclear family | 55 | 60.9 | 63.6 | 66.41 | 54.34 | 50.2 | 52.89 | 57.81 | 48.87 | | |
| Family of a couple | | 3.5 | 5.1 | | 12.07 | 20.0 | 4.78 | 6.49 | 12.93 | | |
| Family of one parent and child(ren) | | 1 | 4.6 | | 0.55 | | 14.31 | 9.50 | 6.35 | | |
| Linear family (stem family) | 34 | 23.6 | 17.0 | 24.29 | 25.28 | 13.9 | 17.15 | 17.24 | 19.64 | | |
| Grandparents' family | | 3.2 | 2.7 | | 2.17 | 2.7 | 0.66 | 0.66 | 2.09 | | |
| Extended family | 10 | 2.9 | 1.6 | 2.30 | 2.19 | 0.2 | 0.99 | 1.15 | 0.57 | | |
| Single-member family | | 2.7 | 2.2 | 2.44 | 1.78 | 10.4 | 7.97 | 6.32 | 8.57 | | |
| Others | | 2.2 | 3.2 | 4.56 | 1.73 | 2.5 | 1.02 | 0.81 | 0.99 | | |
| Sample size | 1537 | 7143 | 7175 | 4385 | 5616 | 4016 | 3rd census | 4th census | 5th census | | |

Note 1: Data in 1937 cited from page 4 of Li Yinhe's *Chinese Marriage and Changes*, published by Heilongjiang Publishing Group in 1995. Data in 1978 and 1986 comes from Liu Ying's *Characters of Chinese Rural Family*, published in 1990 Issue 4 of Sociological Studies. Data of 1982 obtained from Liu Ying's *Development and Changes of Chinese Urban Family* edited by Liu Ying and Xue Suzhen in page 85 of Chinese Marriage and Studies, published by Social Sciences Academic Press in 1987. Data of 1993 comes from editors Shen Conglin and Yang Shanhua in page 39 of *Contemporary Chinese Urban Family Study*, published in China Social Sciences Press in 1995. Data of 1982, 1990, and 2000 comes from Wang Yueheng's *Analysis on Contemporary Chinese Family Structure Changes*, published in 2006 Issue 1 of Chinese Academy in Social Sciences. Data of 2008 obtained from Ma Chunhua's *Changing Trend and New Discovery of Chinese Urban Families*, published in 2011 Issue 2 of Sociological Studies

Note 2: The cited figures were only retained 1 or 2 decimals; thus, the stats were not consistent in this table and not exactly the same from the original text, and some household percentages do not add up to 100 %

The deepening levels of industrialization and urbanization reduced percentages of linear families and extended families among the entire household structure. For instance, as the urbanization level reached 17.9 % in 1978, linear family took the percentage of 23.6 % according to sampling survey in rural areas. The percentage went down to 17.0 % in 1986. The percentage of extended families decreased from 2.9 % to 1.6 %. The percentage of linear families and extended families decreased even more comparing to the data of 1937. The data of 1978 can be considered to describe basic family household types in rural areas during the Great Cultural Revolution, while the data of 1986 described basic family household types during the preliminary stage of Reform and Opening Up when system of contracted responsibility linking remuneration was implemented. The raise of nuclear families from 1978 to 1986 can be explained by the great impact of contracted responsibility linking remuneration policy. Allocating collective lands to households for cultivation can stimulate households' motivation for greater production. Within each household, on the other hand, an extended family or a nuclear family was divided into several nuclear families in order to stimulate the enthusiasm of every married male adult and other household members for more production. Moreover, since the reform of rural economic system, the marriage rate of marriageable youths had improved due to the reallocation of collective lands to those females married to the local families. Contracted responsibility linking remuneration in rural areas certainly loosened the restriction of "late marriage and late children" policy. During this time period, households of married young couples prevailed and promoted the percentage of nuclear families and reduced the percentages of extended families and stem families. Therefore, the percentage of nuclear families rose from 3.5 % in 1978 to 5.1 % in 1986.

The changes can be observed by comparing the urban data of 1993 and 2008. As the urbanization level was 27.99 % in 1993, the percentage of typical nuclear family with a couple and unmarried child(ren) was 54.34 % and then decreased to 50.2 % in 2008. Meanwhile, the percentage of families with only one couple increased from 12.07 % to 20.0 % during this time. When combining the nuclear family, the family of a couple, and the single-parent family from Table 3.2 into a category of the mixed nuclear family, the percentage of this special form of nuclear families was 66.96 % in 1993 and raised to 70.2 % in 2008. In this sense, the ratio of nuclear families increased during the process of industrialization and urbanization. At the same time, the percentage of linear family decreased from 25.28 % in 1993 to 13.9 % in 2008.

The most significant changes in cities regarding households were the percentage of single-member families which rose from 1.78 % in 1993 to 10.4 % in 2008 and to 14.35 % in 2010. Along with the development of urbanization, higher education levels that one receives, and urban living cost (especially the increasing cost of housing), the average first marriage age of Chinese females and males has greatly increased. Currently in big cities such as Beijing, Shanghai, etc., the average first marriage age prolonged till 28–30 for male and 26–28 for females. In this circumstance, the ratio of young adults who left their original families and emigrated to work has increased greatly as well as the divorce rate and single-member family ratio. Besides, the population of married adults sometimes had to move out of their birth place for employment. Thus, it increased the chance of not living with their spouse and boosted the percentage of single-member families.

According to the national census, urbanization level has been increasing from 21.13 % in 1982 to 26.41 % in 1990. The percentage of nuclear families (including nuclear families, families of a couple, and families of a parent and child(ren)) has increased from 71.98 % to 73.80 %. To note that the National Census in 1982 in Table 3.2 had 14.31 % of families which were the ones with one parent and child(ren) due to the restrictions of urban-rural divisions and household registration system. Prior to 1990s, individuals' registered residence was determined by their mothers'. However, many non-rural male workers or cadres who married to female farmers had their children's registered residence in rural areas. Thus, there were families with a mother and child/children. It was inappropriate to consider this type of families as the same as single-parent families that had divorced parents because the divorce rate did not change significantly, neither was the percentage of floating population very high.¹³

During the National Census in 2000, the number of nuclear families (including typical nuclear families, one couple families, and one parent and unmarried child(ren) families) decreased to 68.15 %. It appeared that nuclear families became fewer in percentage than the past, while linear families increased to 19.64 %. However, this trend did not indicate that the family household types were turning back to the traditional ones. The main reasons behind this phenomenon were that the number of children in families rapidly decreased after 1970s due to the one-child policy. The "1970s" were ready for marriage, while their siblings were fewer. However, their parents gradually entered into the age of not taking care of themselves. Thus, many "1970s" had to "merge" back to their parents of empty nests. This process is a stage that adult couples of "1970s" in Asian society must have gone through. The generations of "1950s" and "1960s," who were born in the baby boomer period, had more siblings than the generations of "1970s" and "1980s." Therefore, the main force pushing for "nuclear families" was made by adults living separately from their parents. However, nuclear families led by urbanization and contracted responsibility linking remuneration policy still gained powerful social support. In the new era of 2000, the percentage of nuclear families during the process of rural families' migration will keep growing according to the 6th National Census in 2010. As a result, the comparison of household structure types not only the base population but also the changing rate of population is under consideration. These factors are the very significant characteristics pushing transformation in Chinese population.

In countries with slow transforming rate of population structure, the percentage of nuclear families among all household types was often quite high. For instance, prior to 1971, Austrian nuclear families took up 85 % of all household types; and Germany had 86 % of nuclear families (Li Yinhe 1995:2). In countries with fast transforming rate, the percentage of nuclear families appeared to have pattern of decreasing over time due to the delayed effect of low birth rate (ready-to-married population had been through the low birth rate period that was influenced by policies). During the industrialization, the longer the life expectancy was, the higher chances of younger generations separating from their parents, and the more significant trend of nuclear families would be.

¹³In China, the divorce rate in 1985 was about 0.44 %.

The nuclear families cannot keep on going on for three reasons:

Firstly, even though industrialization and urbanization will promote and stimulate the development of nuclear families, transformation of population structure (the increasing percentage of aging population in an aging era) will increase the number and percentage of elders. The better the social security is, the better the medical technology develops. The number and percentage of elders who cannot take care of themselves increased. Social endowment can hardly stand such a heavy pension burden. Therefore, parental families heavily relied on families of posterity. Studies made by Zeng Yi and Wang Zhenglian discovered that more parents who were in their 80s cohabitated with children than those who were in their 65 (Zeng Yi and Wang Zhenglian 2004). In other words, as people get older, the parental families gradually faded away, especially when they were not able to provide self-care. Majority of elders will have to “merge” into their children’s family to spend their senectitude. As the percentage of these elders grows bigger, the percentage of linear families will increase.

Secondly, elders who lost their spouses will form a single-member household after the younger generation lived away from them. This increased the ratio of single-member households.

Thirdly, unmarried adults will postpone the age of their first marriage due to longer education the youths are now receiving, intergenerational changes of the marriage notions, and the increasing cost of marriage. Therefore, a large number of unmarried population will emerge as so-called single-member families. The percentage of unmarried population grows, and the number and percentage of single-member families become bigger. The increase in the percentage of single-member families will decrease the percentage of nuclear families. Single-member families will grow even bigger if considering them as in the biggest categories of unmarried or will-not-be-married populations.

Fourthly, married couples will pick residential places that are close to their employment locations yet still turn into an “intermittent separation” objectively. In bigger cities, ratios of separations between couples are higher because couples work away from each other and arrange more family gathering on weekends. Of course, migrant workers encounter more complex separation patterns, including left-behind families, floating families, floating families in different cities, and families in the same cities yet different locations. As family members separate, single-member families will easily emerge.

According to the 5th National Census in Table 3.3, the basic transitional trend can be observed as 8.30 % of “one-member” households comparing to 14.53 % in the 6th National Census in 2010. In the census of 2010, cities, towns, and countries were analyzed separately. As it was observed during the transition of society, there was 17.95 % “one-member” households in cities, 14.10 % in towns, and 12.44 % in countries. Even the percentage of “one-member” households was more than the average national level of that in the 5th National Census in 2000. Under the influence of long-distance floating population (across provinces and locations), “one-member” households, the growth in the number of “one-member” households became significant. With the industrial transition, however, the chances of floating population being employed in the local places will increase. It still needs more

Table 3.3 Chinese household structure in 2000 and 2010 (%)

| Size of household | 5th census in 2000 | 6th census in 2010 | | | |
|--------------------|--------------------|--------------------|-------|-------|--------|
| | Nation | Nation | City | Town | County |
| 1 member | 8.30 | 14.53 | 17.95 | 14.10 | 12.44 |
| 2 members | 17.04 | 24.37 | 27.82 | 24.41 | 22.07 |
| 3 members | 29.95 | 26.86 | 33.16 | 27.78 | 22.34 |
| 4 members | 22.97 | 17.56 | 12.13 | 17.87 | 21.03 |
| 5 members | 13.62 | 10.03 | 6.25 | 9.63 | 12.70 |
| 6 members | 5.11 | 4.20 | 1.71 | 3.85 | 5.99 |
| 7 members | 1.82 | 1.43 | 0.56 | 1.33 | 2.05 |
| 8 members | 0.68 | 0.56 | 0.24 | 0.55 | 0.77 |
| 9 members | 0.27 | 0.23 | 0.09 | 0.25 | 0.32 |
| 10 or more members | 0.23 | 0.21 | 0.09 | 0.25 | 0.28 |

Source: Data of 2000 was calculated according to the 5th National Census in Table 5.1. All the data were calculated according to National Census in 2010 in Tables 5.1, 5.1a, 5.1b, and 5.1c

observations to determine whether this will positively or negatively impact the percentage of “one-member” households.

Nevertheless, the age of first marriage being postponed will promote the percentage of “one-member” households. For instance, in the US National Census in 2000, there were 11.2 % of single males and 14.6 % single females living in “one-member” households, with combined rates of 25.8 %. In 2010, the census indicated an increase in percentage of single-male households as 11.9 % and single-female households as 14.8 %, with combined rates of 26.7 %. Thus, as social transition, industrialization, and urbanization preceded, the percentage of Chinese “one-member” households will keep increasing. In fact, the 6th National Census discovered that the percentage of “one-member” households in Beijing reached 24.82 % that was close to the national level. The increasing number and percentage of “one-member” households will not change our original definition of households by a great extent; it further required policy makers to amend allocation of family policy in order to adapt to needs of social development. Especially in big cities and megalopolis, the number of “one-member” households increased along with the characters of postindustrial society being further emphasized. In the US National Census in 2000, for instance, the percentage of “one-member” households was 44.29 % in Atlanta, 44.03 % in Washington D.C., 43.43 % in Cincinnati, and 43.42 % in Alexandria. The US census considered “one-member” households as “non-family” households. However, “single-member” households can be defined as “living or residential unit consists of one person.”

Family living arrangement of human beings depends on cultural habit and religious beliefs. However, the household structure types appeared to have great similarities among every country after the development of industrialization and urbanization. Therefore, upon the changing trend of future Chinese household structure, “one-member” households will increase rapidly. Big cities and megalopolis will lead the era of “one-member” households (Table 3.4).

Table 3.4 Top ten cities with highest ratio of “one-member” households in US census

| City | State | Household counts | “One-member” households | Ratio of “one-member” households |
|-----------------|---------------|------------------|-------------------------|----------------------------------|
| Atlanta | Georgia | 184,142 | 81,555 | 44.29 % |
| Washington D.C. | D.C. | 266,707 | 117,431 | 44.03 % |
| Cincinnati | Ohio | 133,420 | 57,941 | 43.43 % |
| Alexandria | Virginia | 68,082 | 29,564 | 43.42 % |
| St. Louis | Missouri | 142,057 | 60,468 | 42.57 % |
| Pittsburgh | Pennsylvania | 136,217 | 56,823 | 41.72 % |
| Arlington | Virginia | 98,050 | 40,516 | 41.32 % |
| Seattle | Washington | 283,510 | 117,054 | 41.29 % |
| Cambridge | Massachusetts | 44,032 | 17,933 | 40.73 % |
| Denver | Colorado | 263,107 | 106,828 | 40.60 % |

Source: Calculated from US census in 2010

3.1.3 More Elderly Living in Empty Nest Families

In traditional Chinese society, in which life expectancy was quite low around 1950s, the life expectancy of population was around 35. In this situation, most elders will not live till 65. Thus, there was a saying, “People rarely lived beyond seventy.” Under the stable society and developing economy, the life expectancy of Chinese population rapidly improved. The life expectancy reached 73.1 in 2009, while the expected age for newborn and other age groups increased. The 6th National Census found that elders of 60 or above accounted for 13.26 % among all populations in 2010; and ones of 65 or above reached 8.87 % of total population. The increase in elderly population has increased the percentage of households with elders but also the percentage of empty nest families among all families with elders.

3.1.3.1 Rapid Growth of Empty Nest Households with Elders

According to the 6th national census, by the November of 2010, there were 30.59 % of households that had elders of 60 or older. In other words, among all households, there were 30.59 % that had at least one person who was older than 60. In municipalities and provinces, in which many minorities lived, the percentage of households with at least one elder of 60 or more was quite low; the percentages were 23.89 % in Inner Mongolia, 25.90 % in Tibet, 25.26 % in Qinghai, 22.22 % in Ningxia, and 22.83 % in Xinjiang. In Sichuan, Hunan, and Chongqing, the respective percentage of elders was 36.23 %, 36.00 %, and 35.65 %. In cities with a great

amount of floating population such as Beijing, Guangdong, Shanghai, etc., the percentages were 24.58 %, 25.38 %, and 27.41 %.¹⁴ Even though the aging level was high in Shanghai and Beijing, the percentage of households including at least one member of 60 or older has been relatively low.

According to the calculation in 2000 with families of at least one family member aged 65 or above, the percentage of empty nest families of only one member who was 65 or older was 11.46 % and 11.38 % for families of elderly couples. Thus, the combined percentage of these two types of families was 22.83 %. In other words, there was one fifth of the families (with any member who was 65 or older) which were empty nest families.

In the 6th National Census in 2010, however, it was indicated that the percentage of single-member households was 16.40 %. On the other hand, 11.46 % of them were empty nest families with only one living alone, and 15.37 % were empty families with the elderly couple. In other words, the combined percentage which was 31.77 % was empty nest families. The percentage raised by 8.94 % starting from 2000 to 2010.

3.1.3.2 Differences in Percentages of Empty Nest Families with Elders

Provinces with the Highest Percentages of Empty Nest Families with Elders

Among all the families with members who were 65 or older, according to the 5th National Census in 2000, the provinces with the highest percentages of empty nest families were in Shandong with 36.05 %, Zhejiang with 35.12 %, and Shanghai with 29.37 %. The above provinces still had the highest percentages in the National Census of 2010 with 45.40 %, 44.38 %, and 40.51 %, increased by 9.35 %, 9.26 %, and 11.14 % comparing with 10 years ago.

Provinces with the Lowest Percentages of Empty Nest Families with Elderly

Provinces with the lowest percentages of empty nest families with elderly among the families in the 5th National Census in 2000 were Tibet with 6.81 %, Gansu 9.54 %, and Qinghai 9.97 %. In comparison to the National Census in 2010, the percentage of empty nest families in Tibet was 7.29 % that was only 0.48 % higher than that of 10 years ago. The percentage in Gansu was 18.57 with the increase of 9.03 % from 10 years ago. The percentages in Qinghai reached 18.29 % with the increase of 8.32 %. The percentage in Yunnan was 17.93 % that was higher only than that of Tibet.

¹⁴The calculation is based on the data from Chinese Demographic Census 2010.

The Provinces with the Fastest Growing Percentages of Empty Nest Families

Comparing with the 5th National Census in 2000, the provinces with the fastest growing percentages of empty nest families in 2010 were Xinjiang, Inner Mongolia, and Heilongjiang, whose percentages were 16.47 %, 15.80 %, 15.35 %, and 14.66 %, respectively. The comparison further indicated the provinces with the highest percentages of empty nest families located in the East coast, while that ones with lowest percentages located in minority regions in the West. Except for Heilongjiang, the provinces with the fastest growing rate in percentages of empty nest families were ethnic autonomous regions. Population migration and living styles have been stimulated by rapid development of society and economy, transformation of social structure, and promotion of urbanization level, which could be the main factors causing the fast growing rate of empty nest families.

Besides, in some provinces in which the aging level was not high, however, the possibility of having empty nest families increased due to the splits of families and emigration and immigration of population (especially more youths who worked away from their rural families). There also could be some elders who “voluntarily” wanted to live in an empty nest family due to different living styles between them and younger generations.

The aging and a great number of empty nest families had considerable impact on social services and community supportive system for families. On the other hand, these problems become the focus of social policies.

3.1.4 Equity and Inequity of Familial Relationship

The transition from agricultural society to industrial society will necessarily lead to the equity of familial relationship. This equity demonstrated the equity across inter-generational relationships longitudinally and within the couples vertically. Of course, unmarried siblings still living with their parents will maintain equity of their relationships. The equity of familial relationships will take transition during the family development cycle due to the antagonistic economic contributions made by family members of different generations. For instance, if the income of the younger generation goes higher than their parents, their rights to make decisions will be enhanced. Thus, an inequity of power will emerge to favor the younger generation. Overall, however, generational equity is the main content during the early and middle stages of industrialization.

3.1.4.1 The Decline of Patriarchy and Generational Equity

In the typical agricultural society, individuals’ average educational level was low. The knowledge of lives and cultivation mainly relied on generational experience and elders’ instruction. Elders had the decisional power in distributing the resources

such as to inherit lands they owned to their descendants. Therefore, economy has impact on family politics in which parents will gain the respect of their children. Thus, in agricultural society, the authority of clans and fathers has been always superior.

After taking the transition from agricultural society to industrial society as well as people floating from rural to urban areas, people had to adapt to demands of industrialization in the specialized and professional production system. People had to confirm to reproduction of population and family relationships under the idea of industrialization. In the family context, the educational functions especially for employment that people heavily relied on had started to decline. Schools, on the other hand, followed the socialization and became the specialized producing areas for educational capitals. As the industrialization level was higher or the characteristics of industrialization became more salient, the impact of education on employment subsequently became bigger. As one has longer education, higher professional skills, and more salient specialized characteristics, one should have more human capitals and higher income.

For those who did not acquire skills from their parents' generational teaching yet from their learning at schools, they had longer years of education than their parents. Even though "filial piety" has still been the habitus effect of the culture and tradition occurred in one's life, those younger generations who managed to learn more knowledge will more easily obtain reward with higher wage, emigrate to cities, and accept the "modern" lifestyle. For those young farmers who worked on the farm, they were learning modern agricultural knowledge and promoting per unit productions through "scientific farming" or "mechanization." Power relations determined by the economic status will change when the average income of younger generation was higher than their parents. Even though teenage dependents were subordinate to their parents, they will quickly turn into the equal position or the leaders' position for decision-making on family matters as they became adults. Needless to say, the entire history of feudal society was about patriarchy. The promotion of industrialization and urbanization deconstructed economic foundation, political foundation, and living structure foundation in families of patriarchy.

The process of seeking generational equity in families can be proven in the decision method of marriage. Li Dongshan and Shen Conglin in the "survey of the five cities" of 1982 discovered that the transition of social structure had led to independent marriage among more youths (Li Dongshan and Shen Conglin 1991). Nevertheless, in the process of "patriarchy," many youths had been independent from the arrangement of "living with the father" and chosen to "set up the household independently."¹⁵

¹⁵Yan Yunxiang in his work *Money and Morality inside Family Politics: Analysis of Anthropology on Family-Splitting Mode in Northern Rural Areas* pointed out that "more villagers consider family-splitting in advance as the solution to family issues rather than think about the crisis in family politics or failure in ethics. Some parents even demand their married sons to split up and live by their own." It was cited on the 6th issue of *Sociology Study* in 1998.

According to the family dynamics survey (Table 3.5), we found that the participants with higher educational degree were more likely to “set up households independently”; the ones with lower educational degree were more likely to “live with (their) own parents” or “live with (their) spouse’s parents.” For males who chose to stay with their own parents, their percentages were 68.59 % if with education level of “primary school or lower,” 67.33 % with “junior high school,” 51.84 % with “senior high school or secondary vocational school,” and 32.91 % with “vocational college or higher.” This demonstrated that the trend of “living with (one’s) parents” became less prevalent as one’s education level was higher. On the contrary, the ones who chose to “set up the household independently” when married appeared to obtain higher education level and with higher percentages. But unlike males, females had higher percentages of whom choosing to “live with (their) spouse’s parents,” and the percentages went higher if one’s education level was higher.

Most interestingly, the percentage of participants with education of “vocational college or higher” picking to “live separately” was 9.89 % when married. The main reason was because the marriage circle became bigger as couple’s education levels were higher. The second main reason was that one had higher expectation of employment locations and occupational status if they had higher education levels. Thus, both of the couple did not easily give up on their achievement for relocating their employment.

Table 3.5 Impact of education level on living arrangement during marriage (%)

| | Education level | Living arrangement of marriage | | | | Sum |
|--------|--|--------------------------------|--------------------------------|--------------------|-----------------|--------|
| | | Live with parents | Live with the spouse’s parents | Live independently | Live separately | |
| Male | Primary school and lower | 68.59 | 4.27 | 26.60 | 0.53 | 100.00 |
| | Junior high school | 67.33 | 4.00 | 27.61 | 1.06 | 100.00 |
| | Senior high school/secondary vocational school | 51.84 | 7.11 | 39.21 | 1.84 | 100.00 |
| | Vocational college or higher | 32.91 | 7.59 | 52.53 | 6.96 | 100.00 |
| Female | Primary school and lower | 18.88 | 51.46 | 29.33 | 0.34 | 100.00 |
| | Junior high school | 20.30 | 41.62 | 36.89 | 1.18 | 100.00 |
| | Senior high school/secondary vocational school | 17.63 | 34.99 | 45.73 | 1.65 | 100.00 |
| | Vocational college or higher | 19.78 | 17.58 | 52.75 | 9.89 | 100.00 |

Source: *Survey on Family Changes* in 2011 in Chinese Academy of Social Sciences. Sample size of males were 2282, and females were 1980

The data in this study only investigate one's living arrangement as they just got married. For those who were chosen to "live with (their) own parents" or "live with (their) spouse's parents," they gradually detached from their original families and established their own families in the later years of their lives if it permitted. Therefore, social development, division of structure, and ability of living independently among younger generations along with industrialization changed the model of "living with the father or the husband" from the agricultural society to the model of "setting up the household independently" from the beginning of the marriage. During the transforming process from the agricultural society to postindustrial society, many people had probably "set up their own households independently" before they got married under changes of transportation and floating population and further formed "the household of the single" or "the single-member household."

Unlike what Fei Xiaotong said, changes in living arrangement after a couple gets married not only required males to look for social capitals and local religious cultures for a living and socialization but also to kept close contact with the male's family yet not female's family network. "Live independently" after marriage also meant that family network in China will extend in both families of the couple simultaneously, yet not in only one family.

Because of changes in population structure, the single child will confront dilemma of "visiting whose family" in some important vacations such as to "celebrate the new year" in Spring Festival and "fete ceremony" in Qingming Festival. Even though, we cannot expect the perfect gender equity or family status equity, on which social development still has significant influence. According to Table 3.6, the couple's decision-making took the highest share among the entire decision-making in families. Except for only a few people, however, decision-making from either the husband's parents or the wife's parents is the least influential. Therefore, the ideation of "patriarchy" in family structure declined along with the changes of living styles and soon faded away from the family politics in the daily life.

Table 3.6 Family decision-making authority (%)

| | Commodity | Saving and investment | House purchase | Education of children | Luxuries |
|-------------------|-----------|-----------------------|----------------|-----------------------|----------|
| Husband | 13.68 | 19.53 | 17.32 | 14.74 | 15.80 |
| Wife | 35.79 | 13.59 | 7.82 | 10.86 | 8.65 |
| The couple | 46.28 | 62.36 | 69.55 | 70.38 | 70.23 |
| Husband's parents | 1.63 | 1.22 | 1.61 | .66 | 1.02 |
| Wife's parents | .38 | .21 | .23 | .14 | .25 |
| Children | 2.24 | 3.10 | 3.48 | 3.23 | 4.06 |
| Accumulated % | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Sum | 4468 | 4357 | 4400.0 | 4403.0 | 4430.0 |

Source: *Survey on Family Changes* in 2011 in Chinese Academy of Social Sciences. Sample size of males were 2282, and females were 1980

3.1.4.2 Decline of Patriarchy and Spouse Equity

Marriage relationship in the traditional society was less powerful than kinship or blood relationship. The daughter-in-law who lived with the husband or parents usually came from other rural areas, while the husband had been always living with his parents in the local area. Thus, the husband was born with main social resources and relational capitals. Like what Fei Xiaotong said, in the traditional society of China, “the married female moved to a new village and met all new faces; meanwhile she was separated from her acquaintances she grew up with. Thus she had to submit to her husband in this condition, and the only revolt she could do was going back to her own family” (Fei Xiaotong 1998:185). Under this circumstance, the power between husband and wife cannot be equalized.

Moreover, in the agricultural society, the economic reproduction system was based on agriculture. Certain physical strength is needed to achieve the match between the natural climate and reproductive labor in corresponding solar terms. Males became the main backbone of family economy. Thus, the pattern in which the wife obeyed the husband maintained during the process of reproduction. However, with more scientific technology and higher level of production automation during the industrial and postindustrial society, reproduction featuring knowledge and intelligence became more useful. Production level does not rely solely on physical power anymore. Only the discrimination in education being stopped can the discrimination in employment be reduced greatly. The gender equity can be maintained between a couple if the gap between the incomes of the wife and the husband is not to be further widened but to be reduced, or if the specialization of labor values and respects the wife within a family. Even though the “fact” that gender inequity within the family still exists, the trend of advocating gender equity has been irreversible since the promotion of social development and modernization level and education equity.

According to the result of “the 3rd issue of Women’s Social Status Survey” in Table 3.7, the female spouse of males with higher education level reported that the husband had lower power in family decision-making, and the wife had higher power. In addition, more spouses had quite the same power in decision-making, and the percentages among all couples were 36.79 % if they were “illiterate or having a little vocabulary” and 51.43 % if they had “bachelor degree.” For those males who had “graduate degree,” 36.21 % of their wives were reported to have power in family decision-making.

For females with higher education level, the percentages of their husband being reported to have power in family decision-making went down more. In families of a wife with a graduate degree, only 13.64 % of their husbands were reported to have power in family decision-making; the percentages of reporting “the same” were 36.74 % for “illiterate” ones and 77.27 % for the ones with “graduate degree.”

Therefore, education equity will gradually eliminate employment discrimination and reduce income gaps. Moreover, it further promotes gender equity inside families. It is confident to say that the power distribution will tend to be equalized between the couple of a family along with the improvement in education level of the general Chinese public. From the perspective for female participants with “second-

Table 3.7 Education level and family decision-making power (%)

| | Education level | The person with more power in family decision-making | | | | | Sum |
|--------|---|--|-------|----------|----------|-----------|--------|
| | | Husband | Wife | The same | Not sure | No answer | |
| Male | Illiterate or knowing a little vocabulary | 44.30 | 18.39 | 36.79 | 0.26 | 0.26 | 100.00 |
| | Primary school | 45.96 | 14.70 | 38.96 | 0.29 | 0.10 | 100.00 |
| | Junior high school | 37.10 | 17.45 | 44.79 | 0.47 | 0.19 | 100.00 |
| | Senior high school | 34.32 | 20.45 | 44.68 | 0.27 | 0.27 | 100.00 |
| | Secondary vocational school | 27.17 | 21.15 | 50.81 | 0.59 | 0.29 | 100.00 |
| | Vocational college | 25.47 | 21.64 | 52.59 | 0.31 | | 100.00 |
| | College | 26.11 | 21.34 | 51.43 | 0.96 | 0.16 | 100.00 |
| | Graduate | 20.69 | 36.21 | 43.10 | | | 100.00 |
| | Subtotal | 36.22 | 18.39 | 44.80 | 0.41 | 0.17 | 100.00 |
| Female | Illiterate or knowing a little vocabulary | 49.48 | 13.56 | 36.74 | 0.15 | 0.07 | 100.00 |
| | Primary school | 42.73 | 16.64 | 40.34 | 0.17 | 0.13 | 100.00 |
| | Junior high school | 34.80 | 16.51 | 47.98 | 0.54 | 0.18 | 100.00 |
| | Senior high school | 25.12 | 20.91 | 52.64 | 0.94 | 0.40 | 100.00 |
| | Secondary vocational school | 20.77 | 23.51 | 54.75 | 0.64 | 0.32 | 100.00 |
| | Vocational college | 17.58 | 22.57 | 58.85 | 0.87 | 0.12 | 100.00 |
| | College | 16.48 | 16.29 | 65.53 | 1.52 | 0.19 | 100.00 |
| | Graduate | 13.64 | 9.09 | 77.27 | | 0.00 | 100.00 |
| | Subtotal | 34.03 | 17.58 | 47.67 | 0.54 | 0.19 | 100.00 |

Source: The 3rd issue of Women’s Social Status Survey in 2010 with the sample size of 29,541

ary vocational school” degree, they reported that more percentages of females had more power in decision-making than their husbands. Therefore, education supports the practice of gender equity.

3.1.4.3 Declines in Elders’ Decision-Making Power and New Inequity Across Generations

According to the traditional Chinese society, many people believed that “filial piety” was the precondition for the establishment of patriarchy. However, family property and lands were the supporting conditions for carrying out “filial piety,” while the conditions in which females had lower income than their male counterparts or females financially relied on their husbands or the arranged policy of “female inside and male outside” still existed. Therefore, if the income and property gaps among generations cannot be reduced or the income gaps between husband and wife cannot be eliminated, the root of patriarchy cannot be eradicated.

Social reform since 1949, especially during the Reform and Opening Up, had rearranged the “female inside and male outside” policy and reduced the income gap

between the husband and the wife. There the decline of patriarchy found its social foundation. Collectivization deconstructed the property inheritance relationship of private ownership and patriarchy within a family. Employment opportunities initiated by industrialization and urbanization enabled young females to be independent from lands in villages and then develop their careers; meanwhile, elders had to accept to be a member of the “left-behind family” and to be fed by the earnings of their children at work. The inexpensive price of agricultural products which determined the income of the parents resulted in their limited family status. The transition of family roles started from the financial supporters for children’s education to the receivers who lived on children’s salary. Then patriarchy faded away and lowered the family status of aging parents.

Meanwhile, the strict implementation of the one-child policy had made the phenomenon of the low birth rate more salient. For the only child in the family, parents had to try their best to invest on the only child’s education. The younger generation, especially the ones having experienced 9 year compulsory education, will receive education opportunity with equal opportunity regardless of their genders. Increasing education and income levels of young females enabled one’s higher power in family decision-making.

