

# Problems of Post-Communism

**Yeltsin's  
Window  
to the East**  
**Russia and the  
Korean Peninsula**  
Charles Ziegler



---

## *Is Russia Really a Federation?*

**The Political Economy of Russian Federalism** Steven Solnick  
**Russia's Governors: All the President's Men?** Marc Zlotnik

---

## **Economic Growing Pains**

**Social Reaction to Reform in Urban China**  
Wenfang Tang & William Parish

**Land Reform and Farm Restructuring in Russia**  
Zvi Lerman and Karen Brooks

**Political Lessons of Economic Transition in Central Europe**  
Adrian Basora



# Social Reaction to Reform in Urban China

Wenfang Tang and William L. Parish

In China, market reform did not increase popular desire for democracy. In fact, the massive urban demonstrations in 1989 were triggered mostly by the fear that reform was going too fast. Although Chinese urbanites enjoyed the newly available consumer goods, they were deeply divided and unable to identify the sources of the negative consequences of reform.

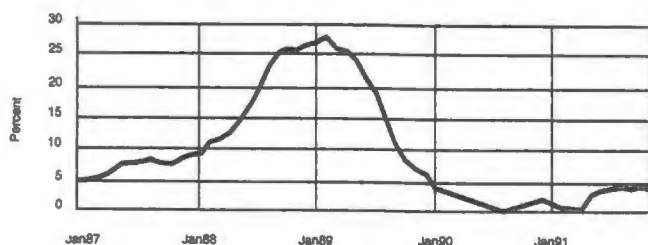
China's transition from a centrally planned economy has not been easy, in part because of the resistance of those with a vested interest in the old system. Central planning benefited not only party bureaucrats but also the broader population. Urban residents, for example, received heavy subsidies, allowing them to enjoy full employment, job security, and enviable welfare benefits. By threatening to end these benefits, market reform created its own enemies.

Unlike those in other state socialist societies, Chinese reformers adopted an incremental approach to urban reform. While encouraging market development in consumer goods, labor mobility, capital flow, raw materials, information technology, and real estate, overall central planning was reduced only slowly. In some areas, planning was even enhanced.<sup>1</sup> Price reform was perhaps the most socially and politically sensitive of the potential reform measures. The investment drive under soft budget constraints combined with the limited relaxation of price controls led to continuing price increases. (See *Figure 1*.) Between August 1988 and June 1989, the officially reported annual rate of increase in retail prices was more than 20 percent—the highest since 1950. This increase may seem unexceptional to those accustomed to market fluctuations, but it caused tremendous fear and panic among Chinese urban residents, who had experienced little price change in three decades and had suffered a drop in real incomes as inflation outpaced wage increases. In response to popular fear, leaders introduced economic austerity, slowed economic decentralization, and resumed price controls.

Popular dissatisfaction over price increases was intensified by bureaucratic corruption. Economic legislation and legal reform could not keep up with the newly granted freedom and decentralization. Legal and administrative loopholes allowed bureaucratic profiteering

WENFANG TANG is an assistant professor of political science at the University of Pittsburgh. WILLIAM L. PARISH is professor of sociology at the University of Chicago.

Figure 1. Monthly Retail Price Change in China



Source: *Price Yearbook 1988-92* (China Statistical Publishing House).

and embezzlement of public funds and properties. Frustration and resentment were common among urban residents, who had few opportunities to profit themselves.

We used data from seven national public opinion surveys to examine social reaction to reform in urban China. Covering the period between 1986 and 1992, these surveys contain data from 16,450 respondents in forty Chinese cities. We examined the degree of popular dissatisfaction with many aspects of urban life and the determinants of this dissatisfaction. We also looked at the amount of support for reform and how this support changed over time. Finally, we examined the dynamics shaping popular support.