In this case under the influence of the one-child policy, gender equity in family decision-making power of the “1970s,” “1980s,” and “1990s” became a natural consequence, in which the daughter-in-law has raised overall family status. The revolution of the traditional families in China had brought decreases to the family status of the mother-in-law, who became “the last generation of tradition mother-in-law” (Xiao Dong 2002). Of course, the precondition for establishing the status of the traditional mother-in-law was to take advantage of the economic status of the father-in-law in order to manage the allocation of the family capitals. After losing the support of the economic foundation from the “traditional father-in-law” as the patriarchy gradually faded away, the “traditional mother-in-law” lost her reliance on the “patriarchy.” Therefore, she transitioned from the main role of arranging family property to the supporting role of house workers, or “care taker of the children.”

As the “last generation of the mother-in-law” faded away, there were two social consequences: firstly, young couples “set up the household independently” after they got married, leaving the concept of “mother-in-law” as expressing generational meanings; secondly, the unitary system in which the social resources were expanded from the husband’s family during the traditional society and planned economy will be replaced. The wife’s family will be as important as the husband’s family, leading to the dual systems of family networks. As a result, the daughter-in-law automatically reinforced the importance of her family and further promote the status of the “wife’s mother.” The promotion of the “wife’s mother” may even “compromise” the obligation and power. For instance, some husband’s mothers complained that they even lost their “right to care” their grandchildren and the “wife’s mother,” and the “wife’s father” had intervened the new couple’s life as a new family. The way in which the newly married couple and their parents live together has formed the stem family.

The process of evaluating whether the “husband’s mother” and the “husband’s father” live with their adult posterity or not is very complicated. Families all have

different conditions. The changes in family economic reproduction, the income gaps between generations, and the changes of maintaining family reproducing capacity, however, are on a new level of inequity in terms of parents' power in practicing family matters; the parents themselves felt "unequal." The parents who have been relying on their children's financial support felt more sense of inequity.

Overall, the miniaturization of Chinese families simplifies the family relationships, increases the ratio of single-member families and nuclear families, and eliminates the foundation on which linear families and extended families exist. On the other hand, however, elders will live hardly with any support from their children. The one-child policy effectively has controlled the trend of population growth, while maintained the low birth rate of Chinese population for 20 years. As a result, networks of Chinese families shrank. Mutual support relationship possibly existing within the siblings' families in this traditional society has been weakened due to the increasing number of the only child.

The empty nest for elders have become more prevalent as a family type since the population floated, independent living capacity of younger generation promoted, and family's value rapidly changed. Intergenerational relationship became more equalized inside a nuclear family. Educational levels of both genders in the family and the couple's relationship became equalized. However, in the linear family, intergenerational relationships had undergone tremendous changes as aging parents' decision-making capacity was greatly reduced. Inside family network, which is between the families of two generations, parental family has less influential impact on their children's family.

3.2 Problems Associated with Family Development

3.2.1 *Imbalance in the Gender Ratio of Newborn Population*

Among all factors that influence family development, the gender is the most important. Especially lawful birth giving is restricted inside the family or between a couple of two genders, and the child(ren) will become the foundation of the future family composition. After all, the balance between the number of males and females will ensure a stable marriage rate and the steady combination of males and females with certain age differences in their marriage.

According to the longitudinal demographic studies, researchers discovered that the general population had the gender ratio¹⁶ of 105 ± 2 . If the ratio is about 103 or even lower, then the population of this year will be short for males when the marriage time comes; if the ratio is about 107 or higher, then the population of this year will be short for females. Due to certain marriage policy under culture and religious influences of some ethnic groups, there might be insufficient marriageable females for males who enter their marriage age. Meanwhile even for the ethnic groups with

¹⁶Gender ratio indicates the number of newly born male babies to every 100 newly born female babies.

the same influences, the “marriage dearth” will be less likely to occur as the gender ratio is as low as 103. In a general society, if the gender ratio is higher than 107, males will face tremendous marriage pressure when they are old enough for the marriage. So what about China?

3.2.1.1 Long-Term Imbalanced Gender Ratio of the Population

Since 1980s in China, the trend of gender ratio has been climbing up. For instance, the 3rd National Census of 1982 published the gender ratio of 108.47 in 1981. The 4th National Census of 1990 reported the ratio as 111.92 in 1989. The 5th National Census of 2000 reported the ratio as 116.86. By observing the population of age 0–4, the following stats regarding the imbalanced gender ratio of this population during recent years concerned us: the average gender ratio of this population was 118.38 (the number of males in average to every 100 females) in 1995, 119.98 in 1996, 120.14 in 1997, 120.17 in the 5th National Census in 2000, 121.22 in the sampled annual population survey in 2003, and 119.13 in the 6th National Census in 2010. In other words, the population of infants has ever an increasing ratio (of males to females) and has greatly passed the caution level of 107. The ratio stopped increasing in 2010, but it is not certain that the ratio will be decreasing in the future.

3.2.1.2 The Younger the Population, the More Imbalanced Its Gender Ratio Is

According to the 6th National Census in Table 3.8, the gender ratio was 117.96 among the population of newly born, 119.39 among the population of 1–4-year-olds, and 118.66 among ages of 5–9. The population under 9-year-olds that was surveyed had abnormally higher gender ratio than the normal level. The population of the newly born was difficult to be studied; thus, the stats of this population can be biased and appeared to influence the population of 0–4 years in gender ratio more seriously than the population of 5–9-year-olds. The comparison between the population of 1–4-year-olds and that of 5–9-year-olds becomes more common.

3.2.1.3 Levels of Imbalanced Gender Ratio Depending on Locations

The problem was that the gender ratio varied greatly by provinces, municipalities, and cities. The gender ratios in Anhui, Fujian, Hainan, Hubei, Guangdong, Guangxi, Jiangxi, Guizhou, and other nine provinces or municipalities were higher than 120, while the newborn population in Xinjiang and Tibet had gender ratio under 107. The population in Beijing, Tianjin, and Shanghai had a ratio of 109.48, 113.62, and 111.05. Ningxia, Qinghai, Inner Mongolia, and Yunnan had ratios of normal range, yet the ratios for newborn population in these places were greatly higher than the normal stats.

Table 3.8 Gender ratios among age groups between 0 and 9

| Provinces | 0 | 1-4 | 5-9 | Provinces | 0 | 1-4 | 5-9 | Provinces | 0 | 1-4 | 5-9 |
|----------------|--------|--------|--------|-----------|--------|--------|--------|-----------|--------|--------|--------|
| Nation | 117.96 | 119.39 | 118.66 | Zhejiang | 118.11 | 115.03 | 113.65 | Chongqing | 112.46 | 112.56 | 114.57 |
| Beijing | 109.48 | 111.29 | 113.43 | Anhui | 128.65 | 126.30 | 124.49 | Sichuan | 111.62 | 110.90 | 112.22 |
| Tianjin | 113.62 | 113.29 | 114.39 | Fujian | 125.64 | 124.43 | 118.79 | Guizhou | 122.47 | 124.30 | 117.43 |
| Hebei | 114.86 | 116.88 | 115.75 | Jiangxi | 122.95 | 131.73 | 131.37 | Yunnan | 111.93 | 112.70 | 112.60 |
| Shanxi | 110.28 | 110.52 | 110.26 | Shandong | 119.42 | 123.29 | 116.43 | Tibet | 106.50 | 104.83 | 104.16 |
| Inner Mongolia | 111.96 | 110.21 | 109.49 | Henan | 117.77 | 126.57 | 129.38 | Shanxi | 115.32 | 117.09 | 119.16 |
| Liaoning | 110.12 | 110.65 | 111.41 | Hubei | 124.11 | 123.37 | 123.89 | Gansu | 117.56 | 118.18 | 114.93 |
| Jilin | 111.15 | 111.67 | 111.05 | Hunan | 123.23 | 120.59 | 123.07 | Qinghai | 112.32 | 108.66 | 107.01 |
| Heilongjiang | 112.36 | 110.56 | 109.51 | Guangdong | 120.38 | 122.87 | 125.62 | Ningxia | 113.76 | 112.77 | 110.89 |
| Shanghai | 111.05 | 114.57 | 116.45 | Guangxi | 122.72 | 119.96 | 117.41 | Xinjiang | 106.02 | 105.47 | 105.98 |
| Jiangsu | 116.21 | 121.36 | 120.78 | Hainan | 125.49 | 125.03 | 128.07 | | | | |

Source: The National Census in China of 2010, Table 1-7

3.2.1.4 Why the Gender Ratio Is Increasing Rapidly

One explanation of the increasing gender ratio was that the gender ratio in rural areas was so high to pull up the ratio of the national level. In the 6th National Census, however, the gender ratio of newborn population was 114.06 in cities and 118.64 in towns (it was 127.88 and 127.59 in towns of Fujian and Anhui) and 119.09 in villages (it was 131.10 and 128.06 in villages of Anhui and Fujian).¹⁷ The inequity in gender ratio has been a national issue yet not only to blame rural areas. In some provinces, the ratios of cities were even higher than that of rural areas. The solutions to the imbalanced gender of newborns were difficult to provide in this situation. During the transition of social structure, everyone is expected to solve the imbalances by carrying on urbanization, believing that the gender preferences of the migrant workers, especially the ones reaching their marriage age, who had entered and lived in cities and made their career transitions and social security will become neutral. Thus, the national gender preference tends to be neutralized. Changes in occupations and living conditions nowadays will not influence one's gender preference in a short period of time. The reoccurrence of imbalance in gender ratios had accumulative effects, leading to shortage of female babies across a wide range of locations in a long run.

3.2.1.5 Age Difference Between Genders for Marriage Hardly Solve Female Shortage Problem

Gender imbalances of newborns can lead to marriage misplacement issue. Moreover, someone suggests creating the age difference between the couples in order to make males more competitive in the marriage market. In other words, the old single males can look for younger females to be their wives. To point out, however, the younger population is far smaller than their older generations due to the decreasing birth rate. Thus, the structure of the population formed to be a reversed pyramid shape. For example, gender ratios among 0–19-year-olds were imbalanced. The younger the population, the higher ratio (of males to females) it has. If older males married younger females, then younger males will confront more competitions in looking for females that were even younger. According to the stats among 0–23 age group, the number of males was 22,866,300 more than females. If the stats were credible and the gender ratio continues to be more imbalanced, the males under 23 will be 22,866,300 more than females of the same age group. The problem cannot be ignored anymore.

¹⁷The data was calculated according to Tables 1-7a, 1-7b, and 1-7c in Chinese National Census in 2010.

3.2.2 Single and Unmarried: “Leftover Woman” and “Leftover Man”

3.2.2.1 Postponement in the Age for the First Marriage and Single/Unmarried

The development of industrialization and urbanization allowed the migrant workers to enter a new and foreign society from their own rural society. The early and short phase of this migrating transition occurred in the “villages inside the city.” Even though the size of villages inside the cities was used to be considerable and reached to the peak in the late twentieth century, these worn-out markets and houses were replaced by mansions during the urban development. There were a remaining number of single-story houses, but the number has been decreasing. Migrant workers moved into cities as family units, yet the close relationships among family members, kin, and friends were absent in a new city with “strangers.” The young couples as a collective group in the past have now entered a social space of “individualism” that is lacking of parents’ and siblings’ participation.

Urban society gradually evolved into a society with a combination of acquaintances and strangers along with disassembly of “system of employers,” housing trade of “community for employees’ families” on the market, and diversity of population among the street and the neighborhood committee. The community of acquaintances was maintained by elderly people. The younger generation had to pick different commercial flats according to their purchasing power. The floating population among locations determined the era of “separation of residents and residence” or separation of working and living locations that had been commonly occurred to modern cities. In the traditional time of planned economy, people worked for the same companies and lived in the same residential community if they were in the “system of employers.” The advancement of marketization broke the society of acquaintances within cities and forced young adults into a “society of strangers.” The companies of skyscrapers only provided an economy-producing space but restricted the reproduction of affection and marriage. Many companies prohibited office affair and nepotism.

The emergence of virtual community on the Internet has superficially enhanced human communications. But the “acquaintances” on the Internet yet appeared to be “not credible” in a “society of strangers.” Industrialization, urbanization, and wide spread of Internet society had thus increased the cost of human interaction, especially the cost of the dating and the marriage. A bizarre phenomenon in cities was that adults in their marriage age easily found their cohabitants yet had trouble walking toward marriage. Problems of finding the matched spouse or getting married had become more obvious since the increase in housing price and family living cost and the ideation of “setting up the household independently” toward marriage. The shift of perceptions on the best marriage age impacted the duration of being “single.” Official policy regulated by the government constrained the occurrences of “early marriage” and postponed the age for the first marriage. For instance, the

Marriage Law in 1954 regulated the official age for marriage as 20 for males and 18 for females. The official ages were changed to 22 for males and 20 for females in the Marriage Law in 1980. The age was again postponed during the Great Cultural Revolution for late marriage and late childbirth policy as 25 for males and 23 for females. Many big cities during the Great Cultural Revolution had late marriage age in average. And the average age for marriage had decreased since 1980s (Zhang Yi 2006). Nevertheless, the age for one's first marriage has postponed along with the improvement of industrialization and urbanization.

This is not a special case in the process of modernization in China yet a common phenomenon as human society has entered industrialization and postindustrialization. For instance, in 1970, the median of first marriage age in the USA was 22.5 for males and 20.6 for females and then increased to 25.5 for males and 23.7 for females in 1988 and 28.4 for males and 26.5 for females in 2009.¹⁸ In comparison, the median of first marriage age for females was 22.23 in 1991 and 24.15 in 2001. In Beijing, the first marriage age for females was 24.44 in 1991 and 25.20 in 2001; in Shanghai, it was 24.44 in 1991 and 25.29 in 2001.¹⁹ While rural population took the big percentage of the population, rapid urbanization had greatly contributed to the average age for first marriage at 24.²⁰

Besides, according to Table 3.9, the percentage of unmarried males of 25–29 among all age groups during the National Census of 2010 increased to 36.29 %; females had their percentages increased to 21.62 %. Among the city population, the percentage of unmarried males of 25–29 among all age groups was 44.78 % due to industrialization level being quite higher than that of towns and villages. Females had their percentages increased to 29.13 %. In towns, the percentage was 31.45 % for males and 17.84 % for females; in villages, the percentages were 31.11 % for males and 16.74 % for females.

Among all the age groups, the percentage of unmarried ones of 30–34 was 12.62 % for males and 5.35 % for females. The figures were 13.34 % for males and 7.35 % for females in cities, 9.06 % for males and 7.35 % for females in towns, and 13.67 % for males and 4.42 % for females in villages.

It was interesting for the age group of 35 and above competing in the marriage market: males in the city were quite competitive. Thus, the percentages of unmarried males of 35 and above were smaller than that in rural areas. Cities had 5.44 % of males and villages had 8.28 %. To conclude, postponement in first marriage age or concerns regarding the marriage will yield a great number of unmarried population.

¹⁸American Community Survey in 2009.

¹⁹Page 141 in General Statistics Handbook in Population and Family Planning (2005). China Population Publishing House, 2006.

²⁰It is certain to expect the increase in age of first marriage along with the transformation of social structure and urbanization level. Yet it does not imply the ever-increasing trend of first marriage age. Nevertheless, adults approaching their 30 all hoped to get married before turning to 30. According to the stats from every US censuses, the females' first marriage age was 21.9 in 1990, 20.3 in 1950 and 1970, 21.8 in 1978, and slowly increasing since then. Seen in *The Family* by Ross Eshleman, page 288. China Social Sciences Press, 1991.

Table 3.9 Unmarried population during the 6th census in 2010 (%)

| Age groups | Nation | | City | | Town | | Village | |
|--------------|--------|--------|-------|--------|-------|--------|---------|--------|
| | Male | Female | Male | Female | Male | Female | Male | Female |
| 25–29 | 36.29 | 21.62 | 44.78 | 29.13 | 31.45 | 17.84 | 31.11 | 16.74 |
| 30–34 | 12.62 | 5.35 | 13.34 | 7.35 | 9.06 | 3.73 | 13.67 | 4.42 |
| 35–39 | 6.44 | 1.76 | 5.35 | 2.72 | 4.18 | 1.18 | 8.28 | 1.32 |
| 40–44 | 4.15 | 0.75 | 2.93 | 1.33 | 2.64 | 0.53 | 5.53 | 0.51 |
| 45–49 | 3.12 | 0.44 | 1.97 | 0.82 | 1.96 | 0.32 | 4.29 | 0.27 |
| 50–54 | 3.21 | 0.30 | 1.57 | 0.57 | 2.13 | 0.20 | 4.56 | 0.18 |
| 55–59 | 3.43 | 0.25 | 1.27 | 0.46 | 2.39 | 0.17 | 4.78 | 0.16 |
| 60–64 | 3.54 | 0.24 | 1.12 | 0.37 | 2.64 | 0.18 | 4.87 | 0.20 |
| 65 and above | 3.11 | 0.42 | 0.96 | 0.36 | 2.63 | 0.39 | 4.20 | 0.46 |

Source: According to the Tables 5-3, 5-3a, 5-3b, and 5-3c in census in 2010 of “long-form data.” Percentage in the table is calculated on the base of all age groups

According to the National Census of 2010 in Table 3.9, we can find that the percentages of unmarried males in cities were lower than their counterparts in towns and villages. In other words, assuming people who all want to get married and the probability of males getting married in cities was so much higher than that in rural areas. Males in rural areas are actually facing difficulty in getting married. About 4 % of rural males can hardly get married in their entire life. This brings us to a new problem called “leftover man.”

3.2.2.2 “Leftover Man” in Rural Areas and “Leftover Woman” in Urban Areas

“Leftover man” and “leftover woman” are concepts defined in spoken language. In media, someone defined unmarried males and females who were above 28 as the “leftover man” and “leftover woman.” Some other definition went by the age criteria of 30 and above. According to Table 3.10, the percentages of unmarried males of 25–29 were as high as 44.78 %; females of the same age group took 29.13 % among all age groups of females. Thus, we cannot simply conclude that males or females under 29 as “leftover men” or “leftover women.” If considering males or females who are 30 or above as “leftover men” or “leftover women,” we can say that among unmarried males of 25–29, the percentages of them were 46.19 % in cities, 16.13 % in towns, and 37.68 % in villages. Among unmarried females of 25–29, the percentages of them were 50.76 % in cities, 15.85 % in towns, and 33.40 % in villages. This explains the centralized population in cities for younger generations under the influence of urbanization. The percentage of unmarried females in cities was higher than males in cities of the same age group of 25–29; this implied that females of this age group more preferred to stay in cities than their male counterparts.

The competition in the marriage market has set obstacles for individuals with less capability or lower income, being less likely to find jobs in cities or people to marry.

Table 3.10 Unmarried population across cities, towns, and villages in the 6th census of 2010 (%)

| Age group | Male | | | | Female | | | |
|--------------|-------|-------|---------|--------|--------|-------|---------|--------|
| | City | Town | Village | Sum | City | Town | Village | Sum |
| 25–29 | 46.19 | 16.13 | 37.68 | 100.00 | 50.76 | 15.85 | 33.40 | 100.00 |
| 30–34 | 38.59 | 14.40 | 47.02 | 100.00 | 50.53 | 14.43 | 35.04 | 100.00 |
| 35–39 | 27.90 | 13.43 | 58.67 | 100.00 | 51.50 | 14.08 | 34.43 | 100.00 |
| 40–44 | 21.29 | 12.91 | 65.80 | 100.00 | 51.87 | 14.27 | 33.86 | 100.00 |
| 45–49 | 19.45 | 12.30 | 68.24 | 100.00 | 54.24 | 14.29 | 31.47 | 100.00 |
| 50–54 | 14.73 | 12.18 | 73.09 | 100.00 | 56.98 | 12.16 | 30.86 | 100.00 |
| 55–59 | 9.77 | 12.43 | 77.80 | 100.00 | 51.64 | 12.42 | 35.94 | 100.00 |
| 60–64 | 7.90 | 13.08 | 79.02 | 100.00 | 40.23 | 13.37 | 46.39 | 100.00 |
| 65 and above | 7.77 | 14.47 | 77.76 | 100.00 | 21.76 | 16.03 | 62.21 | 100.00 |

Source: According to the Tables 5-3, 5-3a, 5-3b, and 5-3c in census in 2010 of “long-form data.” Percentage in the table is calculated on the base of all age groups

In Table 3.10, we can find that among unmarried males of 30–34 (“leftover men”), there was 47.02 % in villages, 38.59 % in cities, and 14.40 % in towns. Among unmarried males of 35–39, there was 58.67 % in villages, 27.90 % in cities, and 13.43 % in towns. The percentage of unmarried males in villages among all unmarried males was much higher as one was older, being 79.02 % in villages and 7.90 % in cities.

For unmarried females, among the age group of 30–34 who were “leftover women,” there was 50.53 % in cities, 14.43 % in towns, and 35.04 % in villages. Even though the shares of unmarried females in villages did not have a pattern across different age groups, the shares of unmarried females in cities had maintained around 50 %, especially 56.98 % for ones of 50–54. For unmarried females who were above 50, their chance of getting into the marriage was slim. It could be someone who were “actively” not willing to get married, or “passively” not being able to get married. Conditional factors and one’s own marriage values can influence one’s judgment on getting married.

We can completely make this judgment based on the above stats regarding unmarried population and distribution: “leftover men” were mainly living in villages and “leftover women” were living in cities. This situation further increased the difficulty in matching couples of marriage age. The shortage of females in rural areas due to the population floating will become even more serious during postindustrialization (expansion of employment need in service departments), in which females will more easily find jobs than males. Considering cultures, living habits, and styles, income gaps of cities and villages were different, and the “leftover man” in villages was the disadvantaged group in competing in the marriage market; meanwhile, the “leftover woman” in cities missed the best time for marriage due to various reasons and became the group of high human capital cost. The conflicts between “marrying up” of females and “marrying down” of males resulted in less chances of “leftover men” in villages and “leftover females” in cities getting married. The conflicting problems existed among societal separation and local structure. The “single-member household” composed of future unmarried population will keep increasing.

3.2.2.3 Fewer “Leftover Women” than “Leftover Men”

The published findings demonstrated that the marriage was commonly done as “within-class marriage” but not “between-classes marriage” (Zhang Yi 2003). “Marrying up” within class was usually observed on females who expected to marry to males with higher educational attainment and social status. For males who preferred to “marry down,” they would choose females with lower educational attainment and social status. Many people followed the rules of social norm for their marriage regardless of social critics on “tall, rich, and handsome” or “white, rich, and pretty” phenomena.

Based on the realization above, Table 3.11 reported gender structure on levels of various educational backgrounds among unmarried males and females. Controlling for age gap (the age difference between the husband and the wife), the available number of unmarried groups that were born during the same time period of adjacent time periods determined the chances of marriage in this population. In other words, only the number of males and females of the same or close age group can be able to get matched maximally (excluding the cost in searching the spouse for marriage).

According to Table 3.11, we found out that:

Firstly, in each educational level of unmarried population, there were more males than females of the same age group. The older one becomes, the higher percentage of unmarried males there is. In other words, across all educational levels, as the group has higher average age, the percentages of “leftover men” become much greater than “leftover women.”

Secondly, as educational level decreased, the percentage of unmarried males of 30–34 increased, and the percentage of unmarried females of 30–34 decreased and vice versa.

Thirdly, “leftover man” phenomenon exists because of the shortage of females at their marriage age and so-called marriage pressure. In Table 3.11, each level of education attainment across all age groups all demonstrates more unmarried males than females. Therefore, the cost of searching for spouse or his own preference of an unmarried male determined whether he will get married or not. The whole “leftover man” population, that is, the shortage in females at the marriage age, has created great pressure for competitions among males and thus led to “marriage pressure” to some extent.

“Leftover men” phenomenon among unmarried population reflects problems regarding marriage and families and population structure. Of course, parts of unmarried population look for their spouses from the divorced and widowed population. However, divorce will result in a single male and a single female at the same time and thus not fundamentally change the gender distribution of the population even if the divorce rate increases. Social demographic studies discover that females are the major gender in the widowed families due to their genetic advantages (live longer than their male counterparts). However, high widow rate often occurs after the age of 65 and does not impact too much on the marriage of labor force. Therefore, the basic structure of unmarried population determines the number and the percentages of “leftover men” and “leftover women” at their marriage age.

Table 3.11 Gender distribution by age groups and educational levels (%)

| Age group | Illiterate | | Primary school | | Junior high school | | Senior high school | |
|--------------|-------------------|--------|----------------|--------|--------------------|--------|--------------------|--------|
| | Male | Female | Male | Female | Male | Female | Male | Female |
| 15–19 | 52.20 | 47.80 | 53.76 | 46.24 | 54.07 | 45.93 | 51.82 | 48.18 |
| 20–24 | 58.55 | 41.45 | 57.99 | 42.01 | 57.33 | 42.67 | 56.42 | 43.58 |
| 25–29 | 66.16 | 33.84 | 68.82 | 31.18 | 65.23 | 34.77 | 63.56 | 36.44 |
| 30–34 | 74.76 | 25.24 | 79.75 | 20.25 | 73.10 | 26.90 | 66.93 | 33.07 |
| 35–39 | 82.70 | 17.30 | 88.37 | 11.63 | 80.38 | 19.62 | 69.45 | 30.55 |
| 40–44 | 86.86 | 13.14 | 92.29 | 7.71 | 84.67 | 15.33 | 71.24 | 28.76 |
| 45–49 | 89.07 | 10.93 | 93.93 | 6.07 | 87.73 | 12.27 | 73.35 | 26.65 |
| 50–54 | 92.97 | 7.03 | 96.21 | 3.79 | 90.45 | 9.55 | 75.01 | 24.99 |
| 55–59 | 94.57 | 5.43 | 96.81 | 3.19 | 88.56 | 11.44 | 71.92 | 28.08 |
| 60–64 | 94.44 | 5.56 | 96.23 | 3.77 | 87.11 | 12.89 | 70.62 | 29.38 |
| 65 and above | 85.70 | 14.30 | 90.76 | 9.24 | 81.96 | 18.04 | 68.95 | 31.05 |
| Age group | Vocational school | | College | | Graduates | | | |
| | Male | Female | Male | Female | Male | Female | | |
| 15–19 | 45.84 | 54.16 | 47.30 | 52.70 | 50.99 | 49.01 | | |
| 20–24 | 49.63 | 50.37 | 50.90 | 49.10 | 46.50 | 53.50 | | |
| 25–29 | 57.91 | 42.09 | 57.31 | 42.69 | 52.70 | 47.30 | | |
| 30–34 | 60.99 | 39.01 | 61.02 | 38.98 | 59.94 | 40.06 | | |
| 35–39 | 60.14 | 39.86 | 59.50 | 40.50 | 58.92 | 41.08 | | |
| 40–44 | 59.73 | 40.27 | 58.59 | 41.41 | 57.73 | 42.27 | | |
| 45–49 | 58.85 | 41.15 | 57.61 | 42.39 | 61.03 | 38.97 | | |
| 50–54 | 51.63 | 48.37 | 55.26 | 44.74 | 53.28 | 46.72 | | |
| 55–59 | 44.28 | 55.72 | 45.57 | 54.43 | 51.72 | 48.28 | | |
| 60–64 | 46.87 | 53.13 | 43.88 | 56.12 | 57.14 | 42.86 | | |
| 65 and above | 58.15 | 41.85 | 58.51 | 41.49 | 63.64 | 36.36 | | |

Source: According to the Table 5-3 in the census in 2010 of “long-form data.” Percentages of males and females add up to 100 %

3.2.3 Population Mobilization and “Multiple Households Within One Family”

3.2.3.1 From Mobilized Population to “Immobilized” Residential Population

As mentioned before, during the process of industrialization and urbanization, the employment provided by the market stimulated and enabled population mobilization and better allocation of human capital resources, and it further stimulated the labor force’s motivation to work. Household registration system in China, however, is not only the registration system regarding population and life events but also reflects policies of welfare resource allocation and social governance. Therefore, the policies prioritize the welfare areas in which people are socially secured by administrative locations. Even though population mobilizes with the employment

and labor force, it does not carry on the welfare and security of social policies. As a result, families become no longer supported in their emigrant locations in terms of welfare and social security.

Therefore, when a registered permanent rural resident emigrates to a city, he or she still holds the rural residence and will be defined as “rural-to-city floating individual” yet not “local resident” or “locally registered resident” according to regulation. Even for ones with non-rural residence who leave their birth places to other cities, they will be defined as “city-to-city floating population.” The local government of many cities which issued documents on “household registration system reform” thus far only promoted “temporary residential permit” yet did not revolutionize household registration system at all. Regardless of how much the temporary residential permit allows information and functions about welfare, it notes the benefit segmentation and overlooks the length of time an immigrant stayed in the city.

As a matter of fact, immigrants of floating population have been gradually turning into permanent residents. According to Table 3.12, there were almost 10 % of immigrants that had been staying in their employed cities for more than 10 years in both the eastern, the central, and the western regions. The immigrants who stayed in their employed cities for 6–10 years had shares of 19.12 % in the eastern region, 16.00 % in the central region, and 17.72 % in the western region. For those who had stayed for 2–5 years, they had shares of 48.44 % in the eastern region, 54.73 % in the central and the western regions. In other words, there were 80 % of immigrants who had stayed in their employed places for a long period of time, and only 20 % of them were “floating population.” Related government and departments should accurately implement the governance and service policies issued by the central government on “the actual residents.” The population of permanent residence should not be separated and treated differently from the floating population in terms of social governance and policies. Meanwhile, the actions of increasing GDP per capital and ignored number of immigrants should be prohibited in cities and related departments.

Permanent residents who immigrated from other locations should be called “new immigrants in the city” and have become a social governance issue that must be solved during the process of urbanization in China. If this problem is not resolved, conflicts within immigrants and conflicts between them and local residents will not be over. Social integration, social solidarity, or social merge will come into trouble.

Table 3.12 Distribution of time length of immigrants (%)

| Employed regions | Years of staying in the city | | | | | Sum |
|------------------|------------------------------|-------|-------|-------|------------------------|--------|
| | 16 and above | 11–15 | 6–10 | 2–5 | Within the recent year | |
| East | 3.28 | 6.72 | 19.12 | 48.44 | 22.43 | 100.00 |
| Central | 3.00 | 5.63 | 16.00 | 54.73 | 20.64 | 100.00 |
| West | 3.86 | 6.47 | 17.72 | 54.73 | 17.22 | 100.00 |

Source: Calculated according to the data from National Family Planning Commission in 2010

3.2.3.2 New Migrants in the City and “A Family with Two or More Households”

The floating population with strong perseverance eventually turns into new migrants in the city. Therefore, members of a family, which is considered in a traditional way, are divided into several different households. Those who stay in the rural area become left-behind households, while those who move into the city form a “floating household.” As these new migrant cannot afford the down payment for housing, they can only rent a place for living. Meanwhile, as the rental home is unstable, the floating family tends to move inside the city more frequently.

Table 3.13 shows, for the “village-city floating population” (migrant workers), that their family types in the inflow area can be concluded as the following: the “one unmarried or spouse-free person household” takes up 20.19 % among all, the “one married person household” with 10.25 %, the “one couple household” with 25.85 %, the “nuclear family household” with 38.66 %, the “stem family household” with 2.75 %, and the “extended family household” with 2.31 %. It means that apart from those one-person families, most floating population move into the city together with their families. However, most of them still have family members left behind in their homes in rural areas. On average, an “unmarried household” still has 3.22 family members living back at home, and the “married” one-person household has the highest rate of 3.37, the “couple household” with 2.87, the “nuclear family household” with 1.71, and the “stem family household” with the fewest rate of 1.20.

Table 3.13 The family type of floating families and the numbers of their family members left behind at home (% , person)

| Family type | Village-city migrant population | | City-city migrant population | |
|-------------------------------------|------------------------------------|--|------------------------------------|--|
| | Ratio of the family type among all | Number of family members left behind at home | Ratio of the family type among all | Number of family members left behind at home |
| One unmarried or spouse-free person | 20.19 | 3.22 | 23.39 | 2.61 |
| One married person | 10.25 | 3.37 | 11.19 | 2.89 |
| Couple | 25.85 | 2.87 | 20.93 | 2.40 |
| Nuclear family | 38.66 | 1.71 | 36.07 | 1.75 |
| Stem family | 2.75 | 1.20 | 6.26 | 1.56 |
| Blended family | 2.31 | 1.88 | 2.16 | 1.81 |
| Total | 100.00 | 2.47 | 100.00 | 2.20 |

Data source: The data is counted according to the statistics of the monitoring and investigation of the floating population done by the State Family Planning Commission in the second half of 2010. Here, the “one unmarried or spouse-free person” household refers to those unmarried or divorced people who live by themselves. The “one married person” household refers to those married people who live alone at their working place. The “nuclear family” refers to a family where the parents and their unmarried child(ren) live together. The “stem family” refers to a family where the parents live together with one of their married children’s nuclear family. The “extended family” refers to a family where both relatives and non-relatives live together

For the “city-city floating population,” the family types in the inflow area can be concluded as the following: the “one unmarried or spouse-free person household” takes up 23.39 % among all, the “one married person household” with 11.19 %, the “couple household” with 20.93 %, the “nuclear family household” with 36.07 %, the “stem family household” with 6.26 %, and the “extended family household” with 2.16 %. It means that apart from those one-person families, most non-peasant floating population move into the city together with their families. Also, they have family members left behind in their hometowns. On average, an “unmarried household” still has 2.61 family members living back at home, and the “married household” with one-person household has the highest rate of 2.89, the “couple household” with 2.40, the “nuclear family household” with 1.75, and the “stem family household” with the lowest rate of 1.56.

This table shows that the number of the one-person household from the “city-city floating population” is larger than that of the one-person household from the “village-city floating population,” which is in accordance with the fact that the average urban family size is smaller than the rural one. Moreover, the “city-city floating” households’ left-behind family members are fewer than those of the “village-city floating population.”

In this case, the floating population’s family is separated into the migrant household and the left-behind one. There is another situation that the floating family members are further separated into different cities, which means one or more “one unmarried or spouse-free person” and “one married person” households. The separation of family members makes it more difficult for migrant people to feel the warmth of the family, which will make them suppressed and nervous. For those married ones, separation will not only lead to the strained relations between the spouses but also cause affairs or even divorce. These are all the risks the migrant people may face when they are floating. The complexity inside these problems still needs to be studied.

3.3 Social Governance on Family Issues

During the period of social transition, where the industrialization and urbanization also take place, the market has a stronger control over the allocation of social resources. Therefore, the old social service system no longer coordinates with the supporting system for a family. This is mainly caused by the ever-changing family structure. The family system shaped in an expansive population pyramid or a stationary one can no longer meet the demand of an aging society.

The “family planning” policy, which was initiated at the very beginning of the implementation of the one-child policy, can only work under the planned economy system. For example, this policy covers the schooling and employment of the only child. However, such policy becomes an empty shell under the market economy system. Moreover, the increasing number of nuclear families, as well as the people who live alone during the population mobilization and the empty nesters, has changed the stable and long-term neighborhood into a community of

“strangers.” While the Reform and Opening Up disconnected social life with economic production, it has neither contributed to the establishment of a community where the infrastructures coordinate with the market economy system nor helped improve the family system that is adapted to the market economy system.

The family network based on acquaintances and consanguinity has been broken during the population mobilization. People no longer live in the lineage society or a similar one and no longer live in a rural society where altruism dominates. The industrialization and urbanization introduced the marketing and industrial way of thoughts into the society, while the support within family networks, especially those based on the location and genetic connection, is weakened. A family is burdened with too much cost caused by “unit transforming into society.” Therefore, how to rebuild a supporting system under the market economy system in order to release the pressure on family and raise its ability to develop becomes the essential problem when the government tries to make social policies, especially the family policies.

This article believes that the following policy suggestions are urgent to social governance on family issues:

1. When making family policies, the single-member families (including both single people and married ones living by oneself) need more consideration. As the size of a typical nuclear family is becoming smaller, the number of dual income, no kids (DINK) families and single-member families is increasing. The industrialization, urbanization, and people’s modern values caused more people to live alone for a relatively long time before getting married. Those married people are at the risk of getting divorced, while those divorced people who are unlikely to get married again will be more likely to live alone. Even the other married people are likely to live on their own because of the population mobilization. Therefore, when making family policies, one cannot overlook social changes and exclude the “single” population.
2. The imbalance between the marriageable males and females urges adjustment in industrial allocation of workers of two genders. As the sex ratio (of males to females) gets higher, those marriageable males are bound to suffer marriage pressure. However, the most significant problems we are facing now are more leftover men in the rural area than leftover women, and that leftover women in the urban area can hardly get married. Although there are far more unmarried men than unmarried women, the latter situation seems worse. As a female tends to marry to a male with higher economic status, those females with higher educational status are more likely to be leftover, since the males with high educational attainment are more easily picked over others and got married. Therefore, the unbalance between the males and females caused by industrial allocation will cast bigger pressure over the urban females. When it comes to the rural area, as the women can move into cities more easily, most leftover men in the rural areas will find it difficult to get married forever. Therefore, this group of people needs necessary psychological counseling so that they will not harm the society.

3. Nursing institutions for the aged should be built in central towns of the rural area. Although people are now more concerned about the problem of supporting the elderly in the urban area, the problem in the rural area is also severe, since the population mobilization has caused a higher ratio of the elderly in the rural area. This trend since China's fifth census in 2000 is unlikely to change in the long run. In those more modernized countries, the ratio of the elderly in the rural area is always higher than that in the urban area and than that in a small town which is usually higher than that in a larger city. Another issue that should arouse consideration is that the speed of population aggregation in China is getting faster. Therefore, sharable nursing institutions for the aged should be built where they are accessible to several towns; larger institutions for the aged should be built in central towns of the rural area. The more urbanized the city is, the more elderly people will be left over in the rural area. Once the city implements better social protection policy, there will be fewer children, who are at their school age, leftover in villages. If there are fewer children in villages, the rural area will be less energetic.

We must realize that at first young men from the rural area left their homes, and then young women; now it is the children's turn to leave. When the birth rate keeps declining, merged villages have led to merged schools. This process will lead to supersized primary schools and high schools. In order to accompany their children or grandchildren to finish the school, the parents and grandparents will leave for towns as well. Therefore, the number of families with the grandparent(s) and the grandchild(ren) who live together will increase. In this case, the vacant schools can be reused as entertainment centers for aged people, which is significant when the local governments make decisions. Moreover, after the land requisition, the local government should also provide some money and land to build nursing institutions for the aged.

4. Service for the empty nesters should be paid attention in both rural and urban areas, since the current size of empty nesters in China is the largest ever on the record. The inner-city and interurban population mobilization and population moving from villages to cities will all lead to more empty nests. After the adult offspring leave where they were born, their maternal family will become empty nests. The interaction across generations will be reduced. In this situation, a community lacking service for the aged will be disadvantaged to the elder people's mental health. Even those who are mentally healthy will have difficulty in living by themselves. At this time, the service and relevant facilities for the aged people are in urgent need. Also, these institutions for elders should be built around schools, which will make it easier for elders to accompany the children, so that the elderly will be more vigorous and have a better mental state.
5. The tradition of respecting the elderly should be encouraged among the youths, and family support for the elderly should be encouraged through the tax policy. Changes in intergenerational power within the family have weakened elderly decision-making ability and their participation in decision-making. Patriarchy had been long existed since the ancient China. However, the economic development and the advanced technology in employment areas have enhanced the

youth generations' income level, which surpasses their parents'. Although the newly graduated earns fewer now, they will earn much more later for their human capitals. It may not work well if the offspring are asked to take the responsibility of supporting the elders only according to traditional family culture and the so-called filial piety. Therefore, a tax reduction for those who actively carry their responsibility of supporting the elderly or those who raise their parents at home will help enhance younger generations' initiative to respect and support the elders, as this policy increases family income in another way.

6. Family service for the mobilizing population should be improved, and their children should be able to go to the school near where they live. Although the central government has made such policies, the conflict between floating population and local residents will be inevitable if the local government cannot implement the policy properly. The wish for social integration will not come true. It should be noticed that about 70 % of the floating population is moving in the form of a family. Therefore, the most important measure for local management and service is to ensure the offspring of the floating population, as well as those of the local residents, to benefit from the urban development. Also, it is significant and important for the urban development for people to have equal opportunity to receive both compulsory and higher education.
7. Once the government wants to encourage consumption, a family's economic burdens of education and supporting the elderly should be reduced; the cost for the youth to live in the city should also be reduced. As the cost of urban life keeps high, the Not in Employment, Education, or Training (NEET) group emerges, whose existence is not only due to social ethics issue but also is associated with current family support from the entire family for the only child during the urbanization process. The expectation that all the savings of the three generations within a family will be used to buy a house for the youngest has significantly reduced Chinese people's desire to consume. The burden of education also restricted the family's reproduction ability, which means its ability to improve their living condition. Moreover, the government is unable to significantly reduce the family's pressure of supporting elders at once. The new rural endowment insurance and the urban residents' basic insurance have a relatively low level of protection, which means although the insurance covers a wide area, it is not well implemented. Therefore, if the cost of education is still high, those families with children at their school age will hardly spend large amount of money on other consumption. It should be learnt that housing, education, medical treatment, and supporting the elderly are still the largest expenditure for a family.

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Part II
**The Rise of New Society and Innovative
System of Social Governance**

Chapter 4

Social Attitudes, Behaviors, and the Significance of Social Governance Among New-Generation Migrant Workers

“New-generation migrant workers” have received high attention from the Chinese government and society. The first document issued by the central government in 2010 was named *Several Advices of the Central Committee of the Communist Party of China and the State Council on Enhancing Developing Force in Urban and Rural Areas and Further Sustain the Foundational Development of Agriculture in Villages*, which first adopted the concept of “new-generation migrant workers.” On the February 1, 2010, the State Council Information Office held press conference, in which the vice chairman of the Central Finance Leading Team Tang Renjian voiced: “There are 60 % of new-generation migrant workers, or 100 million, are mainly ‘1980s’ and ‘1990s’ among 150 million migrant workers. On the one hand, migrant workers went for work in cities after they finished the school and were not familiar with agriculture, villages, lands, and farmers; on the other hand, they anticipated to come in cities and blend in and enjoy civilization of modern cities. However, we did not fully prepare to welcome them in many ways or in a broad sense (Tang Renjian 2010).”

During the 4 months between January 23 and May 26, 2010, there were a series of 12 shocking suicidal incidents inside the company called FOXCONN Company,¹ a Taiwan enterprise in Shenzhen, Guangdong, funded by Taiwan financial group. In those incidents, jumping off the building resulted in tragedy of ten deaths and two serious injuries. These nationally known incidents were questioned by the public, the government, the academia, the media, and enterprises – what really happened, and why it happened? This made others to reflect on the reasons why these people lost their hope in life, and why they felt disappointed? More questions that were

¹FOXCONN Company is a famous enterprise funded by Taiwan financial group, functioning to produce computers and communicational and electronics devices. It was founded in Taiwan in 1974 and has rapidly expanded with 600,000 employees since its factories in Shenzhen were established. It has become the biggest manufacturing company in the world with total export of 55.6 billion dollars in 2008 and took up 3.9 % shares of Chinese mainland total export and had been number 1 among the top 200 companies for 7 successive years. IT was ranked 109 out of the top 500 companies in the world according to Fortune Magazine in 2009.

asked regarding this suicidal action were single suicidal cases with no correlation or a collective behavior that were due to something.

The academia and the media held different opinions and explanations regarding this incident. Some psychologists believed it was a psychological problem of this population as the new-generation migrant workers being apart from their original families and communities appeared to be more vulnerable than the past migrant workers who went through more hardships. Some management experts thought that FOXCONN adopted military management for every worker to obey. The management mode overlooked psychological state of its workers and lacked humanized management. Some media even debated whether the media induced imitative behaviors among those suicidal FOXCONN workers. The series of suicidal behaviors won't occur if the media did not report the first suicide frequently.

Some sociologists with their anger advocated everyone to reflect the socioeconomic factors and perspective on our developing mode. On May 19, after nine suicidal new-generation migrant workers in FOXCONN, one by one, sociologists from Peking University, Tsinghua University, Chinese Academy of Social Sciences, and universities and research institutes filed an "open letter" to the public through the media called "Stop FOXCONN Scandal" (Shen Yuan et al., 2010). In the letter, it pointed out that "we heard the shout from the soul of new-generation migrant workers in regards to the tragedy. We want to warn the society and hope to reflect on this developing strategy that sacrificed human dignity." Unfortunately, more suicidal incidents still occurred in FOXCONN after the open letter was published.

4.1 Concepts, Literature Review, and Data Explanation

The first meaning in the concept of "new-generation migrant workers" is "generation." "Generation" in sociology refers to an important categorizing method and analytical concept for social population just like strata, occupations, ethnics, and genders (Mead 1988; Zhou Yi 1994; Wu Junping 1998). "Generation" itself in general has three different meanings: (1) the intergenerational relationship due to the age difference; (2) kinship inside the family, such as intergeneration of parents and children; (3) the "generation" in which individuals share similar ideation and behavioral characteristics, such as "director of the fifth generation," "generation of the 1980s," etc. Studying important events in society as an important topic has influences on a generation's life courses, manners, values, etc. The American sociologist G. H. Elder published a book called *Children of the Great Depression*. He tried to interpret the influence of the Great Depression on the generation of children during 1929–1933 based on the empirical evidence and experience. His research indicated that the depression, wars, extreme civil unrest, and important social events and crises will reconstruct an individual's life cycle (Elder 2002). Zhou Xueguang and Hou Liren included this topic into studies on contemporary

China. In the article named *Children of the Cultural Revolution – Contemporary China and Chinese Life Course*, the authors discussed the influence of “the Cultural Revolution” and “going to the mountainous and rural areas” on the generation. The article further discovered the consistent influence on changing one’s life and destiny and on children of different social status (Zhou Xueguang and Hou Liren 2003). Tian Feng in his article *Children from the Reform and Opening Up* analyzed the new generation of the “1980s” who were born after the Reform and Opening Up in terms of their working status, lifestyles, sense of justice, and democratic awareness and how these were different from the older generation (Tian Feng 2009).

Studies in the past started from the differences between the new-generation migrant workers and the older generation, or from the intergenerational comparison. Wang Chunguang summarized their migrant condition as “semi-urbanization” by analyzing the state of the new-generation migrant workers from psychological status, daily lives, and policies based on his comparison between the new and the old generation of migrant workers in terms of role identity and social acculturation. He pointed out that the urbanization will take the time of one generation to go through a “semi-urbanization,” which can cause a structural problem “city slums” if this process is not well finished (Wang Chunguang 2006). Wang Zhengzhong analyzed from the perspective of occupational development that the new-generation migrant workers had altered the career path – “take any opportunity to work” – of the old-generation migrant workers, and the new-generation had decided to rationally choose their occupational development and employment. This point of view changed “unlimited labor supply” and “shortage of migrant workers” in the coastal area in the southeast (Wang Zhengzhong 2006). In other words, the focus of new-generation migrant workers shifted from salary to career prospect and potential. They no longer pursued the work that was tough, dirty, tiring, risky, and heavy for more money but rather hoped to have opportunities for “decent jobs.” Cai He and Wang Jin combined rational choice and transfer theory to analyze the willingness of migrant workers in staying in cities to be permanent residence. They found that migrant workers who were younger and have higher educational attainment were more likely to stay in cities (Cai He and Wang Jin 2007). Ding Zhihong’s study indicated that comparing with the old-generation migrant workers, the new-generation ones had fundamental changes in terms of their motivations of migration, self-identity, and occupational development (Ding Zhihong 2009).

As a matter of fact, besides containing the concept of “intergeneration,” the “new-generation migrant workers” have criteria on one’s social stratum and age range of migrant workers. Therefore, when studying new-generation migrant workers, we not only follow the historical logic to focus on intergenerational differences but also structural logic to refocus on their position in social structure. This chapter defines the “new-generation migrant worker” by social identity, occupation, and age. The concept of “new-generation migrant workers” has a few aspects: (1) They belong to an occupational group. Generally they were employed to do nonagricultural work such as industry and commerce, yet mainly industry

work. (2) This was a population of social identity. Their registered households were in rural areas and their parents were mostly farmers and migrant workers. (3) It represents people of certain age group who were born after the year 1980 and called “the 1980s”. The chosen cutoff year of 1980 here for the population was also an important time for the Reform and Opening Up. The generation of the “1980s” had experienced completely different things from their older generation (in terms of rapid economic development, opening up to the world, only-child generation in cities, the Internet, and international background), and the “new-generation migrant worker” was a population with particular living experience belonging to the “1980s” (as they rarely had farming experience and did not want to lead a rural life forever, yet found it hard to make changes to their migrant identity, blend into cities, or adapt to a life without dignity).

A problem will easily come to people’s mind when rethinking about the “new-generation migrant worker” with the dual perspectives of historical and structural logics: the problem is whether characteristics of the “new-generation migrant worker” were determined by historical logic as that were influenced by rapid economic development and dramatic revolutionary process of the new era or determined by structural logic as that were mainly resulted from their position in social structure or determined by both logics and their interaction effect? In order to answer those questions above, we need to compare characteristics of the “new-generation migrant worker” and the “old-generation migrant worker” and compare these migrant workers of both generations with the ones from other social stratum.

This article and study aims to validate the impact of historical and structural logics on new-generation migrant workers in terms of economic income, life stress, and social attitude. This study comprehensively analyzed and reviewed the impact of historical and structural logic on income, life stress, and social attitude of new-generation migrant workers and further analyzed the associations among these three aspects. There are a few assumptions:

Assumption 1: intergeneration and social stratum are two independent variables affecting income, life stress, and social attitude of new-generation migrant workers.

Assumption 2: intergeneration and social stratum have interacting effect on income, life stress, and social attitude of new-generation migrant workers.

Assumption 3: income has an impact on social attitude and behavioral orientation through certain moderating variable.

Assumption 4: life stress being a moderator can be influenced by income and influences social attitude (Fig. 4.1).

Data in this chapter comes from the *Comprehensive National Survey on Social Condition* conducted by the Institute of Sociology, Chinese Academy of Social Sciences, during May to September of 2008. This survey retrieved 7139 questionnaires covering 28 provinces, 130 counties (cities and districts), 260 villages (towns and streets), 520 villages or neighborhood committees, and more than 7100 house-

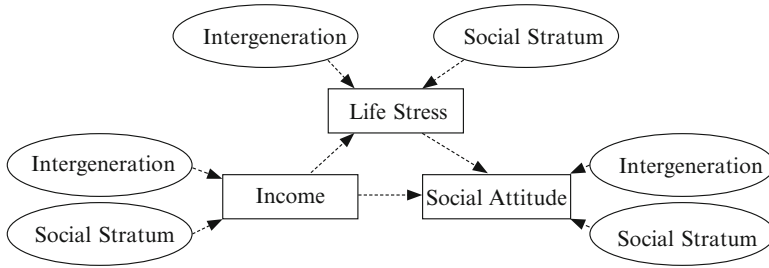


Fig. 4.1 Model of income, social problems, and social attitude for new-generation migrant workers

holds. The survey bias is within 2 % and complies with the inferential statistical criteria. The content of the survey questionnaire included basic information such as age, gender, income, occupations, and supplemental information such as lifestyles, social attitude, etc.

In this chapter, our basic analytical strategy was to compare four populations together: “new-generation migrant workers,” “new-generation local labor workers,” “new-generation office workers,” and “old-generation migrant workers.” By definitions in 2008, the “new-generation migrant workers” were born within the 1980s, with rural residence registration, and migrated to cities and were being employed for nonagricultural foundational and frontline work. “New-generation office workers” were also born within the 1980s with nonrural residence registration and were employed for nonagricultural or nonphysical labor. “Old-generation migrant workers” were born before 1980 with rural residence registration and later migrated to cities and towns and were employed for nonagricultural foundational and frontline work. This study with data screening obtained sampled 310 “new-generation migrant workers,” 88 “new-generation local labor workers,” 88 “new-generation office workers,” and 882 “old-generation migrant workers.”

Besides descriptive analysis, this article adopted the Seemingly Unrelated Regression (SUR) to analyze the impact of intergeneration, stratum, interaction effect on income, life stress, and social attitude of new-generation migrant workers. Moreover, the relationships among income, life stress, and social attitude were studied. The difference between the seemingly unrelated regression and general regression was that the latter one does not observe the error terms and variances in the regression model and assumes that those errors and variances are independent to each other. In fact, however, these error terms or variances are interdependent. Therefore, the seemingly unrelated regression allows the correlation among these error terms and variances by dealing with multiple errors and variances of several regression models for controlling the correlations among independent variables in order to improve the estimated efficiency of the regression model.

4.2 Work, Consumption, and Social Identity of New-Generation Migrant Workers

As a social group, new-generation migrant workers have certain internal commonality and differences from other social groups. This chapter compares new-generation migrant workers to other social groups and analyzes the basic characteristics of this group.

4.2.1 Basic Characteristics of New-Generation Migrant Workers: Income, Educational Level, Working Expertise, Etc.

New-generation migrant workers, compared with new-generation labor workers and new-generation office workers, appear to be younger, with shorter time of education, longer working experience, lower average income, and more frequent job switching. They compared with old-generation migrant workers had longer time of education, higher average income, more percentages working in technical or semi-technical labor, and higher percentages working in nonpublic organizations (in Table 4.1). Overall, new-generation migrant workers are similar to new-generation labor workers. However, the differences still exist such as they have lower labor contract rate, higher percentages working as laborer, and lower percentages working in nonpublic organizations, compared with the other population.

4.2.2 Consuming Characteristics of New-Generation Migrant Workers

New-generation migrant workers were different from their older generation in terms of consuming styles. They went to buy clothes in places of higher end. New-generation migrant workers constitute 17.3 % and 23.4 % of them separately shop at “brand stores” and “shopping mall.” Old-generation migrant workers only had 3.1 % and 10.2 % of them making the above choices. New-generation migrant workers even shopped online. Meanwhile the new-generation ones dine out more frequently than the old generation. They cannot afford dining out at middle- to high-end restaurants like local labor workers, yet they had the same percentages dining at snack bars, small restaurants, and fast food chains compared with labor workers. Choices in restaurants of different levels can reflect the different

Table 4.1 Comparison of basic characteristics of new-generation migrant workers

| | New-generation migrant workers | New-generation local labor workers | New-generation office workers | Old-generation migrant workers |
|---|--------------------------------|------------------------------------|-------------------------------|--------------------------------|
| Age (year) | 22.9 | 24.7 | 25.2 | |
| Education (year) | 9.9 | 12.4 | 14.9 | 7.8 |
| Working (year) | 7.0 | 6.3 | 4.2 | |
| Annual income (Yuan) | 13067.5 | 17077.3 | 25816.1 | 11486.6 |
| Working experience (year) | 7.0 | 6.3 | 4.2 | |
| Times of changing jobs | 2.2 | 1.7 | 1.5 | 2.2 |
| Working experience (year) | 7.0 | 6.3 | 4.2 | |
| Frequency of changing jobs (years/time) | 3.2 | 3.7 | 2.7 | |
| <i>Working expertise</i> | | | | |
| Technical labor | 42.45 | 60.92 | 86.36 | 22.01 |
| Technology and physical labor | 33.09 | 32.18 | 12.5 | 31.82 |
| Physical labor | 24.46 | 6.9 | 1.14 | 46.17 |
| <i>The enterprise internal position</i> | | | | |
| Senior manager | 0 | 0 | 1.18 | 0.96 |
| Junior manager | 0 | 2.3 | 10.59 | 0.64 |
| Low-level manager | 6.15 | 5.75 | 22.35 | 1.29 |
| Regular employee | 93.85 | 91.95 | 65.88 | 97.11 |
| <i>Types of organization</i> | | | | |
| Public ownership | 8.22 | 40.91 | 39.77 | 13.82 |
| Nonpublic ownership | 91.78 | 59.09 | 60.23 | 86.18 |
| <i>Contract signing rate (%)</i> | 53.85 | 63.22 | 80.95 | 30.19 |
| <i>Working hours per week</i> | 57.3 | 49.0 | 44.9 | 54.5 |

consumption levels of new-generation migrant workers and local labor workers; however, the new-generation migrant workers adapted to the city lifestyle more than the old-generation ones.

New-generation migrant workers did not have big differences in contacting and using popular media from their older generation, yet there was a difference in using new media between these two generations. The percentage of sending short text message “almost everyday” among new-generation migrant workers was 10.8 % versus 2.9 % among the old generation; the percentages of choosing “never” were 43.9 % for the new generation and 90.1 % for the old generation. In accepting new lifestyles, the difference between new-generation

migrant workers and old-generation migrant workers was bigger than the difference between new-generation migrant workers and new-generation local labor workers. This means that new-generation migrant workers have higher education level and expertise level than the old generation. Moreover, they come to work earlier, being less influenced by rural lives and culture, more easily learning new lifestyles, and accepting city cultures and lifestyles than the old generation. However, because of their limited income and financial resources they could not afford the same level of living and lifestyles as the urban population.

4.2.3 Identity of Socioeconomic Status Among New-Generation Migrant Workers

By comparing the basic information, working status, and lifestyle among groups, it is not hard to tell that new-generation migrant workers were restrained from registered residence, cultures, and other disadvantaged factors. However, participating in the city life and enjoying the lifestyle that is similar to that of city people will improve the migrant workers' self-appraisal. The new-generation migrant workers perceived their identity of socioeconomic status being higher than that of new-generation local labor workers because the migrant workers more commonly compared themselves with other farmers, migrant workers, and local labor workers, while local labor workers may compare themselves with local office workers and middle-class workers so that they may have lower self-appraisal (in Table 4.2).

Table 4.2 Self-perception and comparisons of socioeconomic status among new-generation migrant workers (%)

| Self-perception | New-generation migrant workers | New-generation local labor workers | New-generation office workers | Old-generation migrant workers |
|--------------------------|--------------------------------|------------------------------------|-------------------------------|--------------------------------|
| Upper class | 0.97 | 1.14 | 1.14 | 0.57 |
| Upper intermediate class | 5.48 | 6.82 | 18.18 | 5.22 |
| Intermediate class | 44.84 | 29.55 | 40.91 | 36.85 |
| Lower intermediate class | 28.06 | 38.64 | 30.68 | 29.93 |
| Lower | 15.16 | 23.86 | 6.82 | 25.62 |
| Not sure | 5.48 | 0.00 | 2.27 | 1.81 |

4.3 Life Stress and Social Attitude of New-Generation Migrant Workers

Scholars called migrant workers as “borderline persons” because new-generation migrant workers are moving back and forth, like a pendulum, on the “borderline” of cities and villages; meanwhile their enthusiasm in rural areas and agriculture was decreasing, and they were not willing to come back to rural society. The conditions of “semi-local citizens” and “borderline” (city/county and labor/farmer) in those new-generation migrant workers and their survival state between cities and villages have caused more social problems to those new-generation migrant workers. They further experienced more social conflicts and contradictions. These issues are inevitable topics when studying migrant workers.

4.3.1 Life Stress of New-Generation Migrant Workers

To our surprise, the data analysis in the survey came out opposite to our assumptions as new-generation migrant workers were facing the least life stress among all groups (in Table 4.3) for two primary reasons: (1) they were in their prime time and were less concerned about children’s education, their own pension, and medical care issues like their older generation, and (2) they haven’t blended in city life and had different attitude toward life stress like other city residents when confronting housing and stable employment. However, migrant workers had unstable family lives and related stress more than new-generation local labor workers and office workers, such as “low family income and difficult daily life,” “children’s education issues being difficult and tiring,” and “conflicts among family members and upsetting.”

4.3.2 Perception of New-Generation Migrant Workers in Social Conflict

Four social groups in China had different understanding of the most easily occurred conflict. The conflict was between managers and the ones being managed to new-generation migrant workers; it was between employers and employees to new-generation local labor workers; it was between poor and rich to new-generation office workers; and it was between leaders and the public to old-generation migrant workers. Different choices made by these four social groups reflected their perspectives of looking at social conflicts: new-generation migrant workers and local workers focused on the inner structure of companies because they were located at the bottom of managerial levels. New-generation office workers considered the distribution of social resources due to their own experience by accumulating social resources to achieve

Table 4.3 Life stress of new-generation migrant workers and comparison with other groups (%)

| Possible social problems | New-generation migrant workers | New-generation local labor workers | New-generation office workers | Old-generation migrant workers |
|--|--------------------------------|------------------------------------|-------------------------------|--------------------------------|
| Poor living condition, not able to build/buy the house | 37.88 | 55.81 | 45.35 | 50.84 |
| High and unbearable education cost of children | 8.33 | 9.30 | 4.65 | 36.75 |
| Children's education issues being difficult and tiring | 7.58 | 5.81 | 3.49 | 23.39 |
| High and unbearable cost of medical care | 20.45 | 29.07 | 26.74 | 36.75 |
| Increasing living cost influences daily life | 75.00 | 89.53 | 77.91 | 84.25 |
| Low family income and difficult daily life | 39.39 | 34.88 | 20.93 | 58.47 |
| Unemployed, fired, or unstable work | 38.64 | 40.70 | 23.53 | 46.78 |
| Big burden taking care of elderly | 15.15 | 13.95 | 12.79 | 22.43 |
| Heavy burden of workload | 25.76 | 30.23 | 37.21 | 31.50 |
| High and unbearable cost for maintaining interpersonal relationships | 19.70 | 23.26 | 18.60 | 28.64 |
| Conflicts among family members and upsetting | 10.61 | 4.65 | 4.65 | 12.89 |
| Negative social custom, worrying to be cheated and learning bad things | 21.97 | 32.56 | 27.91 | 30.31 |
| Negative social security and worrisome | 28.03 | 40.70 | 31.40 | 26.01 |

their future social status. Old-generation migrant workers had walked through planned economy system and valued the relationship between cadres and the people as the most important social relationship, and thus they put more hope on the government.

The analysis previously found that new-generation migrant workers were more likely to consider themselves as upper intermediate class than new-generation local labor workers. Li Peilin and the colleagues in their studies had shown that the person who identified themselves as the upper class will perceive fewer conflicts across social strata currently or in the future and vice versa for individuals of lower class (Li Peilin et al. 2005). New-generation migrant workers shared the highest percentage, 5.76 %, of considering serious conflicts in current society. Yet they shared the lowest percentage, 12.95 %, in believing that there were relative big conflicts. For

new-generation local labor workers, 4.60 % of them believed that there were serious conflicts, and 47.13 % believed to have relative big conflicts; the percentages were significantly higher than that of the other three groups. In conclusion, local workers had the lowest self-appraisal images comparing to the other three groups. Thus, it is not hard to understand that more of them believed to have bigger conflicts.

The analysis further discovered that for believing social conflicts “absolutely to intensify,” the percentages were 7.95 % for office workers and 5.76 % for new-generation migrant workers who had the highest percentage (54.02 %) in picking “probably to intensify.” This result was consistent with the findings on the current level of conflicts and thus reflected that decreasing socioeconomic status of local workers had intensified their perceptions on social conflicts.

4.3.3 Changes and Anticipation of New-Generation Migrant Workers’ Life

In the past studies we found that the life anticipation of migrant workers had great impact on their social attitude. This study found that in the past 5 years higher percentages (15.11 %) of new-generation migrant workers believed to have “much improving” living standards than that of the other three groups due to their improving living standard. Moreover, improving living standard also brings better living anticipation. When being asked about living anticipation for the next 5 years, 25.9 % of new-generation migrant workers expressed “improving a lot,” and the percentage was higher than the other three groups. The difference between the new-generation and old-generation migrant workers was great for two reasons: (1) new-generation migrant workers had not yet come across many social problems and had enough confidence in their lives, and (2) new-generation migrant workers had higher anticipation and were more desired to achieve their dreams in lives.

4.3.4 Sense of Safety Among New-Generation Migrant Workers

Sense of safety depends on many aspects and levels of factors. New-generation migrant workers are concerned the most about their working safety. The percentages of choosing “not very safe” or “not safe at all” were the highest among all the groups (in Table 4.4). In sum, new-generation local labor workers had the least sense of safety; they were more concerned about personal and family property, personal safety, commute safety, and medical safety comparing with other groups. New-generation office workers were concerned the most about food safety, personal information, and confidentiality. To our surprise, old-generation migrant workers had the highest sense of safety because they had low anticipation of safety and less knowledge about harms.

Table 4.4 Sense of safety among new-generation migrant workers and other comparison groups (%)

| | New-generation migrant workers | New-generation local labor workers | New-generation office workers | Old-generation migrant workers |
|--|--------------------------------|------------------------------------|-------------------------------|--------------------------------|
| Personal and family property | 22.3 | 32.18 | 19.32 | 15.37 |
| Personal safety | 19.43 | 24.14 | 20.45 | 14.66 |
| Commute safety | 38.85 | 48.27 | 37.5 | 35.46 |
| Medical safety | 26.62 | 28.74 | 26.13 | 25.29 |
| Food safety | 37.41 | 29.89 | 39.77 | 34.75 |
| Working safety | 32.38 | 27.59 | 19.32 | 21.28 |
| Personal information and confidentiality | 17.27 | 33.34 | 43.18 | 10.64 |

4.4 Relationships Among Economic Status, Life Stress, and Social Attitude

For new-generation migrant workers, as a rapidly growing population, their “semi-urbanized” living status determined their income, lifestyles, social attitude, etc. that were different from old-generation migrant workers, new-generation local labor workers, and office workers. Their jobs and income were beyond old-generation migrant workers and close to city lifestyle. However, their life and occupational “borderline” nevertheless made them perceive less life stress. Their social attitudes included characteristics of cities and villages; thus they had similarities to and differences from new-generation local labor workers and office workers. These all explained that new-generation migrant workers had characteristics of both new-generation worker class and migrant worker class. This analysis further discovered the relationships among economic status, life stress, and social attitude of new-generation migrant workers. Which of the two characteristics, new-generation worker characteristics and migrant workers’ characteristics, can better determine social attitude of new-generation migrant workers?