## Gauging Support for Market Reform

**Democratization and Market Reform.** Unlike in Russia and Eastern Europe, the reform process in China has been characterized as rapid marketization, but slow democratization. Many analysts have focused on the close linkage between political democratization and market capitalism. On the philosophical level, democracy and market economy share similar ideas, including individual rights, liberty, and competition.<sup>2</sup> This direct linkage between democracy and the market is also supported by empirical evidence that all democratic societies have a market economy.<sup>3</sup> Historically, markets typically developed before democratization, and the emergence of a bourgeois class under capitalism was an important precondition for democracy.<sup>4</sup> In China, then, market capitalism should have a spillover effect on democratization. As market reform continues, urban residents should press for more democracy.

While our survey data do not allow us to examine the relationship between democracy and the market at the institutional level, we can look at this relationship at the individual level by examining changes in individual desires for political freedom and democratic rights over

time and under varying conditions of market reform. As market reform progresses, according to the above argument, the desire for political rights should also grow.

**Economic Conditions.** Studies of voting behavior in Western democracies have shown that economic conditions are directly related to voting decisions. When the economy is performing poorly, people vote against the incumbent party.<sup>5</sup> Further, a decision is based not on a voter's pocketbook but on economic conditions at the national level.<sup>6</sup> In Western Europe, this is because the "pocketbook effect" is greatly weakened through collective economic performance evaluations.<sup>7</sup> In a study of reform in Russia, Raymond Duch found that support for reform and change was high when evaluation of national economic condition was negative.<sup>8</sup> This finding suggests that the pocketbook effect is also weak in post-socialist Russia. People voted for reform even when their pocketbook was in deficit.

While we recognize the influence of economic conditions on popular support of reform, the above theories may not apply to urban China for two reasons. First, long-time job security, income equality, and welfare benefits encouraged citizens to rely on the government for their material well-being. In return for giving up some freedom, the individual under state socialism demands more economic protection by the state. This tendency is reinforced by family-style politics in Chinese political culture. When deteriorating economic conditions prevent the state from delivering promised services, citizens blame the state. Second, a negative evaluation of economic conditions does not always generate support for reform, as it did in Russia. It may do so in the initial stage of reform, when people attribute the bad conditions to the old system of central planning. When reform is well under way, however, negative evaluation of economic conditions may be based on the belief that reform caused too much deterioration. If this happens, support for further reform may decline.

**Ideological Tendencies.** Another body of literature suggests that socio-economic development nourishes political consciousness. Citizens demand change and reform as urbanization, education, media exposure, income and living standard, and occupational status rise.<sup>9</sup> Political modernization also cuts across political systems. Whether in a socialist or a market system, improving citizens' education and occupational status and widening experience through travel, jobs, and the media lead to psychological independence, increasing aspira-

tions, and dissatisfaction with the old system.<sup>10</sup> These tendencies can produce two different types of support for reform: a stable, ideological support for reform among those exposed to more “modern” conditions and, among all others, a fickle support that waxes and wanes depending on current economic conditions.

**Winners and Losers.** Studies of reform in Russia found that the young, the educated, males, workers in non-traditional sectors, and people in economically more developed regions were more likely to support free-market reform and political democratization.<sup>11</sup> Those who benefited from the old system were less likely to support reform.<sup>12</sup> In China, younger people can be expected to be more supportive of reform than their elders, since they tend to be more adventurous and have less to lose. Education increases an individual’s contact with the Western concepts “democracy” and “capitalism” and should increase support for reform. Because men generally have more education, higher income, and more prestigious jobs than do women, males are more likely to support reform. Party members obviously have a

***Because men generally have more education, higher income, and more prestigious jobs than do women, males are more likely to support reform.***

vested interest in the old system and, thus, should not be expected to support reform; however, since party membership is highly correlated with education and occupational prestige, this relationship is more complicated than it appears.

Occupation is another interesting but complex category. The probable attitude of administrators and professionals is not immediately apparent. They are not only the beneficiaries of the old system, but are also highly educated. Similarly, service workers both lose and gain from reform. In Russia, the service sector resisted reform because it previously used informal channels to benefit from the shortage economy.<sup>13</sup> Nevertheless, this sector also suffered from underinvestment, low pay, and low job prestige. Market reform should provide ample opportunities for this sector to profit. Students are likely to support reform since they have tended to be radical throughout modern Chinese history. The private sector can be expected to support reform because it was created by reform. Retirees and the unemployed are likely to be anti-reform. These people are

dependent on welfare and government-provided security, which is likely to diminish during reform. Finally, workers are also likely to be anti-reform. Industrial workers were protected and privileged under central planning. Market competition is a direct threat to them, particularly to blue-collar workers.