In order to solve the above issues, this chapter employs logarithmic index of personal income as the economic status index²; level of stress related to social problems as the life stress index³; and indicators for sense of equity index,⁴ sense of conflicts index,⁵ and sense of safety index⁶ as the social attitude index. Then the model

²Logarithmic index for one’s annual income.

³Life stress index = $\sum(\text{social problems}_i \times \text{pressure}_i)$; lower index indicates lower pressure and vice versa.

⁴Sense of equity index = $\sum(\text{perceived level of equity}_i)$; lower index indicated more equality and vice versa.

⁵Sense of conflict index standardized raw scores into t score ranging from 0 to 10. Lower index indicates more possibility of having conflicts.

⁶Sense of safety index = $\sum(\text{perceived level of safety}_i)$; lower index indicates lower level of safety and vice versa.

Table 4.5 Independent and dependent variables of groups

| | New-generation migrant workers | New-generation local labor workers | New-generation office workers | Old-generation migrant workers |
|-------------------|--------------------------------|------------------------------------|-------------------------------|--------------------------------|
| Income (log) | 9.2 | 9.5 | 10 | 9.1 |
| Life stress index | 5.3 | 6.4 | 5.6 | 7.6 |
| Equity index | 30.5 | 31.6 | 32.7 | 30.3 |
| Conflict index | 5.1 | 4.1 | 4.7 | 5.6 |
| Safety index | 19.4 | 19.2 | 19.6 | 19.8 |

included these economic status, life stress, and social attitude indices as the independent variables. The participants for this model were from the population with stable income and 18–60 years old. Besides, according to Gan Mantang, social strata included city workers, farm workers, and migrant workers (Gan Mantang 2001). Table 4.5 showed the descriptive analysis on independent and dependent variables.

Due to the need to observe “intergeneration” representing historical logic, “stratum” represents structural logic and interaction effects. Therefore, “intergeneration,” “stratum,” and “intergeneration and stratum” are used as three independent variables. Logarithmic index of income and life stress indices are used as both independent and dependent variables considering the relationships among income, life stress, and social attitude.

The result of the first model indicates that intergeneration as an independent variable is not significant along with the other two variables of stratum and the interaction term. In other words, after controlling stratum, there is no significant difference between the incomes of new- and old-generation workers. On the other hand, stratum is significant in the model indicating that farm workers and migrant workers have lower income than that of city workers. Moreover, the interaction term is not significant (in Table 4.6).

In the regression model of life stress index, intergeneration is not significant and stratum has some influences. Migrant workers have encountered more stress related to social problems. The interaction of intergeneration and stratum is significant with the negative value. New-generation migrant workers have encountered less stress related to social problems comparing with other groups. Intergeneration and stratum have significant interaction effect indicating the mutual influences of intergeneration and stratum after controlling for the independent influence of intergeneration and stratum.

There was no significant difference between new- and old-generation workers in terms of sense of equity, indicating that the intergeneration did not have obvious influence on sense of equity. There were differences among classes of city workers, migrant workers, and farm workers. Intergeneration and stratum had nonsignificant interacting impact, reflecting none mutual influences of intergeneration and stratum after controlling the independent influence of intergeneration and stratum.

To summarize three regression models, stratum quite influenced income while having some impact on stress related to social problems. Yet the interaction of intergeneration and stratum has more impact. For sense of equity, there is no significant

Table 4.6 SUR model with income, life stress, and social attitude of new-generation migrant workers

| | Income (log) | Life stress | Sense of equity |
|--|----------------------|----------------------|----------------------|
| Constant | 9.400*** (0.025) | 6.928*** (0.102) | 30.909*** (0.166) |
| Intergeneration (old generation as reference group) | | | |
| New generation | -0.112 (0.071) | -0.311 (0.291) | 0.651 (0.474) |
| Stratum (local worker class as reference group) | | | |
| Migrant worker class | -0.521*** (0.055) | 0.514* (0.226) | -0.514 (0.368) |
| Farm worker class | -1.329*** (0.036) | 0.087 (0.149) | 0.202 (0.244) |
| Interaction term (new-generation and local workers as reference group) | | | |
| New-generation and migrant worker class | -0.082 (0.120) | -1.579*** (0.495) | -0.568 (0.807) |
| New-generation and farm worker class | -0.064 (0.136) | 1.483** (0.557) | -0.753 (0.909) |
| R ² | 0.2155 | 0.0060 | 0.0012 |

Note: *** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$

impact among stratum, intergeneration, and their interacting effect. In this chapter, assumptions one and two are partially validated. Intergeneration and stratum both significantly have independent and interacting impact on the part of participants.

Based on model one, in model two genders, length of education, self-assessed socioeconomic status, working skills, and location are added as control variables. Self-assessed socioeconomic status and logarithm index of income are highly correlated, and thus their interaction term is also included in the model. Moreover, after life stress variable, the significant impact of income on social attitude has made some changes. Therefore, the model adopts social attitude that consists of sense of equity, sense of conflict, and sense of safety as dependent variables to observe whether income impacted social attitudes after controlling life stress. The model eventually includes eight equations; this chapter only demonstrates the final model for convenience with appropriate explanation.

In the equation of income being the dependent variable, gender, length of education, self-assessed socioeconomic status, working skills, locations, intergeneration, and stratum all have significant impact on logarithmic index of income. Gender, length of education, and working skill representing human resource have an impact on income. From the analysis, males have higher income than females; one's length of education, working skills, and income are all positively correlated. In other words, with longer education or higher working skills, a person is more likely to have higher income.

Intergeneration, stratum, and their interacting effect are the major contents to study. The analysis discovers that intergeneration and stratum each have separate impact on income. Income level of the new generation is lower than that of the old generation due to different working experiences; local workers have the highest income; migrant workers have intermediate income; and farm workers have the lowest. The interaction of intergeneration and stratum is not significant, indicating that these two factors do not mutually contribute to significant differences among new-generation local labor workers and new- and old-generation migrant workers after controlling for independent impact of intergeneration and stratum.

In the second equation in which life stress is the dependent variable, gender and length of education being the factors have insignificant impact on life stress. Meanwhile, semi-technical, semi-physical workers will suffer more life stress than technical workers. One's income is negatively correlated to life stress; the higher income one has, the lower life stress one would have. Self-assessed socioeconomic status has insignificant impact on life stress. However, the interaction effect had significant impact, indicating that the life stress comes from objective income and yet not subjective self-assessment on socioeconomic status.

Independent impact of intergeneration was significant on the level of 0.05, indicating that the new generation (workers) had lower life stress than the old generation. The impact of stratum was not significant. The interaction of intergeneration and stratum had significant impact, indicating that life stress of new-generation migrant workers was lower than that of local workers, while new-generation farm workers had higher life stress than that of local workers. Intergeneration and stratum had "chemistry" and mutually contribute the impact on life stress related to social problems, while the independent impact of stratum was insignificant.

Every social attitude sub-indicator has two equations, of which the latter equation (comparing to the former one) adds life stress as independent variable for measuring the changes of social attitude's impact on income while controlling life stress. The analysis discovers that the equation with sense of safety and sense of equity is significant on the level of 0.5 without adding life stress. The modified equation is not significant anymore after adding life stress, yet its explanation power increases. In the equation with sense of conflicts, life stress has significant impact, yet the income does not. Thus life stress has a real impact on social attitude.

The independent impact and interaction effect of intergeneration and stratum on social attitude are mostly not significant. Yet new-generation farm workers have higher sense of safety and equity than that of local workers. There is no interaction effect of intergeneration and stratum. Other variables have not impacted the three aspects of social attitudes in a consistent way.

Comprehensive model analysis reveals two discoveries regarding the independent impact of intergeneration and stratum and their interacting effect: (1) income of new-generation migrant workers is impacted separately by "intergeneration" and "stratum" yet is not impacted by the interacting effect. Two independent variables have no significant impact on life stress of new-generation migrant workers, yet the interaction effect is significant. The two characteristics of "new-generation" and "migrant workers" have mixed effect on migrant workers and are different from "intergeneration" and "stra-

tum.” In other words, structural logic (level of stratum) and historical logic (age groups) each independently have significant effects on income of new-generation migrant workers; they have mixed effect on life stress as new-generation migrant workers confront less life stress due to their prime age. (2) Social attitude of new-generation migrant workers will be impacted by every factor that has uncertain effects. For example, gender has significant effect on sense of safety; education level can impact one’s sense of conflicts. There are some commonalities behind uncertainty. Life stress index can be the moderator between income level and social attitude; thus income level influences one’s social attitude through the changes in one’s life stress related to social problems. Thus assumptions 3 and 4 can be verified (Fig. 4.2, Table 4.7).

Even though new-generation migrant workers are in their prime time and have lower life stress than old-generation migrant workers, they have stronger democratic awareness than their predecessors and emphasize on personal rights. Meanwhile, new-generation migrant workers respond more aggressively and more diversely than their older generation when labor conflicts occur. First, the percentages of new-generation migrant workers choosing “doing nothing but put up with it” and “nothing” when labor conflicts occur are 11.54 % and 19.23 %, which are lower than 34.78 % and 28.26 % of old-generation workers. This comparison indicates that the new-generation migrant workers do not handle labor conflicts as passively as the old generation. Moreover, new generation adopts approaches, such as violent protests, and seeks help from media that the old generation did not use for labor conflicts. This reflects the diverse methods new generation uses in dealing with labor conflicts even though only a small percentage of them make the efforts. Last, new generation is more likely to take advantage of the government to protect their rights. During labor conflicts, filing for appeals or reporting takes the share of 30.77 % of the methods, which is higher than 8.7 % among old generation. Our study does not expect that new-generation migrant workers risk their lives to protest against companies. In the suicidal events in FOXCONN and continuous strike in 2010, it looks like that new-

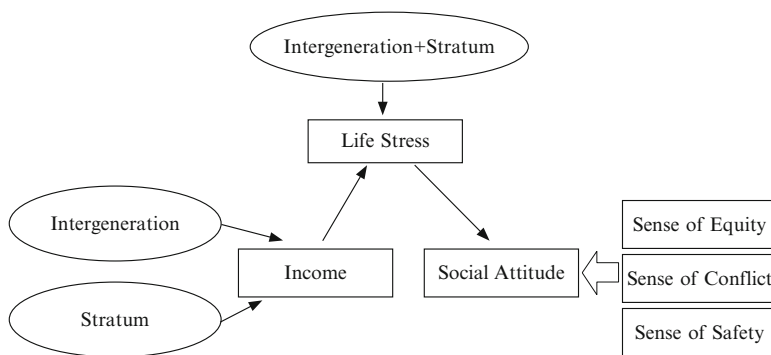


Fig. 4.2 Illustration of validated model on income, social problems, and social attitude of new-generation migrant workers

Table 4.7 SUR model 2 on income, life stress, and social attitude of new-generation migrant workers

| | Income (log) | Life stress | Sense of equity 1 | Sense of equity 2 | Sense of conflict 1 | Sense of conflict 2 | Sense of safety 1 | Sense of safety 2 |
|--|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Constant | 10.627*** (0.084) | 9.633*** (2.132) | 30.575*** (3.459) | 33.067*** (3.423) | 5.493*** (1.099) | 6.208*** (1.090) | 17.593*** (1.621) | 18.846*** (1.601) |
| Gender (male as reference group) | | | | | | | | |
| Female | -0.376*** (0.027) | 0.159 (0.149) | -0.992*** (0.242) | -0.951*** (0.239) | 0.117 (0.077) | 0.129 (0.076) | -0.304** (0.113) | -0.283* (0.112) |
| Length of education | 0.037*** (0.004) | 0.039 (0.023) | 0.054 (0.038) | 0.064 (0.037) | -0.100*** (0.012) | -0.097*** (0.012) | -0.044* (0.018) | -0.039* (0.017) |
| Self-assessed socioeconomic status | -0.238*** (0.015) | -0.208 (0.542) | -0.404 (0.880) | -0.458 (0.868) | 0.193 (0.279) | 0.177 (0.276) | 0.426 (0.412) | 0.399 (0.406) |
| Working skills (technical skills as reference group) | | | | | | | | |
| Semi-technical, semi-physical work | -0.261*** (0.042) | 0.650** (0.225) | -0.266 (0.366) | -0.098 (0.361) | -0.014 (0.116) | 0.034 (0.115) | 0.094 (0.171) | 0.179 (0.169) |
| Physical work | -0.535*** (0.043) | -0.042 (0.234) | -0.402 (0.379) | -0.413 (0.374) | 0.175 (0.120) | 0.172 (0.119) | 0.064 (0.178) | 0.059 (0.175) |
| Location (eastern region as reference group) | | | | | | | | |
| Central region | -0.315*** (0.032) | -0.233 (0.175) | -0.319 (0.284) | -0.380 (0.281) | 0.664*** (0.090) | 0.647*** (0.089) | 0.499*** (0.133) | 0.469*** (0.131) |
| Western region | -0.492*** (0.036) | 0.773*** (0.200) | -1.100*** (0.324) | -0.900 (0.320) | 0.427*** (0.103) | 0.485*** (0.102) | -0.104 (0.152) | -0.003 (0.150) |
| Intergeneration (old generation as reference group) | | | | | | | | |
| New generation | -0.141* (0.060) | -0.661* (0.324) | 0.081 (0.525) | -0.090 (0.518) | -0.241 (0.167) | -0.290 (0.165) | -0.136 (0.246) | -0.222 (0.243) |

(continued)

Table 4.7 (continued)

| | Income (log) | Life stress | Sense of equity 1 | Sense of equity 2 | Sense of conflict 1 | Sense of conflict 2 | Sense of safety 1 | Sense of safety 2 |
|---|----------------------|---------------------|--------------------|----------------------|---------------------|----------------------|---------------------|----------------------|
| Stratum (local workers as reference group) | | | | | | | | |
| Migrant workers | -0.173*** (0.052) | 0.429 (0.278) | -0.350 (0.451) | -0.239 (0.445) | 0.152 (0.143) | 0.183 (0.142) | 0.323 (0.211) | 0.379 (0.208) |
| Farm workers | -0.912*** (0.041) | -0.299 (0.229) | 1.065** (0.372) | 0.988** (0.367) | 0.268* (0.118) | 0.246 (0.117) | 0.919*** (0.174) | 0.880*** (0.172) |
| Interaction (new-generation and local workers as reference group) | | | | | | | | |
| New-generation and migrant workers as reference group | -0.069 (0.107) | -1.640** (0.571) | -0.543 (0.926) | -0.967 (0.915) | 0.014 (0.294) | -0.107 (0.291) | -0.112 (0.434) | -0.325 (0.428) |
| New-generation and farm workers as reference group | -0.127 (0.108) | 1.731** (0.578) | -0.345 (0.938) | 0.103 (0.926) | -0.110 (0.298) | 0.018 (0.295) | -0.695 (0.439) | -0.470 (0.433) |
| Logarithm of income | | -0.717** (0.228) | 0.656* (0.370) | 0.470 (0.366) | 0.039 (0.118) | -0.014 (0.117) | 0.396* (0.174) | 0.303 (0.171) |
| Interaction of logarithm of income and self-assessed socioeconomic status | | 0.127* (0.061) | -0.110 (0.099) | -0.077 (0.097) | -0.024 (0.031) | -0.015 (0.031) | -0.089 (0.046) | -0.073 (0.046) |
| Life stress index | | | | -0.259*** (0.024) | | -0.074*** (0.008) | | -0.130*** (0.011) |
| R ² | 0.4939 | 0.0553 | 0.0436 | 0.0680 | 0.0813 | 0.1003 | 0.0351 | 0.0633 |

Note: *** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$; standard error in parentheses

Table 4.8 Comparison of approaches in handling labor conflict between new- and old-generation migrant workers

| Approaches of handling labor conflicts | New-generation migrant workers | Old-generation migrant workers |
|--|--------------------------------|--------------------------------|
| Lawsuit | 7.69 | 10.87 |
| Consult with companies | 34.62 | 39.13 |
| Appeal/report to relevant department | 30.77 | 8.70 |
| Personal connection | 7.69 | 8.70 |
| Violent revolt | 3.85 | 0.00 |
| Seek help from media | 3.85 | 0.00 |
| Strike/sit-in/protest | 7.69 | 6.52 |
| Doing nothing but put up with it | 11.54 | 34.78 |
| Doing nothing | 19.23 | 28.26 |

Note: One can choose multiple answers, so the percentage exceeded 100 %

generation migrant workers do not endure or take for granted labor conflicts; rather they have many approaches to protest and more aggressively (Table 4.8).

4.5 Inspiration for Innovative Social Governance and Suggestion for Policy from Research

New-generation migrant workers as a huge social group are rapidly formed during social changes in China. This group has been a key population during social transformation to discard dual structure of the city and town and accelerate urbanization and industrialization. Through this chapter we can understand that new-generation migrant workers have great improvement in education level and working skills comparing with the old generation. Yet they still stay at the bottom of the social structure and are disassociated from urban policies.

This chapter started with income, consuming style, life stress, and social attitude of new-generation migrant workers and then analyzed and compared commonalities and differences among four groups: new-generation migrant workers, new-generation local labor workers, new-generation office workers, and old-generation migrant workers. The analysis further discovered that new-generation migrant workers had a combination of characteristics from the new-generation local labor workers and old-generation migrant workers in terms of income, lifestyle, and social attitude. Their working skills and income level were close to that of new-generation local labor workers, but their consuming style had huge difference from that of old-generation migrant workers. Their strong sense of conflicts between the organizers and the ones being organized were different from that of other social stratum; most of them picked “improved a lot” on the living standards between the past 5 years and the next 5 years, demonstrating that they had positive life anticipation; they presented stronger sense of inequity than that of old-generation migrant

workers in terms of given rights and privilege yet were not stronger than that of other social stratum in general; they particularly had stronger sense of safety than other groups and are more concern about labor safety than other social stratum.

Besides close attention in housing price, employment, etc., new-generation migrant workers like old-generation migrant workers, were not satisfied with gaps between urban and rural and with unfair treatment toward migrant workers. Income, lifestyle, and social attitude of “semi-urbanization” to them were just superficial representation. The unfair treatment was due to intergeneration of historical logic and stratum of structural logic. Of course, the interacting effect of both historical and structural logics can have an impact and thus is the foci of this chapter.

This chapter had two new discoveries:

Firstly, the past research focused on how structural logic (structural location and stratum) impacted behavioral orientation and social attitudes of migrant workers. This chapter added research on historical logic (changes in status and intergeneration) in order to find out the significant impact of interaction effect between intergeneration and stratum on life stress related to social problems among new-generation migrant workers. The impact of intergeneration and stratum not only included two independent impacts from these two factors but also interacting effect of these two, which indicated a special effect from historical (intergeneration) and structural (stratum) logics that varied by age and situated social environment of new-generation migrant workers in the future and largely determined their life stress, social attitude, and behavioral orientation. This gave us important warning: new-generation migrant workers had positive life anticipation and have not confronted more serious life stress comparing with other social groups. They have been actually living in the state of “puberty.” However, as their age increase and social status change, they will be facing tougher life stress and disappointing life anticipation. As a result their social attitude will be more intense and obvious than people of other social stratum. The analysis further discovered that new-generation migrant workers had stronger democratic awareness and personal rights than their older generation. Therefore, they had more approaches to deal with labor conflicts with more intensity.

Secondly, the past research assumed that income directly influences one’s social attitude. However, our study shows that income has to make indirect impact on one’s social attitude and behavioral orientation through certain moderating variable, which is “life stress” in this chapter, or other variables under other circumstances. This chapter discovers that income has significant impact on social attitude without controlling life stress. However, the significant impact goes away as life stress is controlled. This explains that life stress is the moderator between income level and social attitude. In other words, changes in life stress related to social problems can determine the impact of income on one’s social attitude. Moreover, social problem index and sense of equity index of new-generation migrant workers are higher than other populations after controlling the income variable. In other words, once someone suffers from life stress related to social problems, they have stronger sense of social injustice than other populations. Life stress index as the moderator influencing social attitude does not determine income being the only independent variable.

The above discoveries generate a few implications for policy:

Firstly, to enhance protection of new-generation migrant workers' rights. Comparing with the old generation, the new-generation migrant workers have higher educational level that determines differences of consuming styles between two generations. The new generation obtains information through modern media such as cell phones and the Internet and has stronger rights-defending awareness. Their legal rights should be protected with appropriate political treatment of legal rights protection. Life stress of new-generation migrant workers might not come from material life but from the deprivation of legal rights, anxiety of achieving life anticipation, etc.

Secondly, to more quickly clear political obstacle that on the way of transition from new-generation migrant workers to local citizens. The analysis demonstrates that the life stress is the moderator for impacting social attitudes of new-generation migrant workers. Their anticipation of future development is closely related to their sense of life stress, which can influence senses of equity, safety, and conflicts if the stress becomes stronger. The new-generation migrant workers hardly have agricultural experience and cannot go back home for farming like the old generation. They have to stay in cities and face various political obstacle and life stress without knowing their destiny. Relevant policies need to be accelerated to make the transition of new-generation migrant workers into local citizens as an important task.

Thirdly, to improve the labor relationship of migrant workers. After the FOXCONN event, this company declared to greatly raise wages. From our analysis, however, one significant difference among new-generation migrant workers and other groups of social stratum is that they had very strong sense of conflicts between the managers and the ones being managed. Raising wages can only be considered to alleviate the problems, but more importantly the labor relationship needs to be improved, including strengthening labor protection, perfecting communicating mechanism, controlling overtime working, improving workers' union, enriching life of spare time, caring psychological needs, and watching their future development.

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Chapter 5

New Generation Emergence and Policy Innovation in Social Governance

The youth phase is considered a transitional period from a child to an adult during one's life cycle. This transition included occupational, social, and cultural transitions. The major featured transition was from school to steady employment due to financial independent, maturity, and self-management of the youths. Nevertheless, the length of education and unstable employment has made the boundary of transitions blurred, and the length of transition in the youth's life cycle was impacted.

The population of the "1980s" and the "1990s" received enough attention, and it was a generation rising along with Reform and Opening Up. Their current conditions can predict our country's future. Economic system transition, social structure transition, and structural transition all have impacted the current generation through their growing experience. Transition of economic system modifies employment structure of current young generation, and more young people participate in market-oriented employment. Transition of social structure divides the young generation into various social beneficial groups and leads a stratum of diverse cultures. The transition lowers the fertility level of the entire society and extends the population of single-children.

Besides transitions of economic systems, social structure, and population structure as factors, globalization is another factor not to be overlooked. The World Youth Report from the United Nations in 2005 discussed four impacts globalization had on young generation's life:

1. Distribution of employment. Globalization changed employment market, and youths became the "weakest" population as the new comers in labor market.
2. Globalization led to migration within and among countries. Youths took quite a high share of migration population.
3. Globalization had multiple impacts on the youth culture. Expansion of media resulted in the emergence of global consumerism.
4. Identity of global citizens and trend for movement.

During the era that unifies global economy, consumption, and information, youths around the world are facing various common risks, problems, and challenges. Concepts of individualism, individual freedom and responsibility,

choices, open opportunities, crash of traditional bond along with the uncertainty toward future, and undertaken risks have become part of youths' life. Especially the contemporary Chinese society has undergone a period with dramatic transition. Great amount of socioeconomic conflicts will emerge shortly. Employment problems among college graduates, suicidal problems among young migrant workers, high housing price problems, social inequity problems, inflation, and rising living cost problems are "condensed" in one's youth period. Thus, part of young people has intense dissatisfaction and radical attitudes. Generational unit formed under a similar socialized environment is unique among this generation, but the differences among generational populations from various living conditions gradually expand. The influence of generational substitution on youths' values cannot exist without acknowledging the facts of social inequity and social diversity.

Nowadays, most the 1980s and the 1990s have entered society and become active in many areas. Their unique thoughts and behaviors have drawn the attention of mainstream society, and their social attitude and behaviors have become the focus of the public. As the peers witnessing Reform and Opening Up and the first generation of single-child, they are considered as "lucky generation" and blamed as "broken generation." Their social image is shaped as an "eccentric" in media and in front of the public, and they are criticized negatively by the mainstream of society. In other words, an unbridgeable gap exists between contemporary youths and the past generation that is now at the center of the mainstream society. Meanwhile, they are good at voicing opinions through the Internet and media and often times influence the entire public opinion. Small part of youth generation published radical comments on the Internet forum or criticize the public department intensely. As a result, a phenomenon of "cynics," "rich hatred," and "officials hatred" emerges. The further development of this tendency will probably influence social and political stability.

In sum, the growth of youths has been inextricably associated with globalized modernization, modernization in Chinese society, and rejuvenation of the nation and peaceful rise. Contemporary youth's circumstances and globalized economy have to be integrated with transitional trend of social structure. Moreover, circumstances of contemporary youth generation have to be understood, deeply analyzed, and studied in order to take prevention and intervention in time and further create prospects and future for contemporary youths to become mature, talented, and successful.

5.1 Current Condition and Trend of Youth Development in China

Youths being the future of the nation and the backbone in the economic construction and social development should proactively propel socialist construction. Contemporary youths bear not only the expectation of rejuvenating the nation but

also arduous tasks of contributing to the progress of Chinese civilization. As the generation growing along with the Reform and Opening Up, they have entirely new generational characteristics and are under the most social pressure during drastic social changes. Therefore, understanding youths' condition is a crucial step in planning developing strategy for future youths.

5.1.1 *More Single-Childs Among Youths and Its Total Population Reach to the Peak*

Since the 1970s with the continuous implementation of one-child policy, the amount of single-childs continuously increased. According to the data published by the national census, the number of single-childs has passed 100 million. Among youths' generation, the percentage of single-child increases as well. According to the preliminary estimate from the survey of 1 % sampled population of single-childs in 2005, among youths who were born after 1975, the percentage of single-childs of the 1970s was lower than 15 % and the 1980s with 19 %, and the 1990s had almost taken up one third of the total population. The ever-increasing percentage of single-childs had made them a population not to be overlooked (Fig. 5.1).

Changes in birth rate directly influence the structure of age groups. For the age group of 15–34 years old, there were 416.4 million of them in 1990, 442.5 million in 2000, and 425 million in 2010. According to the current one-child policy, it can be estimated that the population of youths starts to reduce in size and the shrinking trend will last for a quite long time in the future.

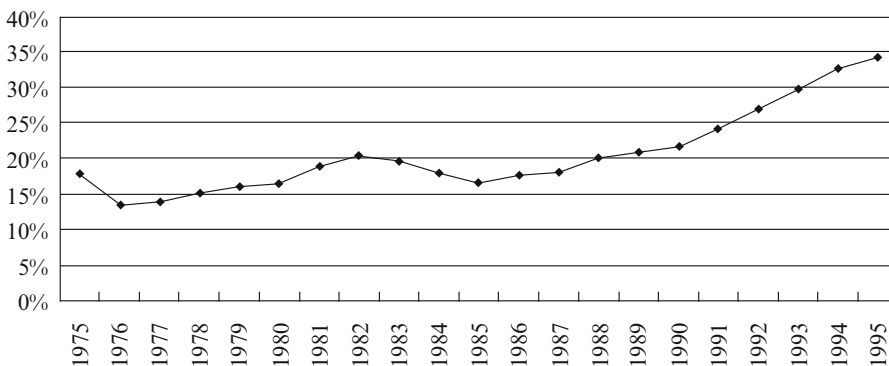


Fig. 5.1 Changing percentage of single-child born between 1975 and 1995

5.1.2 *Universal Higher Education from Which the 1980s Benefit the Most*

Since the expanding enrollment for higher education in 1999, China has accepted increasingly great amount of college students: from 1.08 million in 1998 to 6.85 million in 2012 with 6.3 times of expansion. Acceptance rate of college entrance exam has rapidly increased from 34 % in 1998 to 75 % in 2012 with 2.2 times of increase. In general, the gross acceptance rate of higher education below 15 % indicates elite education phase; 15–50 % indicates popularized higher education phase; over 50 % indicates universal higher education phase. In some places such as Beijing and Shanghai, the gross acceptance rates for higher education are over 90 %. Some believe that the acceptance rate in the future will reach 100 % which indicates the universal higher education phase (Fig. 5.2).

In average it will take a country or a region 25–30 years to transform from elite phase to universal phase for the higher education; China however only spent 18 years to achieve the transformation. More youths easily have a chance to receive higher education, from which the 1980s benefited the most. Assuming the age to enter a college entrance exam has been the same, the 1980s were the first generation impacted by the expanded enrollment of higher education, and they had higher acceptance rate into colleges than the 1970s. Their employment was during the rapid growth of economic and social development phase. Therefore, the 1980s benefited the most from their education and employment.

In Table 5.1, the age group of 15–19 in 2010, being equivalent to the group with a birth year of 1991–1995, entered elementary schools in 1997. The 9-year compulsory education was largely implemented by then, and this population had finished all their elementary and junior high school education regardless of the 6–3 type (6 years in elementary school and 3 years in junior high school) or 5–4 type (5 years in elementary school and 4 years in junior high school). This action greatly reduced

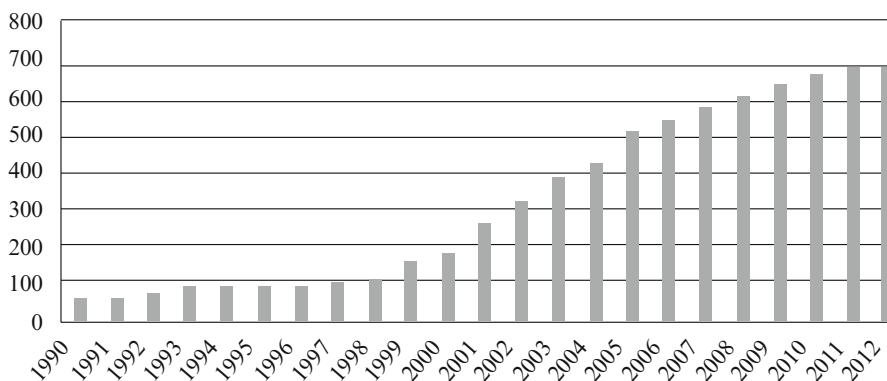


Fig. 5.2 Changes in accepted counts in college entrance exam during 1990–2012

Table 5.1 Comparison in education levels across age groups (%)

| Birth year | Age group | No education | Elementary school | Junior high school | Senior high school | Vocational school | College | Graduates | Sum |
|-------------|-------------|--------------|-------------------|--------------------|--------------------|-------------------|---------|-----------|-----|
| 1991–1995 | 15–19 | 0.47 | 6.53 | 45.2 | 39.64 | 4.79 | 3.37 | | 100 |
| 1990–1985 | 20–24 | 0.53 | 6.82 | 46.58 | 20.72 | 13.77 | 10.97 | 0.61 | 100 |
| 1986–1981 | 25–29 | 0.76 | 8.56 | 52.18 | 17.92 | 11.07 | 8.28 | 1.23 | 100 |
| 1976–1980 | 30–34 | 1.08 | 12.87 | 53.28 | 17.56 | 8.76 | 5.66 | 0.79 | 100 |
| 1946–1975 | 35–64 | 4.07 | 29.92 | 45.47 | 13.74 | 4.31 | 2.25 | 0.24 | 100 |
| before 1945 | 65 and over | 26.37 | 49.13 | 15.67 | 5.49 | 1.87 | 1.44 | 0.03 | 100 |

Source: Data from the 6th National Census

the percentage of “no education” population. The younger age groups had lower percentage of “no education.” The older age groups had higher percentage of attaining “elementary school” education.

In other words, younger age groups received more education due to the impact of system reform. Fewer children in each family have enabled parents to better support their children to receive better education. Implementation of one-child policy, especially in cities, allowed only one child in every family in cities and towns. Therefore, financial support from families provided opportunities for younger generation to receive more education.

Inequity in education includes two issues: (1) Can children from families with lower socioeconomic status enter and finish middle school education? Will they have a chance to receive higher education? (2) Even if these children can receive middle school education and higher education, their rates of entering key universities and non-key universities should as well be evaluated. Since the quality of higher education should be closely related to future employment, human capitals cannot simply be judged by the length of education received in universities or colleges, but should be analyzed by whether one received education from key universities.

Issues on education choices among labor force population will remain even with the universal education. If the gross acceptance rate reaches to 35 % by the end of the “12-five” (the 12th five-year plan), the enrollment size will keep increasing every year in universities from 6.82 million in 2011. Even if the enrollment rate increases, “employment problems” are still inevitable. Meanwhile, as the enrollment of graduate students in universities (especially when the percentage of undergraduate students and graduate students varied) has been increasing, the employment pressure of graduate students has been growing. Therefore, higher education has formed to bifurcate labor force. However, the conflict between employment position created on the market and rapidly increasing students that were enrolled would impact the profit of education. In this situation, “employment problems” will long last among migrant workers and college graduates.

5.1.3 Marketization of Youth Employment and Nonpublic Companies as the Main Channel

Under the impact of established socialist market economy and popularized higher education, youth employment mode has shifted from governmental behaviors to marketing behaviors; employment opportunities allocated traditionally by the government did not exist anymore; marketization of youth employment channel became clearer. As a whole, organizations with public ownership provided decreasing shares of employment each year. Employees in organizations with state ownership and collective ownership took up 18.8 % of all employed population. The percentage was over 80 % in the 1990s. Meanwhile the employment options were largely extended

for subjective preferences and choosing occupations of their interests among youths who were free from the restrain of nation’s policies and impact of family background. Bidirectional choices on the free job market optimized the combination of expectation from employers and talents from youths (Fig. 5.3).

During the transition from graduation at colleges to stable employment, youths urged to look for suitable jobs of employment. A great amount of nongovernment SMEs quickly grew up in the market economy system. SMEs’ business scope included almost all professions and domains that provided many new employment positions and required many high-quality talents and young labor force. Therefore, a fair amount of nonpublic organizations have become the main channel for youths’ employment. According to the survey of sampled 1 % population in 2005, less than 15 % of young working people of 16–35 were employed in public organizations, and most of the rest worked in nonpublic organizations.

5.1.4 Changes in Marriage Values and Diverse Family Forms and Modes

Reform in marriage values directly impacts youth families’ forms and modes. Big family mode of multiple generations is no longer popular; most youths now become part of nuclear families. The traditional function of producing offspring in the past families is no longer commonly recognized. DINK (double income, no kids) families that do not raise children are commonly seen in big cities. Moreover, there are more singles who do not commit to marriage. On the other hand, broken families become more common. Taking the age group of 15–35, their divorce rate was 13.26‰ in 2006, 14.16‰ in 2007, 15.24‰ in 2008, 16.26‰ in 2009, and

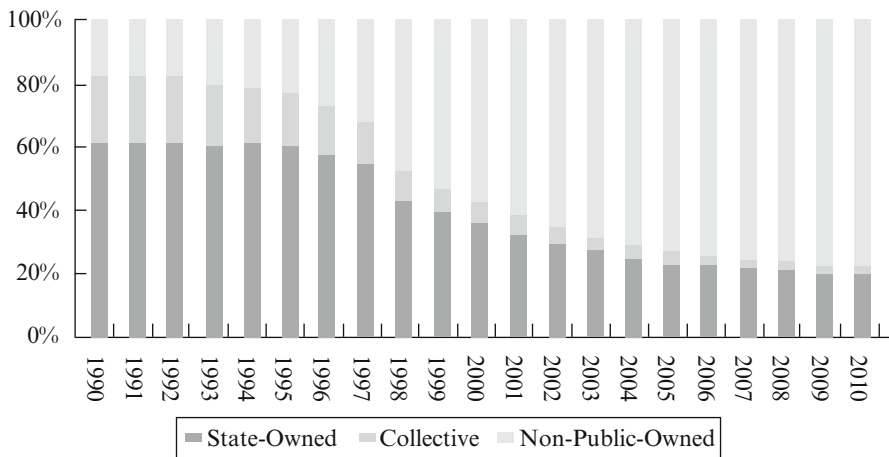


Fig. 5.3 Changes in employment percentage in organizations of different types in 1990–2010

16.51‰ in 2010. Marriages and breeding are considered necessary life events in a traditional society, yet are now the option of “the best or nothing” to youths nowadays. Divorce is no longer the tragedy to families but the alternative decision toward a different life style (Fig. 5.4).

Marriage rate of youth population is primarily determined by legally marriageable age and extended average education years of marriageable population. Besides, floating population and increasing living costs postponed average first marriage age of youths in some generation.

The first Marriage Law in 1950 defined legal marriage age as 20 for men and 18 for women. The marriage age was reset as “late marriage age” in China during the 1970s and was forcefully defined as 26 for men and 23 for women (25 for women or 25 for the average of two in some places) for the sake of one-child policy. However, the Marriage Law was amended in 1981 after the Reform and Opening Up and defined the legal marriage age as 22 for men and 20 for women. The law stayed the same in 2001. Thus, the marriage rate of youths from the age 15–34 varied by legal marriage age according to the Marriage Law. In the history of PRC, the marriage rate of youth was quite high. However, during the “Cultural Revolution,” the government registered marriages only if the couple met the marriageable age in response to “late marriage late child” of one-child policy. This, to some extent, postponed people’s first marriage age and marriage rate of youths who were 15–34.

Yet the marriage rate of youths turned lower in the new era of history when labor market changed, living cost increased, and average length of education became longer. In Table 5.2, among the population of couples, one’s marriage age is lower as one’s education level is lower and vice versa.

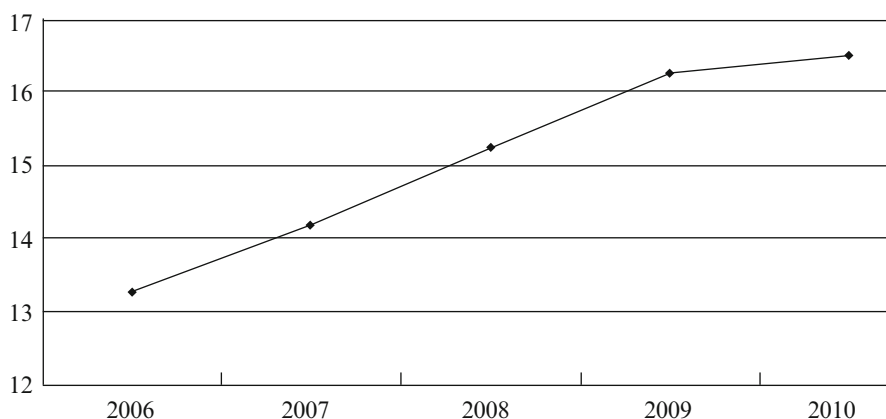


Fig. 5.4 Percentage of 15–35 population among all divorced population (%)

Table 5.2 Marriage age among population of different education levels

| Education level | 19 and younger | 20–29 | 30–39 | 40 and above |
|--------------------|----------------|-------|-------|--------------|
| No education | 35.97 | 58.59 | 4.61 | 0.83 |
| Elementary school | 24.21 | 70.62 | 4.54 | 0.63 |
| Junior high school | 14.75 | 81.39 | 3.56 | 0.30 |
| Senior high school | 6.90 | 87.36 | 5.33 | 0.41 |
| Vocational school | 3.50 | 89.06 | 7.00 | 0.44 |
| College | 1.80 | 88.77 | 8.92 | 0.51 |
| Graduate school | 1.02 | 84.23 | 14.11 | 0.64 |

Source: According to Chinese National Census in 2010, Table 5.3

For instance, a population of “19 and younger (for marriage)” takes shares of 35.97 % for no education, 24.21 % for elementary school education, 14.75 % for junior high school education, and only 6.90 % for senior high school education. Among people who chose to marry at the age of 20–29, 89.09 % had education of vocational school, and low percentages of them had college or graduate education. In the group in which people married around 30–39, there were more people with higher education (college and graduate education), for instance, share of 7 % for vocational school education, 8.92 % for college education, and 14.11 % for graduate school education.

Moreover, in Table 5.3, in the same group in which people married at 15–19, for instance, lower education is associated with higher likelihood of early marriage and vice versa. For the couples of 25–29 years old, they take shares of 62.34 % for “no education,” 76.72 % for elementary school education, 77.26 % for junior high school education, 65.82 % for senior high school education, 57.50 % for vocational school education, and 48.97 % for college education.

In other words, as the average education level increases, the first marriage age of youth population will further prolonged. In the future, there will be more people of 30 years or older just getting their first marriage.

Postponed first marriage age and the increasing divorce rate among youth lead to the increasing number and percentage of single-member families. Population of single individual youths is now currently gathered only in big cities, but the percentage of single-member households will keep rising along with deepened modernization and postponed first marriage age. Higher education level is associated with higher expectation for marriage; thus, the increasing education level leads to higher probability of their unmarried status. In other words, the higher the education one receives, the lower the probability he or she will get married before 30. The National Census in the USA in 2011 found that 57.2 % of 25–39-year-olds among all males had never been married; 30–34 age group took the share of 33.5 %; 35–39 age group took the share of 21.4 %. Among women, 25–29 age group took the share of 64.0 % of never getting married; 30–34 age groups took the share of 38.7 %; 35–39 age group took the share

Table 5.3 Marriage conditions across age groups and education level (%)

| No education | | Elementary school | | | | | | | |
|--------------------|-----------|--------------------|----------|---------|--------------|-----------|---------|----------|---------|
| Age group | Unmarried | Married | Divorced | Widowed | Age group | Unmarried | Married | Divorced | Widowed |
| 15-19 | 92.29 | 7.51 | 0.12 | 0.09 | 15-19 | 91.76 | 8.15 | 0.07 | 0.01 |
| 20-24 | 60.78 | 38.01 | 0.82 | 0.39 | 20-24 | 53.52 | 45.81 | 0.57 | 0.10 |
| 25-29 | 35.27 | 62.34 | 1.60 | 0.80 | 25-29 | 21.59 | 76.72 | 1.40 | 0.29 |
| 30-34 | 23.80 | 73.08 | 1.93 | 1.19 | 30-34 | 10.17 | 87.43 | 1.88 | 0.53 |
| 35-39 | 17.03 | 79.52 | 1.70 | 1.75 | 35-39 | 5.82 | 91.46 | 1.83 | 0.88 |
| 40-44 | 12.33 | 83.22 | 1.56 | 2.89 | 40-44 | 3.77 | 92.83 | 1.71 | 1.69 |
| 45-49 | 9.12 | 84.89 | 1.27 | 4.72 | 45-49 | 2.92 | 92.49 | 1.52 | 3.07 |
| 50-54 | 6.42 | 84.60 | 1.04 | 7.94 | 50-54 | 2.53 | 90.90 | 1.29 | 5.28 |
| 55-59 | 5.17 | 82.45 | 0.84 | 11.54 | 55-59 | 2.18 | 89.03 | 1.02 | 7.76 |
| 60-64 | 4.57 | 75.58 | 0.72 | 19.13 | 60-64 | 2.01 | 84.65 | 0.86 | 12.48 |
| 65 and above | 2.31 | 46.04 | 0.53 | 51.13 | 65 and above | 1.71 | 66.76 | 0.65 | 30.88 |
| Junior high school | | Senior high school | | | | | | | |
| Age group | Unmarried | Married | Divorced | Widowed | Age group | Unmarried | Married | Divorced | Widowed |
| 15-19 | 97.94 | 2.04 | 0.02 | 0.00 | 15-19 | 99.81 | 0.19 | 0.00 | 0.00 |
| 20-24 | 62.82 | 36.85 | 0.30 | 0.03 | 20-24 | 82.96 | 16.93 | 0.09 | 0.01 |
| 25-29 | 21.51 | 77.26 | 1.11 | 0.11 | 25-29 | 33.28 | 65.82 | 0.84 | 0.06 |
| 30-34 | 7.42 | 90.41 | 1.89 | 0.27 | 30-34 | 9.82 | 87.84 | 2.18 | 0.16 |
| 35-39 | 3.31 | 94.03 | 2.13 | 0.53 | 35-39 | 3.94 | 92.47 | 3.28 | 0.32 |
| 40-44 | 1.73 | 95.09 | 2.15 | 1.03 | 40-44 | 1.95 | 93.53 | 3.83 | 0.70 |
| 45-49 | 1.20 | 94.82 | 2.17 | 1.81 | 45-49 | 1.09 | 93.83 | 3.72 | 1.36 |
| 50-54 | 1.09 | 93.61 | 2.14 | 3.16 | 50-54 | 0.80 | 93.68 | 3.15 | 2.37 |
| 55-59 | 0.96 | 92.53 | 1.78 | 4.73 | 55-59 | 0.66 | 93.60 | 2.13 | 3.61 |
| 60-64 | 0.81 | 90.03 | 1.27 | 7.89 | 60-64 | 0.60 | 91.73 | 1.53 | 6.13 |
| 65 and above | 0.93 | 79.55 | 0.82 | 18.71 | 65 and above | 0.73 | 82.43 | 1.01 | 15.83 |

| Vocational school | | College | | | | | | | |
|-------------------|-----------|---------|----------|---------|--------------|-----------|---------|----------|---------|
| Age group | Unmarried | Married | Divorced | Widowed | Age group | Unmarried | Married | Divorced | Widowed |
| 15-19 | 99.85 | 0.15 | 0.00 | 0.00 | 15-19 | 99.96 | 0.04 | 0.00 | 0.00 |
| 20-24 | 92.44 | 7.53 | 0.03 | 0.00 | 20-24 | 97.44 | 2.55 | 0.01 | 0.00 |
| 25-29 | 41.97 | 57.50 | 0.51 | 0.03 | 25-29 | 48.97 | 50.73 | 0.28 | 0.02 |
| 30-34 | 10.55 | 87.56 | 1.78 | 0.10 | 30-34 | 11.95 | 86.74 | 1.25 | 0.06 |
| 35-39 | 3.72 | 93.09 | 2.96 | 0.23 | 35-39 | 3.89 | 93.60 | 2.35 | 0.16 |
| 40-44 | 1.74 | 94.24 | 3.56 | 0.47 | 40-44 | 1.82 | 94.92 | 2.97 | 0.30 |
| 45-49 | 0.92 | 94.70 | 3.62 | 0.76 | 45-49 | 1.04 | 95.37 | 3.10 | 0.49 |
| 50-54 | 0.69 | 94.78 | 3.10 | 1.44 | 50-54 | 0.88 | 95.05 | 3.07 | 1.01 |
| 55-59 | 0.56 | 94.67 | 2.40 | 2.37 | 55-59 | 0.78 | 95.06 | 2.48 | 1.68 |
| 60-64 | 0.47 | 93.49 | 1.72 | 4.32 | 60-64 | 0.56 | 94.17 | 1.85 | 3.43 |
| 65 and above | 0.54 | 85.96 | 1.03 | 12.47 | 65 and above | 0.52 | 87.34 | 1.17 | 10.97 |

Source: According to Chinese national census in 2010, Table 5.3. And there are only a few people with graduate education level; thus, they are not listed here

of 24.0 %. As singles being a legal way as a family, cohabitation has become more common. Family-supportive policies in society should be applied to everyone.

5.1.5 Online Lifestyle and Grassroots Media Blended In

Being as common as nowadays, the Internet has been applied into one's everyday work and life. By the end of 2010, the number of Chinese youth netizens (Internet citizens) reached 212 million and took the share of 46.3 % among all netizens. Internet usage among Chinese youths is popular at the rate of 60.1 %. According to the estimate from CNNIC, netizens of the 1980s took the share of 38 %, which was 184 million, among all netizens. It can be expected that above 73 % of the 1980s had some contact with the Internet. Therefore, contemporary youths cannot separate the Internet from their lives, and they consider the Internet as their assistance and a major part in their social lives.

More Internet applications are developed later beginning from emails and BBS, such as search engines, instant messaging, online shopping, blogs, microblogs, etc., which emerge and rapidly develop one by one. More people obtain information from the Internet, make comments, maintain personal connections and communications, and enjoy leisure time and entertainment. Grassroots media represented by blogs and microblogs take over the news source from the mainstream media or professional news organizations that were previously the main source. The new news-broadcasting styles, such as communication tools of forums, emails, cell phones, MSN, or QQ groups, have now become a democratic interacting way for the daily life of youths' population.

5.1.6 Fashion Consumption and International Consuming Style Among Younger Generations

People's consuming psychology, values, and modes are influenced by that of developed countries under global effect. Youths of 20–30 living in metropolitans are the most sensitive and anticipating population toward fashion. According to most reports from studies and media, the average age of Chinese consumers on fashion brands and luxury is quite young. There are a great number of young people aged 25–40 in the consuming market and its size is increasing. While the main consumers in Western countries are people aged between 40 and 70, consumers in China for fashion and luxury are the younger.

Escalation in social consumption and transition in consuming structure in China along with the rise of younger wealthy class and business power and promotion of

modern media have resulted in evolving consuming values of the public. Chinese young people majorly consume personal luxury such as clothes, accessories, leathers, makeups, and perfume. They value to flaunt and are different from mature consumers in the Europe or the USA. As well as their living and consuming styles, young people seek brands, quality, and fashion that are similar to the international convention.

5.1.7 Manifested Civil Consciousness and Rise of New Patriotism Reasoning

Since the Olympics, “5.12” Wenchuan earthquake in 2008, and China-Japan disputes over Diaoyu Islands in 2011, youths as mainly involved in the population have shown themselves to the public. Based on the data from an online survey on college students and graduates in 2012 conducted by a research group that studied the generation of the 1980s in the Sociology Department of the Chinese Academy of Social Sciences, 8 % of survey participants showed great interests in politics, 48 % had some interests, and only 3 % showed no interest at all. During the involvement in sociopolitical events, youths showed two significant characteristics. Firstly, civil consciousness can be observed. Youths who participated in social activities demonstrated their strong civil consciousness as citizens and their sense of responsibility. They actively and voluntarily got involved in the national political and social life. They self-consciously protect public interests for the sake of better national development and benefits (Fig. 5.5).

The second characteristic is the rise of new patriotism reasoning. Young population of the 1980s and the 1990s had entered the stage of history as “patriotism” and they appeared to be passionate and more reasonable. Young patriotism actions are no longer motivated now by radical nationalism, yet by the pride and responsibility toward the rejuvenation of China and rise of the nation. These young people with broader perspective and more rational attitude achieve their patriotism in a legal, mature, and confident way in a society of stable order.

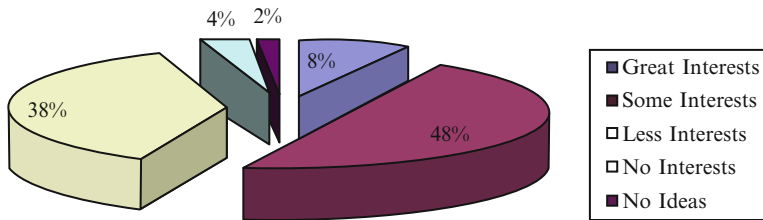


Fig. 5.5 Interests of college students on politics in 2012

5.2 Problems During Youth Development

Youths of the 1980s and the 1990s as the contemporary generation living in the Reform and Opening Up are experiencing an era of rapid changes in socioeconomic transitions and coexisting diverse values in China. This allows them to have better literacy level, broader international perspectives, more open minds, and more desire and be more self-centered to succeed compared to the past generation. They are as well active in social participation consciousness and have strong sense and intense reactions toward social injustice. These traits are related to the features of social revolution in China and the life stage one's currently in. As a result, they are confronting quite obvious social problems during the critical point of revolutionary time and transitional period.

5.2.1 Clear Stratification of Young Population and Intensified Diversity of Socioeconomic Status

Youth is the first social population categorized under planned economic system. From their living environment and process, decisional logic for socioeconomic status or foundations of social stratification have come closer to industrialization, in which self-determined factors have more common impact. Upward social flowing in large size has proven the openness of the society. Social stratification system based on occupations can clearly and reliably validate strata of youths within Chinese social structure and as well account for the ever-increasingly diverse socioeconomic status of youth population. From the self-evaluation on socioeconomic status among the employed 1980s, most of government officials, business managers, and professional technicians considered themselves upper or upper-middle classes with the combined percentage of 17.7 %. Few of them considered themselves as lower class. In other populations, at least 10 % of any population consider themselves as lower class; to the most, 23.8 % of city workers consider themselves as lower class (in Fig. 5.6).

5.2.2 System Barriers Still Exist: New Migrant Workers Had Difficulty Blending In

Migrant workers' population had been diversified in personality after 20 years of involvement and they no longer belong to a homogeneous group. Most new migrant workers being different from their older generation have no real experience on the farm. Except for their rural-household registration, they have no evident associations with rural areas. This means that they will not be as the same as the old-generation migrant workers who came back to their home for farming after years of

working and business. In contrary, their desire in blending in urban society become stronger and urges to have the same privileges as “city people.”

New-generation migrant workers are the key population helping abolish urban-rural dual structure and accelerate the progress of urbanization and industrialization during social transitions in China. However, given the registration system as a social system barrier, current social policies have improvement in mixing migrant workers in cities, yet they have not solved the problem entirely. New-generation migrant workers’ class still stays at the bottom of social structure and is isolated from city policies and privileges. According to the Chinese Social Condition Survey in 2011, only 8.8 % of new migrant workers who stay in cities or towns considered themselves as city residents and local people (in Fig. 5.7).

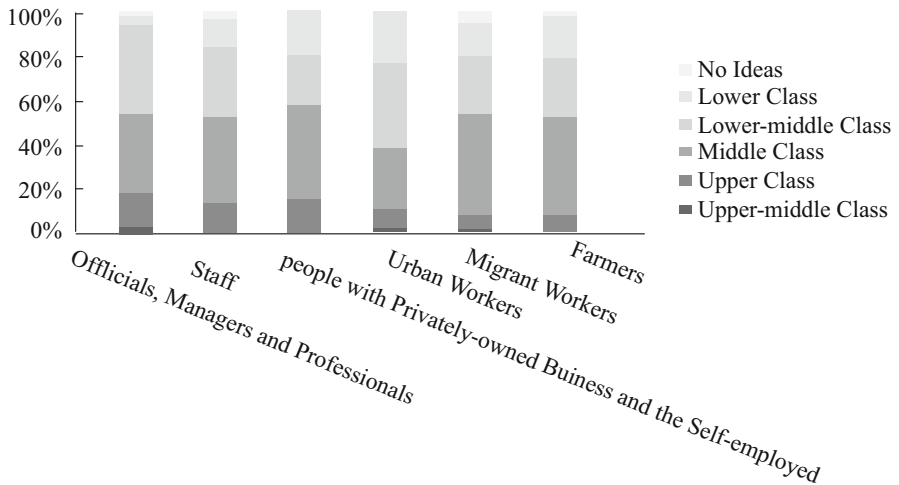


Fig. 5.6 Self-identity on socioeconomic status across different occupations

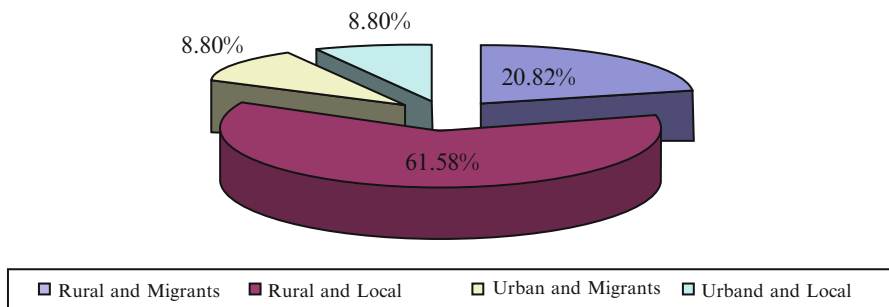


Fig. 5.7 Self-identity of new migrant workers

5.2.3 Salient Education Structure Problems and Conflicts Against Labor's Demand

After Chinese education innovation and market-oriented employment, higher education training is not well connected to the demands of labor market; there are obvious structural conflicts between educational supply and labor demands. On the one hand, training direction for higher education has deviated from social demands. Major setting in college is obviously delayed compared with demands of social development. On the other hand, the escalation of industrial structure was quite slow. Employment opportunities are still available in the lower end of the job market; thus, it leads to low efficiency allocating youth labor force, dramatic competition in labor market, and even abundant graduates for the market.

The raising of employment demands of a number of enterprises especially those with better welfare programs leads to overconsumption of human resources and hinders the initiative of other young people in the job market. Meanwhile, SMEs cannot guarantee well-established business training, occupational plans, and promotion opportunities for youths to join due to their inability to provide welfare, treatment, and working environment. Besides, some youths had unclear self-identity and goals, which further aggregate the conflicts between supply and demands of employment.

5.2.4 High Demands on Marriage Quality and Stability of the 1980s Families Declined

Affection is one of the most important factors during the marital relationship. Comparing to the past, contemporary youths have longer years of education, late marriage, more opportunities for romantic relationships, more common premarital sexual behaviors, and premarital cohabit. Youths have more options beyond marital families; therefore, they were no longer restrained in the marital form, but more focused on marital relationship and quality, higher demands on marital intimates, and loyalty. Companionship is the foundation for mutual love, equality, and trust between the couple.

Due to the rising importance of affection in family marriage, youth couples cannot maintain the relationship once the relationship is broken. Besides, as life pressure increases in contemporary society, single-children have worse tolerance for other people. Moreover, youths pay more attention to their own values and their inner feelings toward marriages. Especially, contemporary society has high tolerance for divorce. Divorce process becomes easier and is no longer some stigma. These factors together lead to higher chance of split marriages, broken families, and lower family stability among population of the 1980s.

5.2.5 Reduced Percentage of Youth Population and Higher Pressure Taking Care of Elders

Data from the National Census should be accurate data. However, due to various reasons, these data are not perfect. Different problems occurred during the survey; the deviations and characteristics of data were different as well. There were various challenges and difficulties each time (Editorial Department in Population Study 2003).

By comparing the 5th and the 6th national censuses, we find that for the age group of 10–14, the 6th National Census interviewed 74.90 million, whereas it was 68.97 million in the 5th National Census. For the age group of 15–19, the 6th National Census interviewed 99.88 million, whereas it was 90.15 million in the 5th National Census. For the age group of 20–24, the 6th National Census interviewed 127.4 million, whereas it was 125.4 million in the 5th National Census. For the age group of 25–29, the 6th National Census interviewed 101 million, whereas it was 103 million in the 5th National Census. For the age group of 30–34, the 6th National Census interviewed 97.14 million, whereas it was 94.57 million in the 5th National Census. If the data for every age group in the 5th National Census was accurate, it should estimate more population of the future 10 years than the 6th National Census when controlling mortality rate. However, even counting in mortality rate, the estimated population in the 6th National Census was more than that of the 5th. The data that were inconsistent with natural pattern of demographical changes gave us two conflicting judgments:

First, the 5th National Census had missed great number of population among younger age groups; second, the 6th National Census may have replicated cases in younger age groups. The truth behind it needed more research.

Nevertheless, two national censuses display a stable trend of population changes; that is, the younger the age groups, the fewer their population. For instance, according to the 6th National Census, there were 75.53 million in the age group of 0–4, 70.88 million in the group of 5–9, 74.91 million in the group of 10–14, 99.89 million in the group of 15–19, 127.4 million in the group of 20–24, 101 million in the group of 25–29, and 97.14 million in the group of 30–34 (in Table 5.4). That is to say, in estimating based on age difference, we can predict fewer future youths than current ones. Taking the age group of 20–24, for instance, there were 127.4 million in this group; then it can be predicted that the group of 0–4 had 50 million less. In other words, as the group of 0–4 entered into their teenage phase, its population will be greatly reduced than the same age group now. The population of pyramid will decline and form the reverse-pyramid population structure.

When comparing data in the 6th National Census, we can find that the percentage of the age group of 15–34 was 31.44 % in the 1st National Census in 1953, 30.25 % in the 2nd National Census in 1964, 36.38 % in the 3rd National Census in 1982, 38.41 % in the 4th National Census in 1990, reduced to 33.25 % in the 5th National Census in 2000, and further decreased to 31.92 % in the 6th National Census in 2010.

Table 5.4 Percentage of youth population among all population (Unit: person, %)

| | 6th National Census in 2010 | | | | 5th National Census in 2000 | | | |
|-------------|-----------------------------|-------------|-------------|-------|-----------------------------|-------------|-------------|-------|
| | Total | Male | Female | % | Total | Male | Female | % |
| Grand Total | 1,332,810,869 | 682,329,104 | 650,481,765 | 100 | 1,242,612,226 | 640,275,969 | 602,336,257 | 100 |
| 0-4 | 75,532,610 | 41,062,566 | 34,470,044 | 5.67 | | | | |
| 5-9 | 70,881,549 | 38,464,665 | 32,416,884 | 5.32 | | | | |
| 10-14 | 74,908,462 | 40,267,277 | 34,641,185 | 5.62 | | | | |
| 15-19 | 99,889,114 | 51,904,830 | 47,984,284 | 7.49 | 90,152,587 | 48,303,208 | 41,849,379 | 7.26 |
| 20-24 | 127,412,518 | 64,008,573 | 63,403,945 | 9.56 | 125,396,633 | 65,344,739 | 60,051,894 | 10.09 |
| 25-29 | 101,013,852 | 50,837,038 | 50,176,814 | 7.58 | 103,031,165 | 52,878,170 | 50,152,995 | 8.29 |
| 30-34 | 97,138,203 | 49,521,822 | 47,616,381 | 7.29 | 94,573,174 | 47,937,766 | 46,635,408 | 7.61 |
| 35-39 | 118,025,959 | 60,391,104 | 57,634,855 | 8.86 | | | | |
| 40-44 | 124,753,964 | 63,608,678 | 61,145,286 | 9.36 | | | | |
| 45-49 | 105,594,553 | 53,776,418 | 51,818,135 | 7.92 | | | | |
| 50-54 | 78,753,171 | 40,363,234 | 38,389,937 | 5.91 | | | | |
| 55-59 | 81,312,474 | 41,082,938 | 40,229,536 | 6.10 | | | | |
| 60-64 | 58,667,282 | 29,834,426 | 28,832,856 | 4.40 | | | | |
| 15-34 | 425,453,687 | 216,272,263 | 209,181,424 | 31.92 | 413,153,559 | 214,463,883 | 198,689,676 | 33.25 |

Note 1: Attrition was 1.81 % in the 5th National Census and 0.12 % in the 6th National Census

Note 2: data came from the registered information in the National Census and the numbers were smaller than that of National Census report

Note 3: "5th National Census" of 2000 in the table referred to the population of age group of 0-24

Note 4: data of the 5th National Census came from the CD version of Chinese population survey in 2000, Table 3-1; data of the 6th National Census came from Chinese population survey data in 2000, Table 3-1 (State Council Census Office, Employment Population Statistics Department in the National Bureau of Statistics. Collection of Chinese National Census Data in 2010. China Statistical Publishing House, 2012)

As we define youth population as 15–34 age groups, it was determined by the increase or decrease within the population of teenagers (0–14 years old) in a historic sense. With a high birth rate, the teenage population gets increased each year and so as the population aged between 15 and 34. With decreasing population of 0–14, the population of teenagers decreases as well. Therefore, in the 2nd National Census in 1964, the percentage of 0–14 group was 40.69 % being the biggest share among all age groups. In the 3rd National Census in 1982, the percentage of 15–34 age group increased quickly from 30.25 % in 1964 to 36.68 % in 1982 and then to 38.41 % in 1990. During the 1970s when the most strict one-child policy was implemented, the age group of 0–14 kept shrinking from 22.89 % in 2000 to 16.60 % in 2010. It can be implied that the number and percentage of future youth population will further reduce in size and proportion. In other words, Chinese population is losing the foundational age group. During the transition from youths to mature adults, the age group of 35–64 took the biggest share of 36.90 % in 2000 to 42.61 % in 2010 (Table 5.5).

In Fig. 5.8, we will find the following:

Firstly, Chinese population has long been a population of “young type” with high birth and mortality rate. Under this circumstance, the age group of 65 and above always has the lowest share in the overall population. Therefore, the burden coefficient of the 15–65 age group is not quite high among all labor forces. The percentage of 65-and-above age group is only 4.91 %. As the aging process is on its way, percentage of 65-and-above group increases as well as the age group of 35–64. This indicates that the older population among labor forces will increase to a greater extent and the average age of labor force will increase in the future; the percentage of future older population will increase and the burden coefficient of elders will increase as well.

Aging of population in China shows that the aged population gets elder as people live a longer life and the youth population gets smaller because of lower birth rate.

Table 5.5 Reducing trend in percentage of youth population among all population (%)

| Age group | | 1953 | 1964 | 1982 | 1990 | 2000 | 2010 |
|--------------|-------|-------|-------|-------|-------|-------|-------|
| Youth | 15–19 | 9.11 | 8.94 | 12.49 | 10.63 | 7.26 | 7.49 |
| | 20–24 | 8.17 | 7.32 | 7.41 | 11.12 | 10.09 | 9.56 |
| | 25–29 | 7.45 | 7.26 | 9.22 | 9.23 | 8.29 | 7.58 |
| | 30–34 | 6.71 | 6.73 | 7.27 | 7.42 | 7.61 | 7.29 |
| 0–14 | | 36.28 | 40.69 | 33.59 | 27.67 | 22.89 | 16.60 |
| 15–34 | | 31.44 | 30.25 | 36.38 | 38.41 | 33.25 | 31.92 |
| 35–64 | | 27.87 | 25.5 | 25.12 | 28.35 | 36.90 | 42.61 |
| 15–64 | | 59.31 | 55.75 | 61.5 | 66.76 | 70.15 | 74.53 |
| 65 and above | | 4.41 | 3.56 | 4.91 | 5.57 | 6.96 | 8.87 |

Note: The 6th National Census data came from Chinese National Census data in 2010, Table 3-1

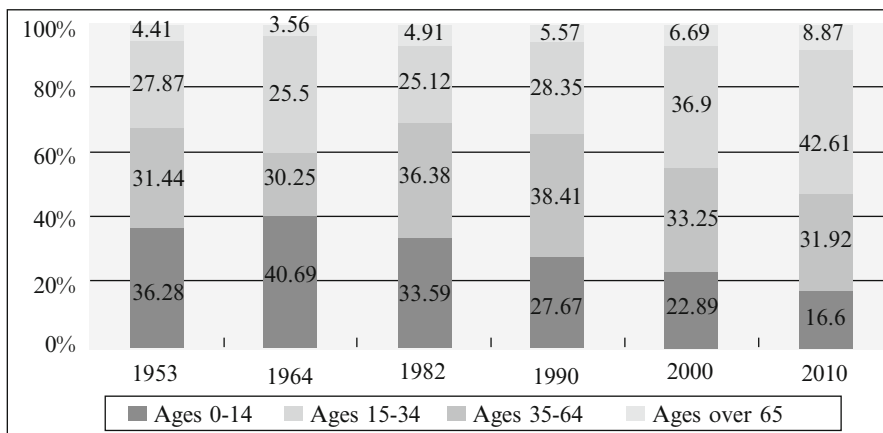


Fig. 5.8 Historic changes in percentage of youths and other populations (%) (Data source: According to the 6th National Census)

Secondly, as the birth rate keeps reducing, the declining percentage of the reserve force for youth population (the teenagers who are turning to youths) that predicts the bottom of the Chinese population pyramid will keep shrinking in the future. If the current one-child policy, living cost, and child-care cost remain the same (or the cost keeps increasing), then the teenagers of 15–34 will rapidly decrease in the future. Furthermore, the percentage of the future labor force population will decrease and the ratio of youths taking care of elders increase.