These statements point to four expectations for Chinese reform. First, desire for democratic reform should increase under market reform. Second, unlike in Russia (as shown in some studies), support for reform will be low in urban China under deteriorating economic conditions. Third, support for reform is based on ideological commitment, material benefit, or both. Fourth, winners support reform more than losers.

## Satisfaction with Reform

Table 1 depicts popular dissatisfaction with fifteen different aspects of reform. These issues are grouped into four categories: welfare and security, government credibility, economic opportunity, and individual political freedom. Overall, the dissatisfaction with these issues—particularly price increases and bureaucratic corruption—peaked between October 1988 and May 1989. In May 1989, after price increases peaked (see Figure 1) and bureaucratic profiteering went wild, almost every urban resident (more than 90 percent) expressed dissatisfaction over these two issues. Dissatisfaction over price increases was pervasive throughout this period. In May 1987, when monthly retail price increases were under 10 percent, more than three-quarters of the respondents were dissatisfied. In November 1991, when monthly retail price increases dropped to below 5 percent, 63 percent of respondents were still very concerned with price increases.

Besides concern over prices and corruption, urban residents were most concerned with the threat to their privileges and security. Half or more of urbanites were concerned over losing subsidized medical care and housing and the potential decrease of urban income compared with rural income. One exception in this category is consumer goods supply. Market reform successfully quieted concerns in this area. By November 1991 only 16 percent were dissatisfied with the consumer goods supply.

Government credibility suffered almost as much as welfare and security. While almost everyone resented bureaucratic profiteering, the reputation of the Chinese Communist party declined rapidly. In the early stage of reform, less than half the people were dissatisfied with the party. That number increased to 72 percent in May

Table 1

**Dissatisfaction with Reform** (Percent dissatisfied, weighted)

	May 1987	October 1987	May 1988	October 1988	May 1989	October 1989	November 1991	Average	Factor loading
<b>Welfare and security:</b>									
Price stability	78	83	91	93	92	82	63	83	.59
Housing	47	51	48	48	57	55	52	51	.52
Medical care	34	37	44	53	66	63	54	49	.57
Income level	33	40	52	54	57	52	45	47	.70
Consumer goods supply	28	43	50	54	44	33	16	38	.59
<b>Government credibility:</b>									
Social atmosphere (corruption)	65	70	79	86	91	86	84	79	.71
Communist party	40	45	55	65	72	60	54	55	.78
Rule by law	21	22	39	47	75	66	61	45	.72
Government efficiency	29	33	39	48	64	52	49	43	.78
<b>Economic opportunity:</b>									
Income opportunity	26	30	36	40	48	48	44	38	.64
Job freedom	27	28	29	32	40	40	36	33	.76
Use of talent	22	23	26	31	37	36	34	29	.78
Job satisfaction	19	20	22	27	29	28	23	24	.72
<b>Individual political freedom:</b>									
Political rights	8	8	12	16	26	21	16	15	.86
Freedom of speech	8	7	9	14	24	20	13	13	.86
N	2,741	2,542	2,676	2,109	2,062	1,901	2,326	16,357	

Note: Factor loadings are based on principal-component factor analysis. The eigenvalues are 1.78 for welfare and security, 2.22 for government credibility, 2.11 for economic opportunity, and 1.45 for individual political freedom.

1989 and remained quite high at 55 percent in November 1991. The decline of government credibility was also related to the lack of rule by law. This concern increased from only 21 percent in early 1987 to 75 percent in mid-1989, and stayed high at 61 percent in late 1991. Similarly, after October 1988 more than half the respondents thought that the government was inefficient.

Surprisingly, Chinese urban residents were openly critical of the government, the party, and the bureaucratic system, and this critical attitude was not suppressed by authorities. We do not know, however, whether this critical attitude was constructive or destructive. In other words, we do not know whether people found fault with the party-state in order to improve its leadership, or to overthrow it.

Economic opportunity was less of a problem than financial security and government credibility. On average, less than half the respondents were dissatisfied with income opportunity, job mobility, use of talent, and job interest. One possibility, of course, is that the increased opportunities for job mobility under market reform had begun to have an effect.

Finally, there was an unexpected level of satisfaction with individual political freedom. As mentioned above,

under market reform and the opening of China to the Western world, urban residents might have developed a strong demand for political rights. Our findings suggest, however, that political freedom was low on their list of priorities. In 1987 less than 10 percent of urbanites were concerned with political rights and freedom of speech. Even at the highest level in mid-1989, only about a quarter were dissatisfied with their political rights and with their degree of freedom of speech. By late 1991, less than 20 percent desired more political rights and freedom of speech. Although this might lead one to question whether the respondents were under political pressure during the surveys, this seems not to be the case if one considers the highly critical attitudes by the same respondents about the government and the Communist party in the same surveys.<sup>14</sup>

## Who Was Satisfied?

To determine the type of person satisfied with each type of reform program, a multivariate analysis is necessary. In our analysis, shown in Table 2, we included age, gender, education, income, party membership, occupation, geographic region, and time. The advantage of the

Table 2

## Satisfaction with Reform (Ordinary least squares, unstandardized regression coefficients)

	Security & stability	Government credibility	Economic opportunity	Political freedom
Age (17-80)	.009**	-.003**	.008**	.007**
Female	-.02	.01	.01	.12**
Education (1-5)	-.11**	-.17**	-.15**	-.11**
Family income (1-9)	.05**	.01*	.02**	.01**
Party member	-.01	-.14**	.00	.09**
Occupation:				
Professional/technical	-.04	-.15**	-.07**	-.10**
Administrative/managerial	.03	-.20**	-.02	.01
Clerical (administrative)	-.03	-.20**	-.05*	-.13**
Clerical (firm)	-.12**	-.30**	-.16**	-.04
Service/sales	.03	.05	.12**	-.02
Skilled worker	-.05*	-.05*	-.03	-.02
Unskilled worker (comparison)				
Private sector	.19**	.02	.32**	-.06
Retired	.18**	-.02	.02	.04
Unemployed	.01	-.00	-.08**	-.03
Student	.07	-.17**	-.00	-.07
Other	-.13**	-.07	-.25**	-.11
Regions:				
Beijing (comparison)				
Tianjin	-.05	.01	.03	.14**
Shanghai	.26**	.41**	.21**	.28**
Guangzhou	.30**	.06	.33**	-.05
East	-.07*	-.10**	-.01	.10**
Central	.10**	-.18**	.15**	.07*
Northeast	-.07*	-.20**	.19**	.18**
South central	-.15**	-.14**	-.10**	-.02
North central	.02	-.18**	.03	-.03
Northwest	-.03	-.26**	.08	.03
Southwest	-.06	-.15**	-.04	-.02
Time of survey:				
May 1987 (comparison)				
October 1987	-.26**	-.14**	-.12**	.01
May 1988	-.56**	-.52**	-.29**	-.15**
October 1988	-.65**	-.73**	-.42**	-.33**
May 1989	-.49**	-1.04**	-.56**	-.70**
October 1989	-.21**	-.70**	-.40**	-.47**
November 1991	.21**	-.61**	-.31**	-.20**
_cons	.13	1.32**	.34**	-.04
Adj R <sup>2</sup>	.16	.22	.15	.14
N	15,822	15,860	15,660	15,881

\*\*p&lt;.01; \*p&lt;.05; #p&lt;.10 (two-tailed)

multivariate analysis is that the influence of one variable can be examined while holding the other variables constant.