The decreasing percentage of youth population among all population was an expected phenomenon during the industrial and postindustrial population production and reproduction. However, the decreasing percentage of youth in China was the result of economic and social development or the result of overstrict planned one-child policy. Therefore, it took only a short time for adult-dominated population to transition into elder-dominated population.¹ The fast transitional speed in social structure in China will result in fast transitional speed in population structure due to their interaction.

However, changes in the age composition of Chinese population from 1964 to 2010 have caused the increasing percentage of current labor force population (entire age group of 15–64) which reached to its peak at 74.53 % in 2010. This is a very unique phenomenon of age composition and predicts that demographic dividend has reached to its historical peak. Demographic dividend will not last

¹A young society was defined internationally as having an age group of 0–14 more than 40 % of the total population. An adult society was defined at the level of 30–40 %. An elderly society or aging society was defined at the level of 30 % and below. As the nation enters an elderly society, the median of the population is over 30 years old.

too long under the planned birth control and socioeconomic factors. Once demographic dividend disappears, youths' burdens of taking care of elders will quickly increase. According to the changing trend of the 15–34 age group in the past 50 years, we can find its percentage has become quite low among all population.

Therefore, the fast increase and decrease in demographic dividend were caused by the same thing—demographic dividend among smaller teenager population will be offset by the faster increase of elderly population. Chinese development can solely rely on increase of human capital by then.

5.2.6 Internet Syndrome Prevailed and Internet Addiction Causing Various Problems

The youth phase is a key period for forming world outlook, views on life, and values. The Internet is a huge information system with loose law enforcement on incorrect and unhealthy information. One's world outlook, views on life, and values will suffer from long-standing influence of incorrect and unhealthy information. Besides psychological harms, overuse of the Internet will cause youths' biological problems due to radiation, blinking screen, sitting still, and visual fixation.

The Internet has been soaked into aspects of daily life. Sensitivity, curiosity, and weak self-control among youths allow them to highly confirm to and participate in the virtual world on the Internet, yet it develops their addiction to and dependency on the Internet and further becomes barriers for their interpersonal relationship in real life beyond the Internet. Studies have shown that between 3.6 % and 9.6 % of college students are being addicted to the Internet; and there are 6.6–14.8 % of middle school students having Internet addiction. Addiction to the Internet has resulted in worse reasoning capability and self-control and characteristics of introvert, anxiety, depression, caution, aggression, and antisocial.

5.3 Future Challenges for Youth Development

Contemporary youths not only confront real problems in their social lives, but also they are living in a society of globalization, modernization, and informatization. Instability of Chinese future economic development and social reform, including changes in demographic structure, promotion of industrial structure, changes in intergenerational relationship, crash of Internet era, and political participation, is a challenge that needs to be solved for youths to scientifically and reasonably envision one's future development.

5.3.1 Reduced Population of Youths and Shortage of Labor Forces

One-child policy that strictly restrained the birth population was implemented during the 1980s and 1990s. In addition, the desire to give birth decreased in contemporary society and led to decrease in the birth level and impacted the population size of contemporary youths. Around 2005, youth population reached to its peak with 450 million people aged 15–34 before its decline. Estimated from the population in past years, the youth population will keep decreasing for quite a long time, yet still stay above 350 million.

The shrinking youth population alleviates social pressure and lessens various burdens brought by population growth, regarding allocation of education resources and employment supply. On the other hand, it indicates a decrease in new labor forces judged from birth population. At the end of the 1970s, there were 20 million given birth every year. Around the 1990s, fewer than 15 million were given birth. Decline of the new labor market indicates that China may be short of skilled labor in a period of time compared with the past 20 years.

5.3.2 Accelerating Industrial Promotion Speed and Urgent Transition of Youth Start-Ups

China has entered a fast pace of economic development and obtained initial achievement in economic structure, accelerating improvement pace of industrial structure, electronic information, rapid development of information economic industry related to the Internet, new material, and new energy that demanded a great number of talents. However, the current mode of educational structure still stays on the phase of “degree-oriented” education, in which training system significantly fell behind the demands of newly developed industries. This leads to the talent characteristics with which trained youths cannot adapt to the needs of newly established industries and master new skills and knowledge.

Under the fast improvement of industrial structure, employment mechanism and start-up mode need urgent transition. Viewing from employment mechanism, education modes have to be emphasized to fit the needs for industrial development and change the circumstances in which educational ideation and content being disjointed from market demands. As the quality of higher education is enhanced, urban and rural vocational education should be greatly developed and training for professional skills should be improved. Viewing from start-up mechanism, specialized start-up foundation should be set up for new areas giving broader start-up policies for youths and solving employment not solely by innovating business.

5.3.3 Heavy Burden of Taking Care of Families and Related Intense Intergenerational Relationship

The decreasing number of youths inside Chinese families and increasing number of elderly people who needed care are caused by the impact of fewer children in families and longevity of expected life. In the families of single-child couples, they take care of not only parents of couples but also children of the next generation. They are so-called “4-2-1” family structure. Age dependency ratio indicated the youths’ responsibility of taking care of elders. Estimated from relevant population, the total age dependency ratio in China will increase from current 35 %, to 40 % in 2020, 45 % in 2030, and 64 % in 2050.

Considering the limitation and scarcity of social resources, high responsibility of taking care of elders may trigger conflicts and collision among generations. For example, the old-age insurance system supporting pay-now-get-now policy takes taxes from current working population to pay the pension for the retired. Changes in population structure bring huge payment pressure to the working population by maintaining pay-now-get-now policy. As a result, the budget balance cannot be leveled, and some even report that there will be a gap of 1.83 billion in 2013 for making up the pension. The follow-up actions could either reduce the pension amount or increase the payment from working youths and will surely lead to intergenerational conflicts.

5.3.4 Internet Information Era Has Come and Independent Thinking Needs Improvement

As for the globalization and development of information technology, communication via information changes the society in the manner of being timely, synchronized, and interactive and having broader areas. In the early 1970s, American sociologist Alvin Toffler mentioned the concept of “information overload,” while the term was more accurately described as “information explosion” on the Internet. Most of the time, youths within information society actively, or more often passively, receive outside information and are bombarded by the exploded information. The implantation of certain ideation in a short time will lead to inappropriate social conducts.

Internet information can assist youths to reach huge amount of information from different sources and to become catalyst for social broadcast across cultures and regions. However, it can weaken youths’ independent thinking ability and may gradually make youths lose or deviate from their life goals. For youths who have not fully developed their ideology, they are easily influenced by others if receiving all types of information. They are more likely to apply incorrect or inappropriate opinions from others. Based on the responses from middle age and youths regarding public events, contemporary youths have significant conformity and their independent thinking ability needs improvement.

5.3.5 Uprising Political Participation and Enthusiasm and Relative Insufficient Space for Social Participation

In the Wenchuan earthquake and Olympic relay of 2008, youths demonstrated not only huge patriotism but also high enthusiasm in political participation. Contemporary youths' political participation and enthusiasm are not about voicing and advocating impractical political motto yet to participate in political activities and process of Chinese socialist development with realistic, self-disciplined, rational, and practical attitudes.

However, considering the political views and political rationales of youths are not mature enough, their political enthusiasm can be easily taken advantages of by Western or evil forces. Youths are also the main participants in events such as the Shen Fang event. Youths are good at expressing political views and attitudes through the Internet and new media. Unparalleled informational channels can distort the intention of the youths' political participation. The political enthusiasm of youths should not be suppressed nor destroyed; instead, political participation of the youth shall be improved and their political awareness and intelligence be heightened which leads to a better participation of the youth in the state's political and social life.

5.4 Promote Youths' Development and Social Governance Innovation

In a rapidly developing and rising nation, youths are the future backbones in future China and dream catchers with their own goals. During the complex social transition, their life and future will encounter lots of challenges. On understanding problems and challenging of the youth, the state and government are obliged to make policies to shape circumstance that would benefit the growth of youth and help them find their own ways of living and working. Therefore, we list the following suggestions to promote youths' development and social governance innovation.

5.4.1 Enhance Youths' Social Participation

After understanding the current condition of youths, the positive effectiveness of youths can be acknowledged and their rights and willingness can be respected. Youths should be encouraged to participate in policy-making process on every level in order to enhance their social influence in China. The government should provide more economic and policy support for their development, especially

considering youths are becoming the motivating power for Chinese development with their learned knowledge and skills.

5.4.2 Deepen Education System Reform

We should keep increasing investment in education finance, establishing and perfecting the mechanism of integrating education funding, economic development, and financial income. Further steps are to deepen education system reform in order to change education structure and modes that are inconsistent with socioeconomic development, to accelerate optimized allocation for education resources, and to renovate system of training youth talents. In order to ensure that youths can quickly adapt to requirement of industrial development, we should enhance vocational education and continuing education, promote educational training mechanism for employment, add more vocational skills to employed youths, and adjust content of vocational and education training.

5.4.3 Resolve Structural Conflict in Youth Employment

In order to resolve the structural conflict between youth employees and employment market, we need to enhance training and promote quality through employment guidance and vocational training. Moreover, we should advocate justice in employment opportunities and revolutionize imbalanced demands, inconsistent registration of households, employment system, and cadre and personnel system in job market. Furthermore, we should carry out preferential policies encouraging youths to find start-up companies with financial support to create social environment for innovating new industries and information technology. In order to ensure employment, we pay attention to unemployed youths and develop employment position in many aspects.

5.4.4 Focus on Social Justice and Livelihood of Youths

During the socioeconomic transition process and the force driven by changes in social structure and diverse relations with interest, social injustice still exists in any aspects of social life. In order to insist social justice, we should facilitate justice among youths and their developing opportunities and gradually establish social justice insurance system whose content includes justice in rights, opportunities, regulations, and allocations. Moreover, eliminating youths' participation in economic development and sharing barriers to economic development fruit should go along with solving youths' education, employment, and housing issues.

5.4.5 Rational Guidance for Youths' Political Participation and Enthusiasm

Contemporary youths had demonstrated their “new generation of patriotism” in the Olympics and Wenchuan earthquake. Their participation and enthusiasm in national politics and social events should be legally and orderly guided to take part in their daily political life, broaden their channels for political participation, and improve space for their political participation. Lastly, we should propel Chinese socialist democratic political progress; enhance awareness of democratic rights; exert youths’ spirit of loving to innovate, daring to reform, and being able to create; and push for further development of Chinese socialist democratic politics.

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Part III
Social Attitude Changes and Social
Governance System Innovation

Chapter 6

Social Attitude Changes and Social Governance System Innovation

Social attitude is formed under the influence of social environment and culture during a certain time period. Most social members possess common and consistent psychological characteristics and behavioral patterns that become template influencing the rest of social members. For Chinese society during the transitional phase, social attitude presents with dynamic diversity due to changes in social environment. It also demonstrated its complexity due to the merge and collision between Eastern and Western cultures under globalization. Studies on social attitude have become quite difficult. The research strategy we conducted on social attitude includes 3 aspects: (1) measurement on social psychology and social attitude, (2) observation and experience about social life, and (3) in-depth analysis of typical social events.

In order to systematically describe, analyze, and reveal social attitude, we should explore structure of social attitude. Based on current social attitude research, categories of cognitive, emotional and determination psychologies, integration of culture, social research products, and practice on social attitude, we considered that a plausible explanation for social attitude should be considered from 4 aspects including social cognition, social emotions, social values, and social behavioral tendency.

Social attitude contains various and complicated contents. We put focus on the inner association of social attitude and social transition, pay attention to core content of social attitude, and concentrate on social agreement and social recognition, social dominating emotions, and social core values that together compose social cognition, social emotions, and social values.

The following analysis and conclusions on social attitude were based on studies from the Bluebook of Social Attitude Research Session in Social Psychology Research Center, Sociology Research Institute of Chinese Academy of Social Sciences. We as well analyzed social problems reflected by developing trend and social attitude and further made suggestion from the perspective of social governance. Social attitude research has always been targeting social integration, social harmony, social growth, and social development as the goal and direction.

6.1 Contemporary Characteristics of Social Attitude in Chinese Society

6.1.1 Life Satisfaction

Life satisfaction has been widely receiving attention in many surveys such as World Values Survey (WVS), Gallup survey, Asia barometer survey, and Pew Global Attitudes survey among cross-sectional studies conducted by international organizations. Because these surveys were not continuously taken, they cannot reflect consistent tendency in residential satisfaction. According to Pew's study, the life satisfaction increased; WVS discovered the decrease in satisfaction; and Gallup's study showed fluctuation of life satisfaction. The long-term survey in China about satisfaction on residential life was accomplished by Horizon-China consulting corporation that performed survey every year since 1997. According to Fig. 6.1, residential life satisfaction since the 1990s has firstly declined and later with a stable phase before its level went up again (Easterlin et al. 2012).

A new big sample survey demonstrated that residential life satisfaction was lower in 2012 than 2011. The Finance and Economics Commission of the National People's Congress on people's livelihood index has discovered that the index of life satisfaction was 3.46 in 2011 and 3.41 in 2012 with standard deviation of 0.92 (Wang Junxiu and Quan Jing 2013) (Fig. 6.2).

These two surveys both discovered that life satisfaction varied by regions, in which western regions had higher life satisfaction than that of eastern regions. In a survey of Beijing, residents had different life satisfactions in many aspects. For example, people were most satisfied with individual familial relationships and healthy conditions, quite satisfied with working conditions between individuals and society, not satisfied with social aspects, and the least satisfied with food safety and

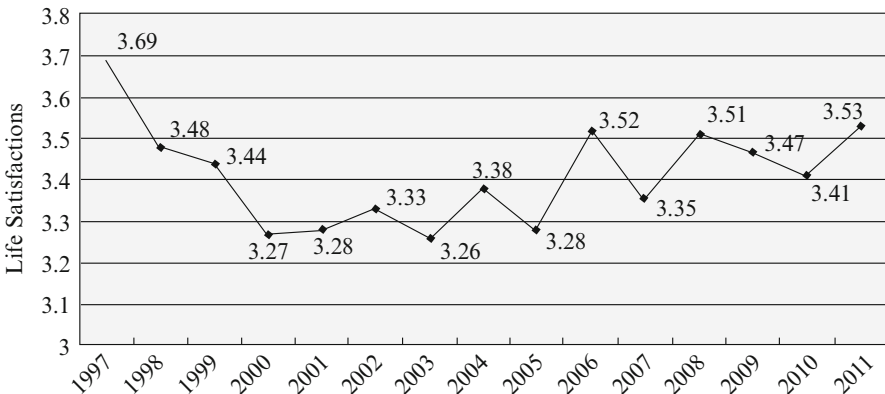


Fig. 6.1 Annual residential life satisfaction in cities by Horizon-China consulting corporation

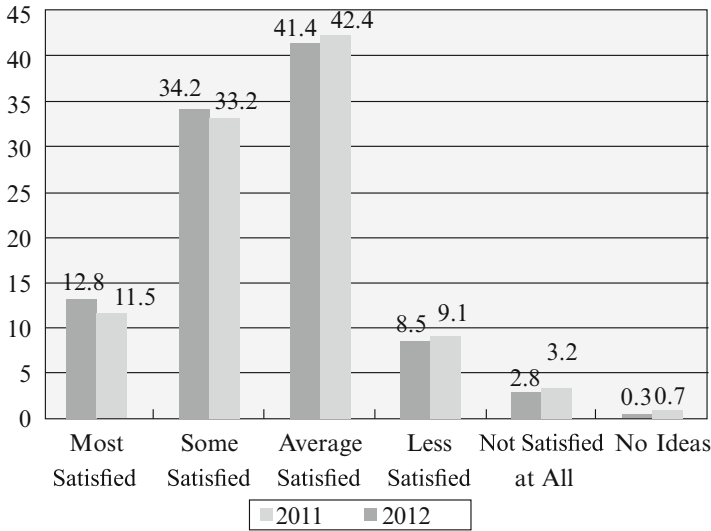


Fig. 6.2 The finance and economics commission of the National People’s Congress on people’s livelihood index

living cost. As a result, the index of life satisfaction was 85.53 out of 100 on familial relationships, 72.13 on healthy conditions, 61.28 on working conditions, 58.48 on public safety, 53.43 on medical conditions, 52.43 on education, 52.13 on transportation, 48.9 on family income, 43.75 on housing conditions, 36.95 on food safety, and 36.13 on daily consumption price (Chen Shan 2013).

A survey we conducted in an elderly community in Hangzhou City had discovered their life satisfaction was similar to the national survey. The average life satisfaction index was 3.43 out of 5, being a little higher than that of the national survey. The survey discovered that the main source of residential life pressure is on education cost for children (the index was 3.31 out of 5), taking care of elderly (3.07), and improving one’s skills/degree (3). Another 7 pressure sources (with average index) were registration of household (2.85), working pressure (2.81), housing condition (2.67), employment of self or family members (2.66), cost of medical treatment (2.58), marriage (2.58), and not trusting others (2.53).

6.1.2 Psychological Health

The World Health Organization (WHO) has made a new definition on health in 1989 that “Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity.” Psychological health and social adaptation had become main content for health. Psychological health of social members is directly related to the formation of social attitude.

The survey on psychological health in China was rare until a large size of survey on self-evaluated psychological health in Beijing City in 2011 was conducted by a Beijing residential psychological health research panel as it reflected psychological health conditions of social members. The self-evaluated questionnaire of this survey consists of 3 aspects: physical health, psychological health, and social health with the overall score for the combination of 3 subcategories indicating health conditions. The survey demonstrated that the psychological health condition of Beijing residents was not optimistic even though their sub-scores on physical health, psychological health, social health, and overall health were 85.56, 80.88, 78.87, and 82.14. However, there were 20.3 % of local residents that demonstrated undesired tendency of psychological health; 22.5 % of them presented undesired tendency of social health; and 7.0 % of them presented undesired tendency of physical health. There were higher percentages of self-evaluated psychological and social health having undesired tendency than that of physical health. About 12 % of local residents had undesired tendency in their overall health. The following population had quite a low level of psychological health: adults aged 31–50, divorced or widowed residents, and residents with high educational degree (college degree or higher), middle-class residents or higher class (monthly income around 6000–10,000 RMB), unemployed, part-time workers, technical persons, employees of enterprises and institutions, and urban citizens (Chen Shan 2013).

6.1.3 Sense of Social Safety

The people's livelihood research panel had sampled the national survey on social security and safety with average index level of 2.73 in 2012 that was higher than the level of 2.66 in 2011. The survey further pointed out that people's satisfaction on food safety was at 3.06, being higher than 2.86 in 2011. We studied transportation, food, medical treatment, labor, property, privacy, and personal and environment safety in the survey of 2012. The result showed that except for the indices of food safety and privacy safety being lower than that of 2006 and 2008, everything else had higher indices than that of the previous two surveys. However, the sampled population and forms of these two surveys were all different, and the conclusion will just be used for reference (Gao Wenjun et al. 2013). One noticeable phenomenon was that unsafe things in studies of 2006 and 2008 were ranked as food, medical treatment, transportation, property, labor, and personal privacy (sense of safety); the ranking of 2008 was transportation, food, medical treatment, labor, property, privacy, and personal safety; the ranking of 2012 was food, privacy, environment, medical treatment, transportation, labor, and personal and property safety. In comparison, food safety has been the primary concern, while personal and property safety were relatively quite high concerns, and privacy safety concerned people less year after year. (Table 6.1)

Table 6.1 Comparisons on safety survey between 2006, 2008, and 2012

| | 2006 | 2008 | 2012 |
|-------------------|------|------|------|
| Transportation | 2.74 | 2.74 | 3.24 |
| Food | 2.68 | 2.76 | 2.36 |
| Medical treatment | 2.72 | 2.84 | 3.11 |
| Labor | 2.97 | 2.97 | 3.39 |
| Property | 2.95 | 2.98 | 3.77 |
| Privacy | 3.09 | 3.02 | 2.79 |
| Personal safety | 3.02 | 3.04 | 3.75 |
| Environment | N/A | N/A | 3.05 |

Note: surveys of 2006 and 2008 were conducted by the Sociology Department in the Chinese Academy of Social Sciences; survey of 2012 was conducted online

6.1.4 Sense of Social Justice

Cao Ying and the colleagues discovered that Beijing residents did not have high strong sense of social justice. When answering the question “Do you think the society is fair?” participants has a relative low average score of 3.87 out of 7 that was lower than the mean score of 4 (Cao Ying et al. 2013). In the survey there were 12.6 % of people who believed that allocation issue was a serious social problem. There were higher percentages, 16.4 %, of participants who still considered allocation as a serious problem in the next 5 years. The public predicted unfair allocation will be even more serious in the future. In this survey there were 19.2 % of them who believed that unfairness caused different living conditions between themselves and people around them. Self-attribution and insufficient employment opportunities, taking shares of 36.1 % and 12.8 %, were the other factors that caused the differences.

Chen Hui and Yang Yiyin had conducted a survey on 250 migrant workers in five provinces or cities including Beijing, Guangdong, Jiangsu, Zhejiang, and Sichuan and asked them whether society was fair or not (Very unfair, 1; Quite unfair, 2; Quite fair, 3; Very fair, 4) with the average rating of 2.2. The equivalent score on the 7-point scale was 3.85 in order to compare with the past survey results that used the 7-point scale. The two surveys had similar results in which migrant workers had weak sense of social justice: there were 25.7 % of migrant workers who responded with “Very unfair,” 38.3 % with “Quite unfair,” 30.2 % with “Quite fair,” and 5.9 % with “Very fair.” In answering whether one had unfair treatment during their working experience (Very much, 1; Quite much, 2; Not too much, 3; Not at all, 4), participants respond with an average of 2.4, or 4.2 in the 7-point scale. There were 14.9 % of migrant workers who responded with “Very much,” 30.2 % with “Quite much,” 50.7 % with “Not too much,” and 2.3 % with “Not at all” (Chen Hui and Yang Yiyin 2013).

We conducted a survey on the community of migrant workers in Hangzhou City and had one opinion asking if “the treatment to Hangzhou local residents and migrant workers are different,” 31.4 % of participants picked “Not quite true,” 15.9 % picked “Not very true,” and 28.6 % picked “Not sure.” In answering if “overall, migrant workers found it difficult getting into respectable jobs,” 25.2 % chose “Not quite true,” 12.5 % chose “Not very true,” 28.4 % chose “Not sure,” and 23.3 % chose “Quite true.” In answering if “people had prejudice toward migrant workers,” 26.3 % chose “Not quite true,” 18.9 % chose “Not very true,” and 30.4 % chose “Not sure” (Bai Wenlu and Shi Xiangshi 2013).

When migrant workers were treated unfairly, majority of them adopted passive ways to deal with the situation. In Hangzhou survey, 35.7 % of them chose to leave the position, and 21.3 % chose to put up with it. Chen Hui and Yang Yiyin in their survey on five provinces/cities including Beijing, Guangdong, Jiangsu, Zhejiang, and Sichuan had similar conclusion by discovering that 59.6 % chose to leave the positions or put up with it. There were 10.5 % in Hangzhou survey and 14.9 % in the five-city/province survey chose to resolve it in private. There were 3.5 % in Hangzhou survey chose to vent their temper on things and 2.1 % of them vented onto unrelated people. In the five-city/province survey, there were 9 % of migrant workers who vented on unrelated things or people. The percentages of rights-defending awareness through the system in both surveys were quite close: 11.2 % in Hangzhou survey sought assistance from communities, and 10.8 % sought help from government (Bai Wenlu and Shi Xiangshi 2013). In the five-city/province survey, there were 14.0 % of migrant workers seeking help from the government (Chen Hui and Yang Yiyin 2013).

6.1.5 Social Support

The survey of social support on Beijing residents discovered that relatives, friends, classmates, and colleagues were the main participants for the social support survey. The sampled population was quite similar to ones from Diao Pengfei’s “Social Pressure and Social Support of Chinese Urban and Suburban Residents” in the Bluebook of Social Attitude of 2011 (Wang Junxiu and Yang Yiyin 2011). Surveys of 2006 and 2008 both discovered that informal support was the main part of social support, in which relative relationship was the dominating source. There were only a few formal support provided by community and organizations, government and departments, and party and mass affairs, while the coverage needed improvement.

A Beijing City residents’ social support survey found that 1.6 % of residents perceived low level of social support, 73.5 % of them perceived medium level, and 24.9 % of them perceived sufficient social support. For students, unmarried residents, or residents of 20 years old or younger took quite high share of social support among all population.

A survey demonstrated that the main source of getting financial support and help on solving practice problems when Beijing residents encountered emergent

situations were ranked as follows: the other couple (40.52 %), other family members (36.65 %), relatives (35.74 %), friends (33.95 %), and classmates or colleagues (16.69 %). Yet support from working place (6.77 %), leading Party members' group and unions (1.42 %), and religions (0.12 %) had low shares on providing support. Moreover, there were 0.9 % of residents who reported that they had none of the above financial and practice support in the past.

A survey demonstrated that the main source of getting financial support and help on solving practice problems when Beijing residents encountered difficult situations were ranked as follows: the other couple (43.45 %), other family members (42.48 %), relatives (39.00 %), friends (39.00 %), and classmates or colleagues (22.18 %). Yet support from working place (7.66 %), leading Party members' group and unions (1.82 %), and religions (0.18 %) had low shares on providing support. Moreover, there were 0.5 % of residents who reported that they had none of the above financial and practice support in the past.

The survey conducted in a migrant worker community in Hangzhou City demonstrated that migrant workers had certain support from their families (index of 3.79), then their friends (index of 3.66), and as well their colleagues, leaders, and relatives (index of 3.42). These various types of social support all had significant differences from the others. Formal support from companies, communities, and government was quite weak (Bai Wenlu and Shi Xiangshi 2013).

6.1.6 Social Respect and Recognition

Self-respect is one's evaluation of his or her values and worth and emotional experience. Building self-respect cannot be separated from evaluation and responses from society; meanwhile, one's self-respect influences his or her psychology and behaviors. Psychology also studies the development of self-respect during youths' growth. Some populations face reestablishment of self-respect after their living conditions change. As the urbanization level increases, lots of migrant workers crowd into cities and then social integration has become a social problem worthwhile to solve. In order to understand how migrant workers blend into cities, we conducted a survey in Hangzhou on migrant workers' self-respect. The survey adopted Rosenberg's Self-Esteem Scale that categorized self-respect into two dimensions: self-affirmation and self-denial. Individuals with high score in self-affirmation tended to consider themselves as valuable person and have positive attitude toward them, while ones with high scores on self-denial tended to considered themselves as a failure and being inferior to others. The survey discovered that migrant workers had more tendencies to self-denial and less tendency to be self-affirmative. Their average score of 33.40 in their self-respect test was lower than that of college students (Duan Zhihun and Zheng Lijun 2013).

Rural residents enter into cities for work and later become local residents, but they are not satisfied with the migrating living condition any longer. Yet they want to become citizens in a real sense, and their identity of being a citizen has become

stronger. The survey on migrant workers in Hangzhou discovered that majority of migrant workers tended to identify themselves as “New Hangzhou Residents”; when answering to “I’m happy to be a part of New Hangzhou residents,” 60.5 % of them responded with “Very true” or “Quite true,” and only 15.3 % and 4.8 % of them separately responded with “Not quite true” or “Not very true.” In answering to the question “The identity of being a Hangzhou resident makes me proud,” there were 42.1 % of them responded with “Very true” or “Quite true,” 17.2 % responded with “Not quite true,” and 8.6 % of them responded with “Not very true.” In answering to “I am ready to work here for several years and not ready to be a ‘Hangzhou resident,’” 49.2 % of them responded with “Not very true” and “Not quite true,” 17.1 % of them responded with “Very true” and “Quite true,” and 33.7 % responded with uncertainty (Bai Wenlu and Shi Xiangshi 2013).

6.1.7 Social Trust

Our survey discovered that the overall social trust went downward further than before. In the October of 2010, Social Psychology Research Center in Sociology Department of Chinese Academy Social Sciences cooperated with China Mainland Marketing Research Co. in Beijing conducted survey on 1171 residents in Beijing, Shanghai, and Guangzhou. The result showed that the overall social trust was 62.9 out of 100, which was a little bit over the passing score of 60 (Du Junfeng et al. 2011). In the December of 2011, the survey extended its range to 7 cities including Beijing, Shanghai, Zhengzhou, Wuhan, Guangzhou, Chongqing, and Xi’an and interviewed 1943 residents on the social trust issue. The result showed that the overall social trust was 59.7 %, being lower than the passing grade. The percentages of people who chose “Very trustable” were 4.1 % in 2010 and 3.9 % in 2011; the percentages of “Quite trustable” were 53 % and 49.3 % in two respective years; the percentages of “Just fine” were 34.8 % and 35.6 %; the percentages of “Not quite trustable” were 9.1 % and 6.4 %; the percentages of “Not very trustable” were 1.6 % and 2.2 % (Rao Yinsha et al. 2013).

This survey further discovered that the personal trust of city residents in terms of relationship types ranked as relatives, close friends, acquaintance, and strangers. Family members were trusted the most with the scores of 94.0 and 96.6, respectively, in the three-city survey in 2010 (Du Junfeng et al. 2011) and seven-city survey in 2011. Moreover, in these two surveys close friends had scores of 79.9 and 79.3, acquaintance had 62.8 and 65.3, colleagues had 60.4 and 62.4, friends had 60.0 and 63.0, leaders had 58.4 and 61.1, neighbors had 57.6 and 59.4, strangers had 22.5 and 30.3, and net friends had 19.1 and 24.4 (Rao Yinsha et al. 2013).

We adopted the general social trust questionnaire to measure social trust in another survey. This survey included credibility, fairness, and helpful aspects. The total score is used to indicate general trust index. The higher the score one has, the stronger sense of trust there is. The result showed that the average general social trust was 3.5 out of 5 and was quite a trustful level that was higher than the average

score of 3. According to the evaluation of credibility, fairness, and helpful aspects, 72.3 % of people tended to “quite agree” or “very agree” that “most people are not selfish and are willing to help.” Only 49.6 % of participants chose to “quite agree” or “very agree” that “most people are trustable” and “to be cautious when socialize with others.” In other words, credibility of most people was doubted. There were 57.6 % of people who chose to “quite agree” or “very agree” that “treating people fairly” and “don’t take advantages from others.” This indicated that most people moderately believed in fair treatment for everyone (Gao Wenjun et al. 2013).

6.1.8 Social Emotion

Emotion is the inner reflection of a social member in one’s daily life; emotion of social populations is the main content of social attitude. Cao Ying and the colleagues interviewed emotional status of Beijing residents and picked 6 basic emotional statuses such as satisfaction, unhappy, resentful, unsettled, peaceful, and hopeful, among which there were 2 positive emotions including satisfaction and hopeful; 3 negative emotions including unhappy, resentful and unsettled; and one neutral emotion that is peaceful. The emotion assessment adopted the 7-point Likert scale in which 1 indicating “not very intense” to 7 indicating “very intense.” The survey found: “hopeful” as a future-oriented emotion was scored the highest as 4.88 points; the neutral emotion “peaceful” was 4.65; the positive emotion “satisfaction” was 4.19; and negative emotions “unhappy,” “unsettled,” and “resentful” were scored the lowest as 3.69, 3.32, and 3.20.