Because it is tedious to do a multivariate analysis on each of the fifteen items in Table 1, the items in Table 2 are grouped into a smaller set of factors. We conducted a factor analysis for the items under each of the four categories in Table 1. The relatively high factor loadings under each category (*last column of Table 1*) and the high eigenvalue (greater than 1) indicate that the issues in each category do have significant common

identity. Price stability, housing, medical care, income level, and consumer goods suggest individual opinions about economic welfare and security. Corruption, the Communist party's work style, rule of law, and government efficiency are all reflections of attitudes toward government performance, or government credibility. Opportunities to increase personal income, job mobility and freedom, capacity to utilize individual talents, and job satisfaction indicate economic opportunities to improve financial and employment conditions under reform. Political rights and freedom of speech are related

to the notion of individual political freedom. Through factor analysis, we reduced the dissatisfaction measures from fifteen to four and thus greatly simplified the multivariate analysis. We reversed the scales of the four factor scores so that the high values indicate more satisfaction.

**Age.** Age was positively related to satisfaction with welfare and security, economic opportunity, and political freedom. This was hardly surprising, in part because older people adjust their expectations. Older people already had better welfare benefits and more income. They were likely to be more experienced and better connected socially and politically and to feel that they had more opportunity and freedom in life compared to younger people. Younger people seemed to be slightly more dissatisfied with the lack of welfare and security than with new-found economic opportunities and politi-

***Under market reform, while welfare benefits were still guaranteed for older employees, the young increasingly had to live in relative uncertainty.***

cal freedom. Under market reform, while welfare benefits were still guaranteed for older employees, the young increasingly had to live in relative uncertainty. While older workers still enjoyed life tenure, the recent labor contract law required newly recruited workers to sign time-limited employment contracts. What we did not expect, however, were the widespread negative feelings about government credibility among older people. In a separate analysis (not shown), we found that the relationship between age and government credibility was curvilinear. The most dissatisfaction came from the 46–65 age group, and the next from the 26–45 age group, while those below 25 and above 65 tended to have a more favorable impression of government performance.<sup>15</sup> Perhaps people between the ages of 26 and 65—the most active years of their career—were more aware of the corruption in the bureaucratic system and were more disgusted by it.

**Gender.** While there was no statistically significant difference between women and men with respect to welfare/security, government evaluation, and economic opportunities, men were more dissatisfied with the levels of political freedom than were women. Since education, income, and occupation are controlled in the same analysis, there must be another dimension to gender that

explains the differences: Possibly politics is traditionally a more popular topic among men than among women. It was somewhat unexpected that we did not find a clearly negative attitude among women toward welfare benefits. Social services in Chinese cities were long neglected under central planning. Women had to play the dual role of handling household chores and paid work, with inadequate services to ease the burden.<sup>16</sup> This situation was exacerbated by reform, which eliminated several limited administrative measures to protect women's benefits, including maternity leave, equality in recruitment, and equal pay.<sup>17</sup>

**Education.** The educated were dissatisfied with everything.<sup>18</sup> Education, particularly higher education, was still a privilege for Chinese urban residents. Entrance examinations for reputable high schools and colleges were highly competitive. The feeling of elitism among the educated had been strong ever since the time of the imperial examination system. This feeling of superiority suffered when the winners during reform increasingly seemed to be bureaucratic profiteers and uneducated street vendors. The difficulty in swallowing this bitter reality may have contributed to the overall dissatisfaction among the educated. This finding is also consistent with the stronger resentment among the educated regarding economic opportunity and government credibility.

**Income.** As one would expect, income increased satisfaction with welfare/security, government credibility, economic opportunity, and political freedom. The effects on welfare and opportunity were particularly pronounced.<sup>19</sup>

**Party Membership.** Party members were neutral in their evaluation of welfare and security and economic opportunities. They expressed more satisfaction with political freedom, which may be a reflection of the dominant position held by the Communist party and the privileged political rights granted to its members. The most noticeable deviation among party members, however, was their strong negative feelings about government credibility based on ideology and practicality. Ideologically, party members resented the corruption and greed in government. Practically, party members might have felt threatened under political decentralization, which aimed at separating the party from the state and the reduction of the party's interference in administration. Without party leadership, members might challenge the

legitimacy of the government. Finally, the increasingly critical attitude among party members may also have been the result of the increasing level of education among party officials during reform.

**Occupation.** We used unskilled workers as the comparison group. The coefficients for other occupations, whether positive or negative, statistically significant or not, are all relative to unskilled workers. The responses varied greatly among the occupational groups. Professionals were dissatisfied with everything, although dissatisfaction with economic security was not statistically significant. This group was similar to the educated strata. Indeed, when education was removed from the analysis, professionals behaved the same way as did the educated (not shown). Administrators and enterprise managers were particularly dissatisfied with government credibility. Retirees indicated more satisfaction with economic security than did workers. The early retirement program provided them with security and continued material benefits.<sup>20</sup> People in the private sector were quite content with reform; they expressed the strongest feeling of satisfaction with the new economic opportunities. They also seemed to be quite satisfied with their welfare and security and complained little about government credibility or political freedom.

Those in the service sector liked the newly created economic opportunities. Their feelings about economic security, government credibility, and political freedom were similar to the sentiments of unskilled workers. Both government clerical workers and enterprise white-collar clerical workers were more resentful. They were particularly dissatisfied with government efficiency. Skilled workers, feeling the threat of losing privileges they had enjoyed under the old system, were more dissatisfied with welfare and government efficiency than other blue-collar workers.<sup>21</sup> The unemployed and "other" workers (mostly rural migrant workers) who did not have stable jobs were frustrated with the lack of economic opportunities. "Other" workers, lacking an urban household registration, were also dissatisfied with welfare benefits and economic security. Students, who did not have an immediate stake in economic life, were more critical of the government and demanded more political freedom (although the latter was not significant). Blue-collar workers seemed to have a middle level of satisfaction with economic security, government efficiency, and economic opportunity. Like most other occupational groups, they did not seem to be concerned with political freedom.

**Geographic Region.** Beijing is the comparison group here. Residents in eastern, northeastern, and south-central China were more dissatisfied with welfare and security than the rest of the country, while those in Shanghai, Guangzhou, and central China were more satisfied than others. Satisfaction was related to economic instability and uncertainty in the east and northeast, and in the south-central region satisfaction was related to the low level of development and the lack of welfare services. Shanghai residents gave the highest rating to the reliability of their government. Government credibility seemed to suffer more in other regions than in the four largest cities, suggesting that there is more bureaucratic profiteering in cities less controlled by the center. Guangzhou residents were the most satisfied with economic opportunities under reform, although Shanghai, central, and northeastern regions appear to offer better opportunities than other regions. The south-central region, already less developed, was lagging behind. Respondents in Tianjin, Shanghai, and the eastern, central, and northeastern regions were more satisfied with political freedom than other regions. Overall, Tianjin, Shanghai, and Guangzhou residents showed the highest satisfaction.

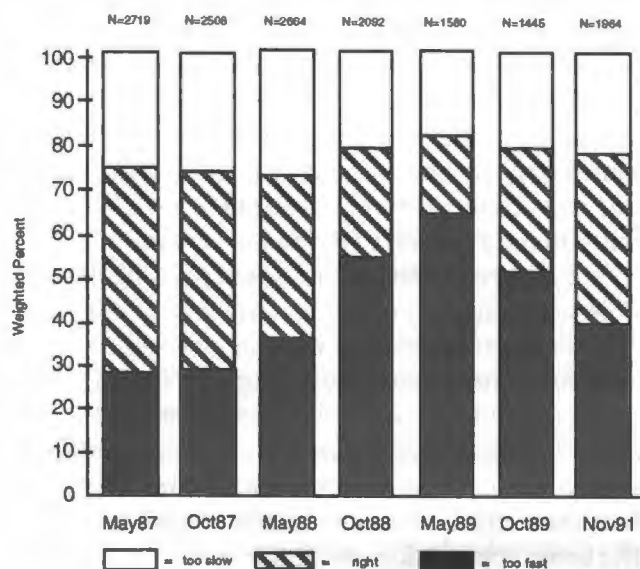
**Time of Survey.** The findings of Table 1 are repeated in the multivariate analysis. Between late 1988 and mid-1989, the popularity of reform plummeted. Government credibility suffered a record low rating in May 1989. This is consistent with popular support of anti-government demonstrations in urban China during that period. By the end of 1991, the only area where popular satisfaction improved was welfare and security—perhaps a likely result of the government's austerity policy. In general, Chinese urban residents were satisfied and supportive of reform in the beginning but became disappointed over time.