Based on the distribution of emotions chosen by residents, 22.1 % of residents picked “Very intense” and 4.7 % picked “Not intense” for “hopeful” emotion. On the other hand, 16.1 % of residents scored below 4, 28 % scored 4, and 55.9 % scored over 4. The positive emotion “satisfaction” had 8.4 % of residents choosing “Very intense” and 7.7 % choosing “Not very intense”; 34.4 % scored 4, 26.8 % scored lower than 4, and 38.8 % scored higher than 4. The neutral emotion “peaceful” had 15.1 % choosing “Very intense” and 4.5 % choosing “Not very intense”; 34.6 % scored 4, 17.5 % scored lower than 4, and 47.9 % scored higher than 4. The negative emotion “unhappy” had 36.0 % scored 4, 38.9 % scored lower than 4, and 25.1 % scored higher than 4. Moreover, only 4.8 % and 9.2 % of residents scored 1 and 7. The other two negative emotions “unsettled” and “resentful” each had 3.3 % and 3.5 % picking “Very intense,” 19.0 % and 20.1 % picking “Not very intense”; 28.2 % and 30.6 % scored 4, 49.7 and 52.3 % scored lower than 4, and 22.1 % and 17.1 % scored higher than 4.

Overall, over half of residents scored higher than 4 on “hopeful”; the average score on “satisfaction” was around 3 and had a bit more people scored over 4 than those scored lower than 4; there was a big proportion, almost half, of residents who scored higher than 4 on “peaceful” and higher proportion, around 40–50 %, of residents who scored lower than 4 on negative emotions. To conclude, people scored higher on positive emotions, medium on neutral emotion, and lower on negative emotions (Fig. 6.3).

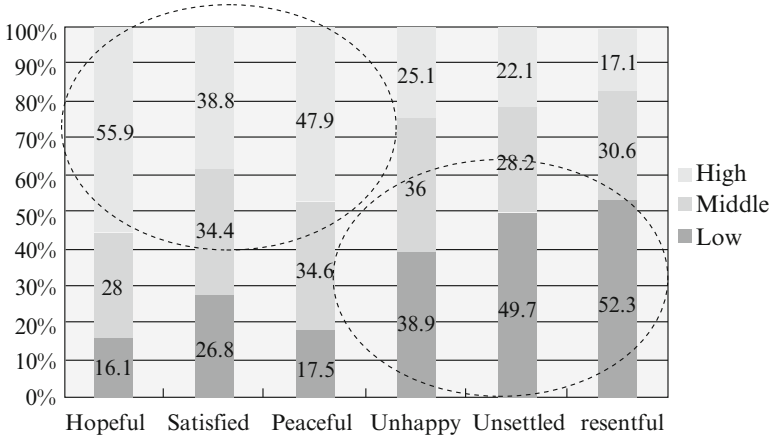


Fig. 6.3 Distributions of emotions among Beijing residents

6.2 Changing Trend of Social Attitude and Problems

6.2.1 Multiple Levels and High Standard of Demands on Livelihood Work

In recent years, many provinces and cities in China raised the idea that government should run for people’s happiness with the motto such as “Happy XXX.” All levels of governments set up a series of evaluative standards for political achievement, such as well-being index and indicator system that considered the public’s satisfaction as one important evaluative indicator. However, many government officials were concerned about the inefficiency of livelihood project improving the public’s life satisfaction or well-being.

According to the classic psychological Maslow’s hierarchical theory, people’s needs will constantly change from physiological needs, safety needs, love/belonging needs, and esteem needs all the way to self-actualization needs; its process continuously has new demands that need to be met. The inspiration of this theory indicates that basic survival needs are the basic needs, while social needs will become urgent ones if basic needs are met. This theory is based on individuals; thus, it has limited explanatory power in social needs among social attitude of a society as a whole because it overlooked possible improvement of different needs, neither had it noticed the needs of higher levels may already exist even when the needs of lower levels were not met. With the 30 years of hard work on Reform and Opening Up, the majority of people’s physiological needs were basically or partially met. Yet the standard of meeting physiological needs promoted, while new safety and physiological needs simultaneously emerged and none of them was negligible, such as clean air, clean water, improved housing conditions, medical conditions securing

health, natural environment for a living, safe food, safe and convenient transportation, safe production environment, and effective calamity preventions. From the recent investigations, safety needs were the most intense needs among the public. On the other hand, safety needs required higher standard to meet. In the survey on sense of safety, we know personal and property safety was becoming fundamental security, while food safety as well became the most concerned aspect. In these years, social anxiety in food safety and environmental pollution has become common emotions. Meanwhile, the public had higher demands on privacy, and environmental safety due to many social events is caused by environmental pollutions.

With the continuous progress of reform in China, globalization in China has been developing as well as the pace of informatization keeps accelerating. The public has more chances keeping in touch with new knowledge and new concepts and has stronger sense of democracy, rights, and political involvement. In addition, society has diversified after development of the past several decades and the needs of higher levels in Maslow's theory have become common needs. With different representations, these needs of higher levels and lower levels may emerge simultaneously. Conflicts will occur if needs of higher levels and lower levels with improved standards are not well met. Social needs of multiple levels and higher standards will bring new challenges to government work on livelihood issues.

6.2.2 Spreading Social Mistrust Breeds Social Conflicts

One of characteristics about social trust is the spread of social mistrust. Less than half of people believed that other people in society were trustable to whom they did not hold caution to. However, only 20–30 % of participants considered a stranger being trustable. Francis Fukuyama in his book *The Social Virtues and the Creation of Prosperity* mentioned that trust is the root of disparity in economic achievement. He further believed, “Welfare of a nation and its competition are determined by the cultural characteristic, which is the trusting level this society initially has” (Francis Fukuyama 2001). Fukuyama identified the trusting relationships within families in China as low-trusting society. We do not agree that Fukuyama ascribed trusting as a result of the culture, yet we must accept that the mistrust has made everyone living with cautions and unsettlement. This mutual mistrust gradually turned into our societal characteristic and it will not take long to become a mistrust culture.

Another characteristic of social mistrust is it's being exacerbated and given fixed impression. Much mistrust among social relationships exists between government and the public, police and citizens, doctors and patients, and the general and the businessmen or exists among populations of different social classes. In the surveys of recent years, the public did not have fully trust in government and administrative organizations; neither did they have trust in business of advertisement, real estate, food production, pharmaceutical production, traveling agencies, and catering services. The reasons for mistrust are mainly because government officials had contributed nothing or anything at their will or corruption; law executors in judicial

institutions has weak law enforcement and miscarriages of justice; some unlawful businessmen and doctors sacrifice their professionals' conducts for other benefits. Based on the analysis of public opinions, the most important right-protecting incident is forcing duties and demolishing houses, followed by involvement of police and laws as the second important incident. Trust in different social relationships had also spread across mistrust among different social classes, especially between classes of rich and poor.

The third characteristics of social trust are the mistrust that will lead to greater social inner frictions and conflicts. Common social mistrust has become the cause for many social events. Public authoritative institutions always have concerns about publicizing information being badly influential in society. Moreover, they would conceal their misconduct and mistakes in their work for the price of breaking their promises and their authority power including fabricating facts, proofs, and explanations of sophistry.

Social mistrust leads to social conflicts, which further reinforce social mistrust. Social trust is thus trapped in a vicious cycle.

6.2.3 *Classes Awareness Become the Center of Social Attitude and Social Behaviors*

Everyone cares for his or her social status and social classes in society because everyone hopes to move upward. Personal living standards improve along with the social development and one's wealth accumulation. However, social class is not simply a statistical category but one's self-identity on classes or one's perception about his or her social position. In recent years, we discovered that identity of lower-class group and vulnerable population existed. In other words, low self-identity existed. For people who were of upper class according to their financial income and social status, their self-identity moved downward as well. The Internet survey this year had more centralized sampled population than that in past years, yet the low self-identity still existed (Table 6.2 was based on national sample surveys from 2002 to 2008 made by the Chinese Academy of Social Sciences and Internet survey conducted by us in 2012).

Cao Yin discovered according to the survey in Beijing that 36.7 % of participants considered themselves as vulnerable population, 36.3 % of them considered them-

Table 6.2 Percentage of class identity unit: percentage

| Social class | 2002 | 2006 | 2008 | 2012 |
|--------------|------|------|------|------|
| Upper | 1.6 | 0.5 | 0.6 | |
| Upper middle | 10.4 | 6.1 | 7.1 | 7.9 |
| Middle | 46.9 | 39.5 | 39.3 | 47.9 |
| Lower middle | 26.5 | 28.7 | 30.4 | 40.2 |
| Lower | 14.6 | 24.3 | 21.3 | 4.0 |

selves not vulnerable population, and the rest 27 % had no preference (Cao Yin et al. 2012).

The comparison in characteristics of people’s social attitude among different social-class identity showed that lower-class identity became the key factor in influencing one’s social attitude and behaviors. Figure 6.4 showed characteristics of people with different income levels about senses of social security, social trust, social justice, and social support. Even though income was a key factor for identity of social class and it determined the characteristics of those social attitudes, it did not cause significant trend on certain items. Figure 6.5 demonstrated the trend in residents’ social attitudes across different social-class identities. The stronger identity of social class one has is correlated with the stronger sense of security, trust, justice, and social support (Gao Wenjun et al. 2013).

In other words, the public who considered themselves as in lower class perceived sense of insecurity, injustice, lower social trust, and lower social support. High percentages of people with lower-class identity and vulnerable population could be a social problem.

6.2.4 Increasing Intergroup Conflicts Among Diversified Social Populations

One common concern since Reform and Opening Up was polarity between the rich and the poor or between classes. However, the middle class was not dominant; thus, the middle class tended to identify themselves as lower class. Yet mutual lower-class identity caused extreme social voices and behaviors online and offline. Social

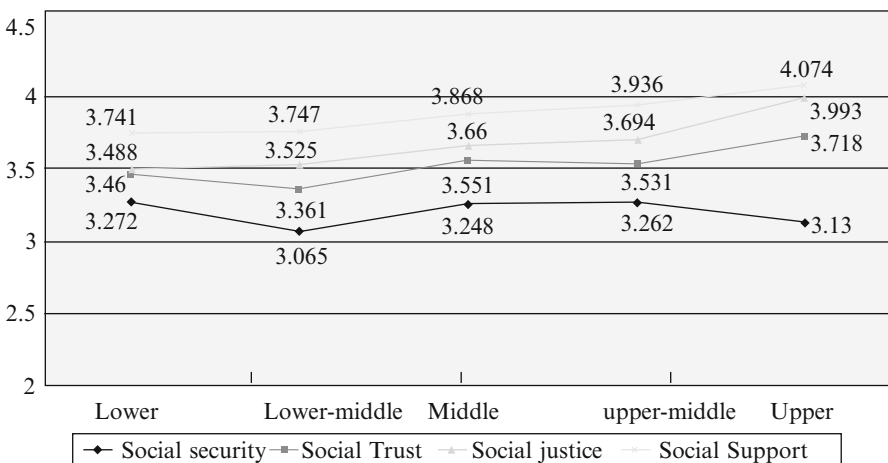


Fig. 6.4 Sense of social security, social trust, social justice, and social support across income levels

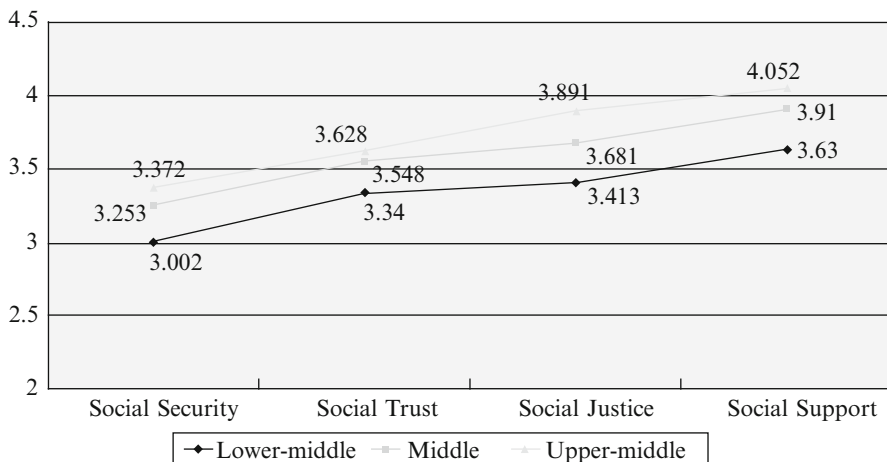


Fig. 6.5 Sense of social security, social trust, social justice, and social support across class identities

psychology defined aggressive group decision as group polarization, in which lower-class identity caused extreme psychology and behaviors in groups.

In recent years, population diversified into different groups under the influence of polarization of dominated group. The groups were mainly coherent for benefits and were temporary, loose, unorganized, and lacking of goals or short-term goals. From some big influential group events in recent years, the coherent group for benefits had two types including accumulative and event-inducing types. Accumulative type included examples of villagers in Wukan village who fought together for their lands; taxi drivers who protested in Anshun, Hangzhou, Chengdu, and many other cities; and factory workers who took strike in many places. These groups worked as a loosely organized group hoping to achieve their temporary goals for benefits. The event-inducing type involved populations such as families of victims in Wenzhou motor coach train accident; murder cases; and beating-up event by urban management staff. These were the group actions without proper organization or goals. More cases of loose organization and clear goal included PX incidents involving the group of “walking citizens” in Xiamen and Dalian.

Even though these events appeared to be group actions, they were not conflicts between groups but their expression of appeal to government managers. Conflicts between two groups can be caused by conflict of interests, values and attitudes, and identities. The conflicts can be caused during, for instance, the protest against tax between local residents and migrant people in Zhili town of Huzhou; riots between frontline workers and security guards in FOXCONN; and violent conflicts within ethnic regions.

As the society further diversified, groups of same benefits, identities, and values will be categorized. These groups of similar characteristics wanted to express their appeals, protection, or fight for their benefits as in the form of group; meanwhile, frictions and conflicts will correspondingly increase.

6.2.5 Negative Social Emotions Worth Close Attention

Social frictions and conflicts have become obvious during social transition. In-depth analysis of these frictions and conflicts revealed that social emotion was the core of frictions and conflicts. On the one hand, manifestation of social conflicts was intense explosion of social emotions; on the other hand, social emotions became motivating components for these frictions and conflicts. Therefore, clear recognition of social emotion was very important to governmental decision-making. According to psychology, personal emotions are caused by external environment, personal experience, and subjective will. Emotions can be categorized into positive and negative emotions. Positive experience is obtained when one's subjective will is met; and negative experience is obtained when one's subjective will is not met. There are a variety of emotions and basic ones are happiness, anger, sadness, and apprehension. The other emotions can be considered as combination of basic emotions. There was only one type of positive emotion among basic ones, and the rest were negative emotions. We should pay more attention to negative emotions in society, because emotions had driving characteristics so called as "emotional power." Accumulated negative emotions might generate damaging effect to society. During the interaction among the individuals, within and among different social groups, within and between state and society, people expressed their shared emotional experiences which represent the social emotions. Our research found that social emotions in recent society had the following characteristics:

The first characteristic is that social emotions are positive in overall, yet some negative emotions influence personal health and social harmony. Our research indicated that the public in the past year had intense positive emotions such as peaceful, hopeful, persevering, warm, happy, interested, determined, active, enjoying, excited, grateful, inspired, and proud. Their average emotion level was between "medium" and "quite intense." There are negative emotions such as cautious, disturbed, helpless, tense, depressed, worried, agitated, fretful, unsettled, disappointed, sad, and angry. The average level of these emotions was between "quite mild" and "medium." Emotions of guilty, apprehended, shamed, and resentful had an average level of being lower than "quite mild."

According to social events, many pleasing and affecting incidents occurred during the past year. For example, on May 8, 2012, a female teacher named Zhang Lili from No. Nineteen Middle Schools in Jia Musi, Heilongjiang, sacrificed herself for saving students in a car accident. As a result, she had comminuted fracture to both of her legs and had surgery of high amputation. On May 29, 2012, a bus driver named Wu Bin was hit by a metal piece of several kilograms through the windshield when he was driving on the highway. Even though he had his abdomen, liver, and ribs pierced and burst by the metal, he was able to pull over the bus with hand brake and put emergency lights on before sending 24 passengers out of the bus. Unfortunately the attempts to survive him were in vain. On July 2, 2011, Wu Juping tried her best to catch a 2-year-old girl falling from a 10th floor with her left arm. She had broken her arm yet saved the life of a baby. These incidents touched the

whole society and were being broadcasted massively in media and people called them “the most beautiful teacher,” “the most beautiful driver,” and “the most beautiful mother.”

The second characteristic includes negative emotions of low explosion point, intense level, and clear targets. We can observe many intense emotional reactions in big influential social events about negative emotions, such as angry emotions of “Shifang incident” and “Qidong incident,” social rage about “7.23” motor coach train incident, sympathy to Tang Hui and her daughter, and anger toward local judicial office in “Yongzhou incident” in Hunan; anti-Japan protest and angry emotion for those victims; antagonism between villagers and migrant residents in Zhili, Huzhou; social anxiety caused by frequent food safety problems; resent toward ineffectiveness in solving corruption of government officials; etc. Moreover, these accumulated social events had built up negative emotions on a quite high level before negative emotions eventually exploded. Once inducing factors emerged, the intensity of emotion will increase and later became potential emotional power related to social events that constantly escalated after the event broke out dramatically, while group emotions and follow-up events became out of control so that negative consequences were taken place. In other words, a great amount of social events led to the decrease in tolerance and controlling point of social emotions and lower exploding point for social events.

Positive emotions in society are more likely to encourage people and further enhance positive emotions and facilitate social coherence; yet negative emotions stimulate more negative emotions and create social frictions and conflicts that are not beneficial to social coherence.

Some negative emotions have clear direction, such as hatred, anger, resentment, and hostility, while these negative emotions have close relationship with needs not being met, mistrust, social class, and diversified population that were previously mentioned. Research showed that emotional levels of the public with different genders and age had no significant differences; yet income level had significant positive correlation with positive emotions. Ones with income of 4000 RMB or higher demonstrated more positive emotions than those who had lower income. Civil servants and people with vocational college degree or higher had less resent emotions (Cao Ying et al. 2013).

Any society has a great amount of negative social emotions in inevitability. Any negative social emotion has double-sided effects including determining power for forming social structure or power source for group actions that would damage social structure and revolutionary social culture. Therefore, focusing on social emotions, especially negative social emotions, requires enough attention from social managers.

The third characteristic is the phenomenon of “reversed social emotions,” which refers to some baffling phenomenon occurred in some social events, in which emotional reactions are quite unusual from what is expected. Some people appear to be ecstatic, while the event only deserves sympathy, or something makes people

angry yet some people applaud and admired it; or something deserves condemn yet was treated indifferently in society. Some outstanding examples include the case of the First Affiliated Hospital of Harbin Medical University, in which the family member of a patient stabbed a doctor to death and injured another 3 doctors. After this case was reported, People's Net had interviewed net friends' reactions toward the event. Among 6149 people who responded emoticons, 65.3 % or 4018 of them responded with the emoticons of "happy," 81 of them responded with emoticons of "stirred," 113 of them responded with emoticons of "novelty," 57 responded with emoticons of "funny," 333 responded with emoticons of "sweating," and the number of people responded with emoticons of "sympathy," "upset," and "angry" were 258, 410, and 879, which overall took up 25.2 % of all respondents. This "reversed emotions" worth reflection of the entire society. This phenomenon was rooted on "group resentment" that commonly existed in society. This accumulated satisfactory emotions toward "corrupted officials," "the rich not being benevolent," and "officials with no achievement" have been spreading. And this phenomenon and social polarization were associated with mistrust between frontline officials and the public. Vulnerable population with their self-identity felt that they were living with injustice and many of them made the judgment from their preferred social status. Therefore, they emotionally sympathized and supported people of similar situations and social status.

6.2.6 Difficulty to Achieve Mutual Social Recognition

The core content of social attitude is about changes in social values. Social recognition, social emotions, and social behaviors are all determined and influenced by social values. Social values are the most complex and implicit and are closely related to culture and stable. Therefore, characteristics and changes of social values are difficult to study. According to our survey on social attitude and observation on social events, we found social values had significant changes in some aspects. Our survey and research reflected, for instance, that the youths had changed their values toward their partners, such as values of "sexual purity" and "reproduction" had become milder. Moreover, values were more concentrated on families rather than career achievement and more concentrated on communications with and sharing one's inner world with their partners (Zhang Jianxin et al. 2013). Moreover, the orientation of family kinship had its new emerging characteristics, which were orientations represented as preferring brotherhood to benefits, personal interests, common ethics, power prioritized, and balanced values. The focus of kinship values transitioned from entangled benefits to diversity; fulfilling needs of kinship transitioned from concealing status to opening status; measurement on kinship values transitioned from priceless to balanced (Chen Wuqing 2013).

Social values are reflected from people's civil awareness, government, and the nation's values. The public's recognition on relationship among the nation, groups, and individuals has significantly changed. It reflects on the changed recognitions of people on the nation, people's reaction toward Liu Xiang's quitting the match in the Beijing Olympics and his falling down in the London Olympics 2012, people's attitude toward gold medals in the two Olympics, and the discussion on the national policy regarding to the training of young Olympic athletes.

Another new characteristic of social values was the enhanced awareness of civil rights. Based on the analysis of public opinions and group events, we found that rights protection most commonly occurred in social actions and events. Among all group events that occurred, the population of rights protection covered all populations including students, workers, farmers, taxi drivers, educated youths, businessmen, students' parents, veterans, citizens, etc. The content of rights protection included anti-population, requests for promotion, oppositions to price increasing in canteens, oppositions to increasing management fees, oppositions to land takeover and building dismantling, etc.

Changes in social values can be reflected in diverse values and opinions. You may hear about a different voice from a different person about one thing and supports from various theories and ethos. For example, the protest from many Chinese citizens against the nationalization of Diaoyu Island in Japan not only had similarities to some "Japanese product-boycott" actions in some cities a few years ago but also had some other big differences. Comments in microblogs had aggressive, extreme, and rational debates that represented opinions of the nation, enterprises, and individuals. Actions and nonactions during this anti-Japan campaign demonstrated different values.

Diversity in social values originates from the influences of different social classes, cultural background, benefits in various living environment, demands, knowledge systems, obtained information, and surrounding social environment. This was normal yet a necessary consequence of breaking up of unitary value system during social transition. However, there was an obvious problem behind the diversity of values, which was lacking of shared values and commonly confirmed core social values and opinions. For example, everyone has different understandings about rights, and many people consider rights from their own perspectives and ignore the others'. For instance, the recent death cases in subways in Guangzhou and Beijing involved fighting and deaths due to argument for seats. Personal rights and public authority crossing boundary would cause many disputes and conflicts.

6.3 Social Attitude and Social Governances

Based on the analysis of social attitude characteristics and judgment on problems regarding social attitudes, we raised the following suggestions from the perspective of social governance system.

6.3.1 Livelihood Work Focuses on Social Needs

“The 12th five-year” plan aimed to prioritize livelihood tasks and clearly defined range and focus on construction of basic public service system regarding 9 aspects, including public education, employment services, social security, medical health, population control, public culture, infrastructure, housing security, environment, etc. The approach to promote livelihood by the 9 sequential aspects and the highlight on livelihood work are the key. Livelihood needs to involve the public’s opinions and understand the public’s needs so that they can practically improve satisfaction of the public’s life. The survey demonstrated factors that were closely related to life satisfaction in sequence which included family income, physical health, housing conditions, working conditions, medical conditions, family relationship, education, price of daily consumptions, public safety, food safety, and transportation.

In order to secure to meet the needs of all levels and improve standards of basic needs among the public, we need to prioritize to meet the basic needs for clean drinking water, safe foods, and nonpolluted air. The government should consider not only livelihood work as basic needs in daily life but also deal with social demands of the public, to establish an atmosphere of mutual acceptance, recognition, and respect through highly effective and transparent public service system that secures basic rights of the public in all aspects.

6.3.2 Establishing Trust System on a System Level

Regardless of personal trust, organization trust, media trust, and trust on public authority, they all need a system of trust protection. Yet the mechanism system must be solved on a system level. In some sense, construction of the harmonious society must start with establishment of trust on such a height to realize the importance of trust to the society. People’s trust comes from the past and current experience and points to the future. Society loses its future if with the absence of trust.

Reestablishment of social trust involves personal trust, media trust, business trust, and vertical trust of public authority. In some sense, reestablishment of vertical-level trust is important and it influences establishment of horizontal-level trust. On the one hand, the increase of interpersonal mistrust brings the cost of interpersonal relationship. Business mistrust decreases economic efficiency. Media mistrust would cause deficiency in opportunity cost. Mistrust of public authoritative executers and institutions not only cause increase in opportunity cost but also dysfunction of social common rules, without which social transaction might not proceed and politics will be threatened. On the other hand, public authority is the core of establishing social trust system. Rebuilding of the social trust depends on the reestablishment of public authority. We suggest the following three aspects to improve social trust level: (1) Reestablishment of public

authority trust should be based on transparent functioning of propelling powers in order to eliminate and prevent public authority executers from abusing their power yet to improve the credibility of public authority. (2) To make sure publicity of information and effective public opinion monitoring, encourage the public to participate and monitor society events, allow the power being functioned under monitoring, and obtain trust from the public by trusting them. (3) To strike organizational actions and personal actions that betray or break their promises to let businesses, organizations, and individuals that lack credibility pay the price. Moreover, we need to encourage ones to keep their words, establish system of rewards and penalties, complete relevant laws, build up neutral and just position that government has in social and economic life, form a decent functioning trust mechanism, and promote rewarding rate for organizations' and individuals' credibility, so that social trust can come back and develop in a sustainable way.

6.3.3 Protect Rights of Middle and Low Classes

Class awareness has become determining factors for social attitude and behaviors. Identities of lower class and vulnerable population commonly exist. Inappropriate social cognition, stronger sense of mistrust, and more negative emotions have become factors for social unstableness. Therefore, focusing on social-class awareness and paying attention to social attitude and social conditions of middle and lower classes can both ensure to protect their rights.

Economic income is one, yet not the only one, aspect of lower-class identity. As the life standards of middle and lower classes improved, necessary social support should be provided to vulnerable population with respect and acceptance. Their social needs are further met and they received fair opportunity of climbing up in society, such as in terms of education, medical treatment, and employment.

Identification problems on groups, identities, ethnics, classes, etc. should be taken care; strategies on resolving conflicts of groups, ethnics, classes, identities, and status should be studied; conflicts among groups and within society should be avoided as well as separation of society.

We should prioritize protecting rights of citizens and set it as the foundation for government politics. We should as well modify current stable state and protect the public's rights for real stableness.

6.3.4 Mitigate Negative Emotions

There are a variety of social emotions, but people tend to categorize them into active/positive emotions and passive/negative emotions. Social emotions have conditioning functions such as positive social emotions that help adjust social attitude. Moreover, social emotions which have a signal function as a barometer that

indicates conditions of social functioning. Therefore, paying attention to social emotions, especially negative ones, eliminates negative emotions that are detrimental to social functioning.

In order to eliminate negative social emotions, we need to encourage positive emotions, meet basic needs of the public, establish organized societal order, improve the public's satisfaction with the society, fulfill the motive mechanism of social emotions, and achieve social coherence. American Sociologist Turner indicated that "the emotion connects people and generates commitment on social and cultural structure in a broad sense" (Turner and Stets 2007). The emotion is a core factor that avoids "social detachment" and achieves "social integration." Coherent and harmonious society needs mutual efforts and responsibility from every social member. Nurturing social responsibilities is based on the respect and emotional support. There aren't expressed positive emotions from people if they do not receive positive emotions. Lack of emotions will cause problems in people's conscience and social responsibility. The boundary of society will fade away as well. Therefore, we should try our best to create an atmosphere in which social members are encouraged to express their positive emotional energy.

6.3.5 Build Mutual Values and Social Recognition

The development from social cognition and social attitude to social values is a gradual process, in which existing social values in turn influence social cognition, social attitude, and social emotional experience. Thus, social values are in a core position. During a certain period, society will form some core factors of social attitude such as social mutual recognition, social dominating emotions, and social core values, all of which composite the system and determine social behaviors and individual behaviors during that time. Based on current social attitude, Chinese citizens have diverse values, while society has been learning basic values and judgment with the experience and lessons from past social development. Society should positively encourage and advocate the basic values that are beneficial to society and guide people to adapt to form their core values that can be firm foundation for social stableness.

At the same time, integrated coherence of society needs to maintain mutual value system for social mutual recognition, while research on social attitude consider social thinking ability and reflective ability as signs for social growth and maturity. The society of thinking should be the attitudes in a healthy community.

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Part IV
Social Policy System Reform and Social
Governance System Innovation

Chapter 7

Perfection of Social Policy System and Social Governance System Innovation

Social policy refers to those policies concerning citizens' welfare and livelihood made by the government along with the advancement of human society, especially the development of industrialization and urbanization.

7.1 Development Phases and Characteristics of Chinese Social Policies

7.1.1 *Development of the Social Policy in China*

China's welfare system has gone through three phases including creation, destruction and adjustment, and reconstruction for reform.

7.1.1.1 Creation of the Social Welfare System (After 1949)

After the nation was established, China has started socialist construction, in which a great power of socialist industrialization should be established first. Under the system guided by planned economy, industries should be developed in the first order. Socioeconomic development policy and welfare system under the urban-rural structure set by the nation had caused totally different social welfare systems in urban and rural areas. This situation had lasted for 20 years.

Social welfare system under the urban-rural structure in China referred to: the nation was responsible for the welfare system that was supported by employers. This welfare system includes old-age insurance, medical treatment, housing, and even heating and transportation. Social welfare was based on organization of employers and under the responsibility of the nation. In other words, it was a "little

society of unit.” Welfare in rural areas was based on land security and includes compulsory education, social support system (including natural disasters and poverty support), five-guarantee system, rural medical service system, and other social welfare of economic collectives.

7.1.2 Social Welfare System Being Destroyed and Adjusted in Planned Economy (After 1970s)

At the end of the 1970s, China started the market-oriented economic reform. Fundamental changes occurred in Chinese economic society and original social welfare system began to breakdown. In cities, enterprises and other employers became economic corporations, while their former welfare responsibility was handed down to the society. Moreover, the nation began to explore social insurance system, also known as the socialized social welfare. Rural areas adopted the household contract responsibility system in replace of collective production approach. Collective welfare broke down along with the dismissal of collective economy. China’s Ministry of Labor and Social Security, Civil Affairs Department, and other relevant departments started to build social welfare system that is adapted to the market economic system. The urban social security system developed to some extent, while the rural one had once encountered pause.

7.1.2.1 Reconstruction of Social Welfare System (After 2003)

The national government’s exploration in social welfare system had never stopped, as well as the local governments. In 2003, the Third Plenary Session of the Sixteenth Central Committee of the Communist Party of China advocated scientific developing ideas of “people-oriented and comprehensive sustainability development.” In 2004, the Fourth Plenary Session of the Sixteenth Central Committee advocated the concept of “construction of a harmonious society.” China’s development focus has changed from economic development to social development and construction. Social welfare system needed mutual responsibilities from the nation, the society, and individuals. Every social welfare item’s coverage had expanded based on the past exploration, including urban-rural old-age insurance policy and urban-rural cooperative medical system. Problems under new circumstances including floating population, elder people, and children from “empty nest” were paid close attention to, while topics regarding public service and other services had entered political vision.

7.1.3 Three Macro-background of Social Welfare System Construction in China

7.1.3.1 From Planned Economy to Socialist Market Economy

As mentioned before, the transition from planned economy to market economy and urban and rural social welfare structures had experienced breaking down and adjustment. Meanwhile, in the process of market economic transition, socialization and personal responsibility of social welfare were emphasized. Welfare in cities had transitioned from small units to social welfare and community services; household contract responsibility system in rural areas enabled dismissal of collective economy. Consequently, as personal income increased, the nation allowed intervention of market mechanism in regard to education, medical health, old-age care, housing, community services, etc. Thus, national welfare system was damaged and the gap between the rich and the poor and that between the urban and rural areas increased.

7.1.3.2 From Close-End Production to Economic Globalization

The globalization had brought China into a globalized economic environment and accelerated its economic development. As China has entered market economy, the nation needed social security or a social welfare system that is adapted to the new situation of reform which many developed countries had experienced. However, as economic globalization occurred in China, it took new liberalism into the nation. It further influenced and even hindered the establishment of Chinese social welfare system. Globalization needed denationalization by decreasing the cost of security in investing environment in order to create a friendly investing environment and protect the investors' benefits. Western countries had comprehensive market economy and social welfare system when encountering globalization, whereas China had just started market economy and needed protection from social welfare system on citizens who had confronted misfortune in the market. Thus, the nation needs to build a social welfare system suitable for market economy. During the process in which China had just abolished the old social welfare system and not yet established a new one, ideas of de-welfare impeded the establishment and development of Chinese social welfare system.

7.1.4 From Economy Shortage to Certain Amount of Material Foundation

After 30 years of Reform and Opening Up, China had the economic preparation and accumulated certain amount of material foundation to reconstruct the social welfare system. The gross national income (GNI) increased rapidly during the 11th

Five-Year Plan period. GNI reached \$3650 in 2009, which was 1.1 times more than that in 2005. Chinese GDP in 2010 achieved 39.7983 trillion, the second highest in the world and it was 69.9% higher than that of 2005. These were the strong economic foundation and material condition for the reconstruction of China's social welfare system.