## How Much Support?

Satisfaction might not necessarily lead to support for reform, especially if people were satisfied by housing subsidies, health benefits, and other aspects of the old socialist system that at least provided a stable safety net. One question repeated in all seven surveys was "What do you think about the pace of urban reform?" The respondent could choose among "too fast," "just right," and "too slow." "Too fast" implies an anti-reform attitude; "just right" implies a supportive attitude toward current reform; and "too slow" implies strong support



Figure 2. Is Reform Too Slow, Just Right, or Too Fast?



for faster reform and dissatisfaction with the current pace of reform.<sup>22</sup>

We used the term *reform* in its broad definition. One component of reform was improving economic efficiency. Reform programs related to achieving this goal included relaxing central planning, developing market exchange and competition, reducing egalitarianism in income distribution, separating power between the Communist party and the state, decentralizing decision-making from the central government to the provinces, expanding enterprise autonomy, hardening budget constraints, reducing subsidies at individual and enterprise levels, implementing labor contract and bankruptcy laws, and increasing economic opportunities for the non-state sector. Another aspect of reform was political democratization, although China had been widely criticized for moving too slowly in this direction. These programs included reducing the role of the official socialist ideology while increasing freedom of belief, developing a legal framework, strengthening government efficiency, improving the Communist party's popular image, and curbing bureaucratic corruption. These reform programs had been widely discussed in the Chinese media, and some have been implemented.

An average Chinese urban resident should have a general idea about the meaning of reform. One drawback of this measure of support for reform is that it provides no response category for people who were less concerned with the speed than with the design of reform. It is unfortunate that the surveys were not designed to distinguish between the two types of responses.

In the early stage of urban reform, overall support was strong and anti-reform sentiment was relatively weak. In both May and October 1987, only a little more than one-quarter of the respondents thought reform was proceeding too quickly. About 50 percent thought the pace was just right, and the rest thought it was too slow. (See Figure 2.) By May 1988, a few months after double-digit retail price increases, anti-reform sentiment rose, and less than 40 percent of the respondents said the pace was just right. By October 1988, more than half the respondents thought reform was going too fast. In May 1989, at the height of inflation and socio-political tension, the anti-reform attitude peaked, and only 18 percent of the people thought the pace was just right. This is a surprising finding. In the West, the spring 1989 urban demonstrations were attributed to an urban population impatient at the slow pace of reform. Our finding suggests the opposite. More social tension was created by resentment of the uncontrollable pace of reform. This resentment continued during October 1989 when more than half the people believed reform was too fast. Although anti-reform feelings cooled off somewhat by November 1991, support for reform was not quite as high as five years earlier.

Over time, most of the variation was between "just right" and "too fast." The percentage of "too slow" responses (support for reform) was relatively stable over time, varying from a low of 17 percent to a high of 25 percent in October 1987. It stayed at around 25 percent between May 1987 and May 1988. When external economic conditions deteriorated, it dropped by a few percentage points but remained fairly stable through the most difficult times. This relative stability suggests that the strong support for reform among a small group of people was not easily influenced by changes in external economic or political conditions.

## Sources of Support

Next, we identified the characteristics of reform supporters. In addition to the items in Table 2, it was also necessary to examine the effect of dissatisfaction on one's support for reform to determine whether dissatisfaction leads to support for or opposition to reform.<sup>23</sup>

The "too slow" group in Figure 2 was clearly different from the rest. About one-sixth to one-fifth of the total sample consistently said "too slow" over time, regardless of changing inflation rates. The remaining respondents wavered depending on external conditions. In this type of situation, it is appropriate to use a three-way

multinomial logit analysis where the "too slow" and "too fast" groups are compared with "just right." The coefficients in Table 3 are relative risk ratios. These ratios are the type of intuitive coefficients that most readers are accustomed to reading about in popular reports of medical research (e.g., in claims that cancer risk is doubled if you smoke or is less than half if you eat broccoli every day). Specifically, if the risk ratio is 1, your chances of wanting faster or slower change is unaffected by a background condition. If the risk ratio is 2, your chances are doubled. If .5, your chances are halved.