7.2 Achievement of Chinese Social Policy

Chinese social welfare system included the following aspects regarding social policies: (1) social security system including medical insurance, old-age insurance, workers' injury compensation insurance, and unemployment insurance, (2) social supporting system, (3) social services system, (4) education system, (5) medical system, and (6) housing system and other basic public welfare facility construction.

7.2.1 Social Security (Social Insurance) System

China has set social security as the main content of social construction for improving livelihood by insisting the strategy of "wide coverage, basic security, multiple levels, and sustainability" and presenting many regulations, policies, and measures.

7.2.1.1 Medical Insurance System

The medical insurance system includes basic medical insurance, urban basic employment medical insurance, urban basic resident medical insurance, and new rural cooperative medical insurance system. By the end of 2011, all these 4 types of basic medical insurances achieved full coverage on every county nationally wide. The number of insured was over 1.3 billion that was 2.77 times more than the number in 2005. Moreover, 189 counties carried out cooperative medical insurance for urban and rural residents.

7.2.1.2 Old-Age Insurance System

The old-age insurance includes the basic old-age insurance, enterprise employee basic old-age insurance, new rural cooperative old-age insurance system, and urban-rural resident's social old-age insurance.

The coverage range of old-age insurance rapidly expanded. Enterprise employee basic old-age insurance has covered every county nationally wide, new rural social

old-age insurance (abbreviated as “new rural insurance”) has covered 81.50% of all counties, and urban resident old-age insurance (abbreviated as “urban resident insurance”) has covered 75.30% of all counties with 622 million insured participants that were 2.86 times more than the number in 2005. Moreover, 683 counties carried out urban-rural resident’s old-age insurance. During the implementation of enterprise employee basic old-age insurance and urban-rural employee basic medical insurance, unemployment insurance, workers’ compensation injury insurance, and maternity insurance were as well performed simultaneously, and the number of the insured were 142 million, 170 million, and 122 million.

Furthermore, the state council decided to launch pilot project of personal account for enterprise employee’s basic old-age insurance and the project had covered 13 pilot provinces by the end of 2011.

7.2.1.3 Workers’ Injury Compensation Insurance

The state council had issued Industrial Injury Insurance Ordinance in April 2003 (abbreviated as “Ordinance”). Ordinance included general provisions, workers’ injury compensation insurance funding, workers’ injury compensation judgment, labor capacity appraisal, workers’ injury compensation insurance treatment, supervision and administration, legal liability, and supplementary provisions. In order to further promote workers’ injury compensation insurance, every policies and actions should be constantly updated with a series of implemented policies including *Measures on Workers’ Injury Judgment, Ordinance on Supporting Family Members of Deceased Employees*, and *Measures on One-Time-Compensation for Deceased Employees Illegally Hired* and a series of policies. In order to promote insurance among migrant workers, the Department of Labor issued *Notice of Problems Related to Migrant Workers Joining Injury Compensation Insurance* in June 2004 with practice and effective policy implications. By the end of November 2006, the number of people who joined workers’ injury compensation insurance had reached to 100.3 million and become another insurance that had been purchased by more than 100 million along with old-age insurance, medical insurance, and unemployment insurance. The insured number has reached to 170 million by 2011.

7.2.1.4 Unemployment Insurance

The state council promulgated and implemented *Unemployment Insurance Ordinance* and made tremendous adjustment on unemployment insurance system. Enterprises, institutions, and their employees in urban and rural areas were qualified for unemployment insurance. The provincial government can include non-enterprise collective owned organizations and their employees, social organizations and professional staff, and individual industrial and commercial households and their employees in urban and rural areas into the insurance coverage. Migrant workers hired by enterprises and institutions should be enrolled in unemployment insurance.

After *Unemployment Insurance Ordinance* was promulgated, the progress of unemployment insurance developed rapidly. The number of people enrolled in unemployment insurance was 140 million.

Unemployment Insurance Ordinance in China has fulfilled positive effects in securing basic lives and promoting employment of jobless people. Unemployment insurance can be part of social assistance system; the nation keeps perfecting employment assistance system and establishing long-term mechanism of dynamic management of employment assistance for people from unemployed families in order to allocate people who become unemployed anytime.

7.2.2 Social Assistance System

China has established social assistance system including basic life assistance, disaster assistance, specialized assistance, and charities. Chinese urban and rural areas have planned and established social assistance system based on the lowest living standard of residents and other aspects of systems such as education, medical treatment, housing, other specialized assistance, and temporary assistance.

Social assistance was targeted to 22.768 million in urban areas and 53.135 million in rural areas in 2011. In the same year, China had provided 10.43 billion yuan of assistance to disasters in the nation and 6.59 billion to poverty group in society and sold social welfare lottery of 127.8 billion. By June 2012, there were 1923 charity organizations of county level. In the past 5 years, the amount of philanthropic donations received by charity organization increased and was 20.389 billions of philanthropic donations; in which, for instance, the China Charity Federation had received donations worth 6.5 billion yuan.

7.2.3 Social Service System

Chinese social welfare system includes services for elders, disabled people, children, and women who deserve the social welfare services.

The *Law of the People's Republic of China on the Protection of the Rights and Interests of Women* was promulgated in 1992 and then was separated into two parts including women's rights and minors' rights as society advanced and the law perfected.

In 2005, the nation promulgated the *Law on the Protection of the Rights and Interests of Women* that advocates legal liability and protection of women's political rights, cultural and educational privileges, labor and social security, financial privileges, personal rights, and marital and familial privileges.

In December 2006, the nation promulgated the *Law on the Protection of Minors* by clarifying the legal liability and implementations regarding familial protection, school protection, social protection, judicial protection, and legal protection.

In 1996, the nation promulgated *the Law on the Protection of the Rights and Interests of the Aged* by defining articles on family provisions and support, social security, etc. *The Law of the People's Republic of China on the Protection of the Rights and Interests of Women (amendment)* was promulgated in August 2012. The law indicated articles on social services for old-age service system in which home living was the foundation, community provided support, and organizations supplemented assistance.

The Chinese government had promulgated the *Law of the People's Republic of China on the Protection of Disabled Persons* and set clear regulations on rehabilitation, education, labor employment, etc. for disabled people.

Moreover, *Barrier-free Environment Construction Ordinance* for disabled people was implemented on August 1, 2012, and fulfilled positive effectiveness of protecting rights of the disabled.

According to the statistical report of Chinese Social Services of 2012, Chinese Social Services of 2011 had spent 272.65 billion yuan in supporting 41,364 social service organizations, with 3.672 million beds for adoption or 2.75 beds for every 1000 people.

In 2011, the number of available social service facilities provided for residents was 147.966 in the nation. There were 253,000 registered social groups, 200,000 governmental non-enterprise entities, 590,000 villagers' committees of grassroots level autonomous organizations, and 89,000 neighborhood committees.

7.2.4 Chinese Education System

The nation in 2006 promulgated the 9-year Compulsory Education Law of the People's Republic of China. In recent years, China had included cost of compulsory education as part of public finance security. About 160 million teenagers in both urban and rural areas are receiving 9 years of compulsory education and all students of poverty had free text books. Meanwhile, the nation had founded 8300 boarding schools in the rural and vast pastoral areas and provided financial assistance to living expense of boarding students from 11 million families. In 2011 the nation had 241,200 elementary schools, in which the enrollment rate of elementary students reached 99.79 %. In preschool education, there were 166,800 kindergartens in the nation with enrollment rate of 62.3 %. The nation had 13,093 schools in the secondary vocational education (including regular middle professional schools, vocational high school, technical training schools, and secondary vocational schools) with annual enrollment of 8.1387 million students and enrollment rate of 48.89 %. On the other hand, enrollment rates of junior high and senior high schools were 99 and 79 %.

The size of higher education in the nation was about 31.67 million with gross enrollment rate of 26.9 %. There were 130,800 nongovernment schools with enrollment of 14.0088 million on all levels and categories.

7.2.5 Chinese Medical System

Under the planned economy system, China has established medical insurance system with combination of free medical care entitled by the nation and labor protection medical care sponsored by employers. Moreover, cooperative medical services were supervised by economic collectives in rural areas and triple-structured medical insurance system among urban and rural areas. Even though all these systems have big differences, the medical insurance systems have covered all residents in urban and rural areas so as to meet people's medical insurance needs (Zheng Gongcheng 2008: 189).

Since Reform and Opening Up, rural economic collectives have almost broken down, and state-owned enterprises of cities and towns can hardly keep up with labor protection medical care during the reform. After many years of exploring medical system, especially since 2003, China has raised expenses in medical and health services and formed the triple-structured system for basic medical insurance for employees in cities and towns, basic medical insurance for residents in cities and towns, and a new type of cooperative medical system in rural areas.

7.2.6 Chinese Housing System

China implemented the allotment system of public housing as "Unified Management, Unified Allocation, Rent to Afford the House" before the reform. This mode of system satisfied employees' needs for housing on a relatively low level of living expense. However, the old welfare system of housing allocation had made great financial burden to government for its low rent rate and regular maintenance cost.

Since 1978, China has made reform on welfare-based public housing distribution by selling public housing. The nation officially started reform on commercialization and socialization of housing in cities and towns since 1994. Market-oriented housing has played its role since 1999. Welfare-based public housing distribution has transformed to labor-based monetary distribution for housing. The nation has built systems that provided economic affordable housing under social security for families of low or medium income and commodity housing for families of high income. Meanwhile, housing accumulation fund system and housing mortgage credit system for policy-oriented and commercial housing were established.

Currently, the nation has almost stopped welfare-based public housing distribution in cities and established towns and built currency-based housing distribution and market- and socialist-oriented supplying systems. Macroeconomic regulation of housing has been implemented since 2005 and 21 million guaranteed houses in cities and towns were under constructed and 11 million have been finished.¹ So far relevant reports stated that "Our nation has formed policy framework in which

¹Wen Jiabao, lecture at the World Economic Forum, Tianjin, September 2012.

market supply and government entitlement integrated for market-supply-oriented housing in cities and towns, and housing insurance policy has primarily been established.”

7.2.7 Basic Public Welfare Facility Construction

Recently, the Chinese government has invested public finance on basic education, public health, etc. and enhanced their regulation on constructing public service system and provided basic insurance for sustainable development of human resource.

At the same time, basic public welfare facility have been constructed including railroads, libraries, power networks, water conservations, etc.²

In recent years, China has added 13,500 kilometers of operational railways, 376,000 kilometers of roads, and 23,600 kilometers of highways. Rail transportation in cities, power supplies in rural areas, and other infrastructure were significantly improved. Security check and reinforcement were done for more than 7000 large- and medium-scale and key small-scale hydropower stations.

7.3 Problems Within Chinese Social Welfare System

Construction of Chinese social policy and welfare system has achieved great success. With relevant plans, China has set corresponding policies in many areas. However, there are many problems with which many urban and rural residents cannot have their needs met in terms of employment, income distribution, social security, medical treatment, old-age care, education, housing, social services, etc.

7.3.1 Issues on Social Welfare Needs

7.3.1.1 Issues on Needs in Education Welfare

Educational resources have not been appropriately allocated and thus have affected fairness and justice in education. In big cities, quality educational resources are only highly condensed in schools and some places, making bigger gaps among schools in terms of educational resources. As a result, this unfairness of educational resource distribution leads to issues such as biased school selecting and big classes that require not only a good test score but also financial sponsorship from students' families.

²Wen Jiabao, lecture at the World Economic Forum, Tianjin, September 2012.

Market-oriented education was diversified. On one hand, the trend of extravagant education was implemented in many key schools that advertise their classes for the nobility and the elites or preparatory classes for further education in foreign countries. On the other hand, schools of remote rural and mountainous areas lacked teachers and had poor classrooms. Students needed to walk a long way to schools with their own chairs and desks.

Students received unequal education in different cities, areas, and social strata. Received education, opportunities for stepping into higher education, and enrollment rate and the ranking of their enrolled colleges are all different or significantly different between, for instance, western regions and eastern coastal regions, towns and cities, minorities from remote areas, and students from local areas. Quality of faculty members, education investment, and the low number of high schools directly cause inequality in education. The starting points, processes, and final goals of education under different conditions are all different.

Social stratification and poverty problems have made education unaffordable to children of poor families that have to give up on any type of opportunities on education, especially higher education. Education for nonresidents has not been well set up; thus, children migrant workers have problems going to schools.

Nine-year compulsory education in rural areas are confronting many problems, such as bad teaching and learning environment, crude facilities, low payment on faculty members, and so on. Many educational schools and organizations target profits in their education due to market-oriented environment for education. Schools charge various fees with seemingly rational excuses such as sponsorship fees, enrollment fees, subject fees, and tutoring fees. These excuses for charging extra fees have soiled the grand aim of education and deviated from the purpose of imparting knowledge and educating people.

7.3.1.2 Issues on Medical Welfare Needs

Seeing the doctor has still been a dreadful thing to many Chinese people who find it difficult and worried going to hospitals.

Firstly, resources are not fairly allocated in hospitals. Unfair distribution of resources in hospitals includes not only medical workers but also facilities. Many top hospitals are centralized in big cities. People need to wait in lines for making appointments with doctors in primary hospitals, or they need to make appointment at night. In some departments of a hospital, the appointments of the future 3–4 months are already scheduled. Many people living in impoverished remote mountainous areas do not have access to convenient medical services. Medical workers in those remote areas have low income, are badly treated, and do not want to stay there long.

Secondly, many hospitals lack considerations for their patients. In many primary hospitals, the procedure and paper work of medical treatment among relevant departments are complex; even patients make the appointments. Departments and configuration of hospitals are not scientifically designed for patients.

Thirdly, hospitals overly functioned for profits. Driven by profits, many hospitals suggest complicated examinations of many items to patients. Hospitals may prescribe expensive imported medications and later cause mistrust from patients.

Fourthly, hospitals lack medical services. The nation lacks service and nursery agencies for people with chronic disease and elders.

Fifthly, medical insurance is not ready or the medical fees are not affordable to patients as hospitals try to make too many profits. People commonly report that a few current medications can be reimbursed by medical insurance. The medical insurance will be invalid if the total cost of medications exceeds the insurance's top line. The insurance has restriction on locations of medication prescription; sometimes the insurance is just not working. Many people with chronic diseases or serious illnesses cannot afford expensive medical cost and they avoid hospitals. Meanwhile, a great amount of people do nothing with their illnesses but just wait. *The Lancet*, an authoritative medical journal, reported that there were 173 million Chinese suffering and trapped with their illnesses in 2011.

7.3.1.3 Issues on Housing Welfare Needs

China has constructed residential houses in a large scale and with no doubt will make itself one of the countries with the largest residential space per person in the world. However, housing construction has taken too much land space and resulted in quite many empty houses while keeping away people who cannot afford those houses.

Incredible high housing price stops a great amount of people from buying them. On the other hand, some people have bought many houses and used real estate as their capitals. Government exerts macroregulation policy on housing market yet not being able to control housing price and regulate the condition of accumulated empty houses. At the same time, housing policies regarding price-restricted houses, cheap houses, and scheduled houses are promulgated yet are still under development.

Houses are constructed in a large scale in rural areas. According to the experts, rural areas will build houses worth 100 million in the next 3–5 years. However, 70 % of those newly built houses will still be empty. In order to decrease the number of empty-nest houses and give elders, women, and children a complete home, we need to use every house in rural areas as a real “home.”

7.3.1.4 Issues on Social Services Needs

China has not yet been able to guarantee social services for elderly population of 131 million. By 2010, Chinese elders took up 23.4 % of elderly population in the world. Among all the Chinese empty-nest elders, 54 % of them were in cities and towns and 46 % were in rural areas. These empty-nest elders are psychologically lonely, physically need help, and are socially ignored. However, some elders

organize activities spontaneously only in some developed areas or communities or social organizations sometimes provide facilities and hold events for elders. Nevertheless, majority of elders in most places cannot secure their basic life, medical treatment, and psychological needs. Moreover, nursery and caring services for elders who are physically or intellectually disabled are seriously lacking. There is a great gap in service organizations, service funding, and service members. From the perspective of social services for elders, our elderly population has been over 100 million. According to the Civil Affairs Department, about more than 10 million medical professionals are greatly needed. The whole country has only 300,000 medical professionals and only 30,000 of them have professional certificates.

Services for disabled people. Disabled people need some accommodations that are still problematic including rehabilitation (physical and psychological health), socially integration and self-fulfillment (work and leisure), employment, community rehabilitation, and obstacle-free facilities. Social service welfare projects involving the disabled are still lacking, especially many assistance and support measures that decreased after reform of market economy. Social welfare factories are built for the disabled to involve in society yet they cannot survive from this competitive market and close up one by one. Current welfare insurance projects offered to most disabled people are low in numbers and standards. Some disabled people have been in the state of “insurance lacking.” Moreover, they confront many difficulties in their basic lives, education on rehabilitation, employment, etc., yet they are not completely shared with the fruitful achievement of reform.

Other social services for people with AIDS or chronic diseases, women, children, and people with difficulty or needs have currently not well been supported in communities.

The present condition of social work. Social work education has been available for 20 years. However, mechanism for social workers has not been well established and developed. Nowadays, while social workers are greatly lacking, a limited number of students from social work major do not choose to do social work after they graduate because the mechanism for social work is problematic. The nation does not distribute its finance to areas of social services. Social work thus lacks decent functioning mechanism. Social workers have quite low income, and scientific inquiry, job positions, and professional status are not well identified and secured.

7.3.2 Issues on the Current Welfare System

7.3.2.1 Low Coverage of Social Welfare and Inappropriate Resource Allocation

The current social welfare system does not cover the entire population, rather it excludes many residents from current social welfare insurance. Various insurances each have little coverage and some insurance only cover a small number of

population. A medical insurance system varies by urban and rural areas. Employee medical insurance can only apply to partial employees in cities yet not employees with nonagricultural residents. Even though China has claimed to build universal social welfare system, the social services provided are still restricted in elders with five insurances, impoverished population, etc. According to the report made by WHO in 2000, among all 191 countries and areas in the world, Chinese index of health cost ranked 188 or the bottom fourth. There were great gaps in terms of health cost per capital between urban and rural areas, big cities, and impoverished areas. The gaps ranged from 314 times to 617 times.

7.3.2.2 Overlaps and Omission Among Existing Social Insurance Systems

China in fact currently has various social insurance systems targeting different population groups, including the urban enterprise social insurance system, the state-owned enterprise social insurance system (consisted of civil servant social insurance system and public institution social insurance system), and the rural social pension insurance system.

Pension insurance system includes basic pension insurance, new rural social pension insurance, and urban resident social pension insurance. More insurances include migrant worker pension insurance, pension insurance for farmers who lose their lands, etc.

Moreover, due to the incoherent integration among multiple systems and bad coordination and execution, partial social members (including urban temporary employees, majority of migrant workers, and other unemployed city residents) have so far not been included into social insurance system.

7.3.2.3 Social Insurance Across Urban and Rural Areas and Being Nontransferable Across Locations

Medical insurance and pension insurance are not transferable among urban and rural locations. Thus, residents' basic welfare is influenced by these problems in the following ways: very limited amount of reimbursement on medical expenses has caused big troubles to retired persons and migrant workers cannot take their insurance when they leave their positions. The problems depend on which level where social insurance system is discussed.

Besides, each system has problems integrating with each other and there is not a unified way to regulate them. At the same time, our social insurance project system has not yet been completed; especially big gaps among universal social welfare projects still exist.

7.4 Factor Analysis of Chinese Social Policy

7.4.1 *Misguidance on Profit-Oriented Social Welfare*

Many areas of social welfare driven by market economy are invaded by market influences as they adopt approaches for profits and lost characteristics of social welfare. Basic education, basic medical health, and basic housing insurance should be basic security that belongs to social welfare for national citizens. However, overly invasion of marketization has caused chaos of value systems. Deviations in social welfare have led to insecurity of basic social rights among Chinese citizens.

Marketization of education has brought about industrialization of education, making the increase in tuition fees. Public schools set various excuses to make profits and some even functioned for profits. Students have been no longer the beneficiaries but the objects being taken advantages and exploited. Marketization of education has strangled equal opportunity for education.

Commercialization of houses under market's influence has caused marketization, commercialization, and privatization. The capitalization of houses results in disparity, such as unreasonable ownership of houses where most people live in crude houses and cannot afford other houses, while some hoard a great number of houses. Over-marketization of houses leads to the increase of housing price disproportionate to residents' income. Capital channel allows bidirections, in which both real estate agents and house buyers have profits. Houses have lost its welfare function, failed the initial intention of giving everyone a place to live, and been beyond one's affordability. To the opposite, houses become capitals for making profits. Many housing policies have went through many conflicts during the development, and difficulty in owning a house has become a problem rather since it is not resolved.

Profit orientation in medical profession encouraged hospitals to work for profiting purposes and discouraged the purpose of promoting people's health.

7.4.2 *Insufficient Investment on Social Welfare Services*

The nation has not yet paid enough attention to social welfare system construction and has insufficient investment on social welfare issues related to livelihood. The funding for social redistribution is lacking; in other words, social expense only takes a small portion of overall GDP, and social welfare offered by the nation only takes up under 12 % (Zheng Gongcheng 2008: 47).

We can clearly tell from Table 7.1 that many Western developed countries have made more than half of their expenses in social welfare after they achieved economic progress.

After the WWII, welfare has become common in Western countries by the 1990s. Public expenses in social welfare have been growing since the past half of century.

Table 7.1 Eighteen major expenses in public welfare in developing countries, 1960–1995

| Country | Year | % GDP | Year | % GDP |
|-------------|------|-------|------|-------|
| Austria | 1965 | 22.83 | 1994 | 40.12 |
| Belgium | 1960 | 20.78 | 1990 | 34.66 |
| Denmark | 1980 | 40.74 | 1995 | 44.96 |
| Finland | 1960 | 16.90 | 1995 | 43.96 |
| France | 1970 | 27.48 | 1995 | 39.64 |
| Germany | 1960 | 22.40 | 1994 | 32.21 |
| Greece | 1960 | 12.85 | 1994 | 28.24 |
| Ireland | 1970 | 24.06 | 1994 | 30.06 |
| Italy | 1960 | 23.47 | 1990 | 33.66 |
| Holland | 1960 | 18.11 | 1995 | 31.00 |
| Norway | 1970 | 25.66 | 1995 | 33.37 |
| Portugal | 1960 | 9.71 | 1993 | 30.35 |
| Spain | 1970 | 14.49 | 1995 | 33.95 |
| Sweden | 1965 | 22.78 | 1994 | 49.98 |
| Switzerland | 1960 | 12.70 | 1995 | 34.48 |
| Britain | 1960 | 17.18 | 1995 | 32.03 |
| Japan | 1965 | 12.36 | 1985 | 19.66 |
| USA | 1960 | 13.82 | 1995 | 23.10 |

Note: Crouch (1999): 482–486

The percentage of social welfare within GDP has been increasing. Most developed countries by 1990s have their 30 % of GDP or even almost 50 % contributed in public welfare.

If we analyze every item and their indices, we will find our country has put in so much less compared with other countries. In terms of education, our public education expense was lower than 3 % of overall GDP for a long time. The education expense was 1255.002 billion yuan in 2010, taking up 3.15 % of GDP. The percentage was 4 % in 2012, being lower than 4.5 % as the world average or 5 % in developed countries. In terms of medical treatment, the Chinese government has spent 480.418 billion of their social expenditures in 2010, taking up 1.21 % of GDP in that year, whereas Western developed countries, according to Table 7.2, in average had spent 5–7 % of their GDP on medical health, except for 1.06 % in the USA.

7.4.3 *Social Policies in the Neglected and Vulnerable Position*

Chinese economic development has been a key part in major national project because China has emphasized on rapid economic development. However, economic trend always followed the market. Economic development needed to blend in the international and globalized environment especially in the trend of

Table 7.2 Percentages of GDP spent on welfare expenditures in major developed countries

| Country | Year | Years of education | Health | Welfare compensation and social services | Housing |
|----------|------|--------------------|--------|--|---------|
| Belgium | 1990 | 7.68 | 6.08 | 20.91 | 1.30 |
| Denmark | 1995 | 7.29 | 5.27 | 27.47 | 1.02 |
| Finland | 1995 | 5.97 | 4.70 | 27.10 | 0.53 |
| France | 1990 | 5.35 | 7.30 | 19.55 | 3.18 |
| Germany | 1990 | 4.12 | 5.95 | 17.77 | 1.13 |
| Italy | 1990 | 4.67 | 5.41 | 17.88 | 1.17 |
| Norway | 1990 | 7.00 | 7.08 | 19.23 | 0.69 |
| Portugal | 1993 | 7.01 | 5.11 | 12.40 | 1.21 |
| Spain | 1995 | 4.17 | 5.11 | 14.86 | 2.29 |
| Britain | 1995 | 5.35 | 5.81 | 16.64 | 1.63 |
| USA | 1995 | 4.56 | 1.06 | 0.60 | 0.54 |

globalization. Globalized economy has always been following the value system of importing and investing countries and undermining protection and welfare treatment of ethnic countries. As everything else is inferior to economic development and marketization in the trend of economic globalization, development of Chinese welfare services has been in a difficult position, while the nation has not come up with clear thoughts on social welfare system. Therefore, social policies have been ignored. Social policy as a discipline so far has been through in a tough process and in a disadvantaged position comparing with other disciplines such as economics and finances when construction of social welfare system does not have macro ideology system on its development.

7.4.4 Absence of Public Participation in Formulating Social Welfare System

Current welfare policy-making process is problem oriented as previously discussed. Decision-making process involves governmental department of different levels and areas and opinions from experts. The decision-making process does not include opinions and participation of welfare beneficiaries and lacks the channel to receive opinions and feedback from the beneficiaries.

The problem will occur if the public's opinions cannot be sent to appropriate places or not answered. Social policies are directly related to social stableness.

7.5 Strategic Choices on Completing Social Policy System and Innovating Social Governance System

7.5.1 Identification of Strategic Roles on Social Policy

Social policies involve redistribution of national wealth. Thus, social policy development is a necessary consequence as economic development reaches to a certain phase. Social policy not only has the above functions but also has its social significance and political potentials. Social justice is a core of social policy. The purpose of economic development is to improve people's well-being. Social justice aims to enhance social coherence and unity among all social classes.

7.5.2 Basic Social Rights Protect Citizens

A society of justice works for people-oriented services and humanized development. All development, innovations, and reforms cannot leave out "people." "People" is the starting point and the purpose. Therefore, protecting citizens' basic social and living rights is a fundamental principle a country has. The core content of social policies is to improve people's and society's well-being. The current substance of social welfare in China is citizens' basic social rights, which include not only social insurance but also basic education, health, housing, pension, etc. Social welfare serves children, women, elders, disabled, and all citizens.

At the beginning of the Reform and Opening Up, Deng Xiaoping said that part of people should get rich first. However, he also said socialism suggested prosperity among all people. In other words, it is the basic socialism principle to protect every citizen from having their rights.

7.5.3 Design Long-Term Plans and Perfect the Top Design of System

Setting up the national social welfare system should focus on top design with the perspective of global and long-term plans. Moreover, integrated systematic framework of national social security should be coordinated with diverse systems in various places and many aspects during the process of reform. On the one hand, diverse system modes are allowed depending on local conditions; on the other hand, diversity of systems in different places should be in accordance with the unified basic system in the national framework and consistently adjust themselves into the nationally unified system along with their own system development.

7.5.4 Increase in Social Expenditure and Enhance Transfer Payment

The nation should increase the portion of social welfare expenditure, improve and complete national taxation system in order to secure certain weight of social expenditure, and enhance transfer payment. The action of national regulation and transferred income allocation would meet people's basic welfare needs with more financial expenses. Wealth allocation and transfer should be reinforced by the central government on the levels from the central government to local areas, from eastern to western areas, and from urban to rural areas. The weights and responsibilities of the central government and local government should be specified in organizations of central, provincial, regional, district, town, and other levels.

7.5.5 Specification on Major Responsibility of the Central Government

The basic principle of specifying a unified construction of social welfare in China is to insist on regulating national strategy of social welfare development, focusing on the top design of social welfare system, fulfilling motivation of the central and local governments. The central government should play a dominant role in designing the top level of overall system rather than passively wait for unorganized exploration. The central and local governments' responsibilities should be formulated by the system yet not informal and systemized approaches varied by conditions³.

Systematically, the national management network of social welfare and relevant areas should be established along with the funding sponsorship system for social welfare overseen by mainly the central government and support from local governments.

7.5.6 Integration of Social Welfare Systems

We should realize the long-term significance of integration development of the social welfare system theoretically and practically. In order to have an integrated social insurance system, China should (1) have unified plan on national social insurance development, (2) improve regulating the level of current social insurance system quickly and enhance system management system in China, (3) pay attention to coordination of current various social insurance systems (such as between urban and rural areas), and (4) gradually enhance unity of various social insurance

³Guan Xinping: 2011, discussion on significance and relevant policies about unified construction of social insurance system in our country.

systems on the basis of system regulating and unified management. Overall, a social insurance system of unified regulation, consistence, and unified management should be established in the nation.⁴ Of course, it is difficult to achieve integration of social welfare system at once rather than taking steps.

7.5.7 Social Welfare System Should Satisfy People's Basic Needs

Social welfare should cover everyone and satisfy people's basic needs in housing, education, and medical treatment. The social insurance system particularly should be unified and cover all residents.

Housing system: allowing houses come back to its original principle—residents all have their own houses. The principle should be insisted rather than to allow housing price changes by the law of market so that some people accumulate houses for their own benefits.

Medical health system: in order to ensure basic health conditions of residents, basic and quality medical health services should be available for citizens to deal with the problem of not getting medical services and secure residents' basic rights in getting medical services. It aims to provide basic medical health, health care, and rehabilitation services to elders, disabled, people with chronic illnesses, and all other residents. Moreover, we should reject harmful food, secure clean and healthy environment, and make sure citizens to be physically and psychologically healthy.

Education system: to secure basic rights of compulsory education, learning conditions including faculty members and education facility for students in remote areas, and equality, fairness, justice.

7.5.8 Establish and Perfecting Social Service System

While perfecting income security system, we should integrate various social insurance items, cover all citizens, and establish and perfect social service system.

Establishing social service system is for elders in order to allow them to participate in society by living in their communities. Elders should have their own interests and habits and groups they belonged to. They can contribute their remaining energy, secure their lives, receive treatment when they are ill, receive care and psychological comfort when they need it, secure their physical and psychological health, and enjoy their later life.

Positive conditions for physical rehabilitation, psychological health, community participation, and self-fulfillment should be built for disabled people. Rehabilitative

⁴Guan Jinping (2011).

mechanism should be established, and barrier-free facilities should be completed in a community for disabled people.

Appropriate social system, such as psychological and physical rehabilitation and basic services and insurance, should be built for every patient who has chronic illnesses, including mainly ill and AIDS.

The rights of women, children, employment of women, and health of women and children should all be secured. Moreover, welfare for preschool children should prevent teenagers from dropping out of schools and committing crimes in order to let them grow healthily.

We need to secure the development of public services, basic living needs of the public, and physical and psychological needs; improve libraries, entertainment, fitness, and cultural facilities; promote health conditions; and secure convenience and safety of basic facilities including transportations and roads.

Public service and social services should be provided in rural areas. As the nation is enlarging its domestic demand, social welfare service and facility construction should secure its fairness. The big gap between urban and rural on social services and welfare should be fixed step by step. Social services and facility standards can be established by national regulation. National wealth and resources can be redistributed from developed areas and cities to rural, impoverished, and remote areas in order to make sure that urban and rural residents all have the same social welfare services.

Basic services should be provided to the entire population that are in need for their convenience and satisfy residents in their communities.

Experience from developed countries and areas should be borrowed and used in terms of places for social work positions including various social governance and public service departments, social welfare, social assistance and social work-concentrated areas, communities, social public welfare organizations and nongovernment social communities, and so on. We as well need to complete social work professional system, set up payment standards for social workers, and perfect evaluation mechanism for social work.

7.5.9 National, Social, Entrepreneur, Community, and Familial Responsibilities

Except for basic social rights for protecting residents, the nation has to regulate macro-plans and concrete rules on social policies. The nation should regulate wealth and resources and establish evaluation mechanism.

However, the nation is not omnipotent to deal with everything. The government should adopt available resources and maneuver positive factors for constructing social welfare services. Moreover, the nation should initiate social power; organize social energy into social services; fulfill the function of social organizations, social enterprises, social power, families, and volunteers; establish scientific working

mechanism; explore effective, organic, motive, energetic organizational framework; organize resources reasonably, fulfill motivations of all departments; and explore social welfare supply and the best combination of social welfare supply and residents' welfare insurance.

7.5.10 Establish Scientific Social Welfare Policy-Making and Evaluation Mechanism

Government's policy-making is designed toward people's needs and is to set up standards and laws based on the public' opinions. The social policy-making requires participation of the nation, social organizations, employers, employees, and customers; it as well needs expert teams to complete the process of policy design, investment, production, and evaluation. Government chooses to serve target populations and provides the most effective services fairly and equally with participation of various service providers. Evaluation was made by professional academies and associations together with the customers' evaluation on the services.

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