A clear indication of support for reform was when "too fast" was less than 1 and "too slow" greater than 1, such as with education. Similarly, a clear case of anti-reform was shown when "too fast" was greater than 1 and "too slow" was less than 1, such as in October 1988. "Just right" was the response if both are less than 1, such as in Guangzhou. Opinions within a subgroup were divided if both "too fast" and "too slow" were greater than 1, indicating both that the subgroup was generally unhappy and that it was divided internally between one opinion that change was too fast and another opinion that change was too slow.

There were four major sets of responses. One set of responses was the relatively straightforward praise of reform. This set of people included those who were more educated (of those holding a college degree, 88 percent more support reform than non-college educated), had more income, or worked in professional and administrative jobs, in sales and service jobs, and in the city of Tianjin. The strong effects of education and white-collar occupations suggest that this is the "ideologically committed" group who consistently said reform was going too slowly. (See Figure 2.) This was all fairly predictable.

A second set of responses was not quite so simple. These were the "complacent" and the "fence sitters"—people who said things were neither too fast nor too slow. Unlike the "too slow" group, this group indicated a modest support for reform with no commitment for further support. Unsurprisingly, these included the elderly and women, and just about everyone in the initial months of reform. Surprisingly, it also included people from Guangzhou, one of the more rapidly reforming and more successful cities. The "just right" response for this group may well reflect the success of policies in this region, aided no doubt by close proximity to Hong Kong and considerable investment from abroad. When age and education were kept constant, students only offered

Table 3

**Support for Reform**  
(Multinomial logit analysis, relative risk ratios)

	Reform is:	
	too fast	too slow
Age (17–80)	0.992**	0.991**
Female	0.894**	0.768**
Education (1–5)	0.913**	1.216**
Income (1–9)	0.992	1.031*
Party member	1.022	1.016
<b>Occupation</b>		
Professional/technical	0.972@	1.149@
Administrative/managerial	0.818@	1.328**
Clerical (administrative)	0.964@	1.151@
Clerical (firm)	1.068	1.185
Service/sales	0.801*	1.238*
Skilled worker	1.016	1.071
Unskilled worker (comparison)		
Private sector	0.889	1.095
Retiree	1.016	1.133
Unemployed	0.898	0.900
Student	0.608*	0.852
Other	0.881	0.741
<b>Regions</b>		
Beijing (comparison)		
Tianjin	.663@	1.686**
Shanghai	1.312#	1.096
Guangzhou	0.347**	0.504**
East	1.287*	1.100
Central	1.080	1.033
Northeast	1.308*	0.950@
South central	1.077	1.139
North central	1.123	1.011
Northwest	1.063@	0.792
Southwest	1.176	1.013
<b>Time of survey:</b>		
(May 1987 as comparison)		
October 1987	0.932	0.876#
May 1988	1.390**	0.917@
October 1988	2.849**	0.755**
May 1989	4.769**	0.912@
October 1989	2.535**	0.773*
November 1991	1.566**	0.664**
<b>Dissatisfaction with:</b>		
Security and stability	1.174**	1.206**
Government credibility	1.120**	1.363**
Economic opportunity	1.064*	1.260**
Political freedom	1.046#	1.215**

N=14,272

Pseudo R<sup>2</sup>=0.08

Outcome speed = "just right" is the comparison group.

\*\*p<.01; \*p<.05; #p<.10; @ p<.10 (if "too fast" or "too slow" is the comparison group). All significance levels are based on two-tailed tests.

modest support for reform, although they were much less likely to think that reform was going too fast.

A third set of more complex responses were the generally disgruntled. Perhaps divided between internal subgroups, these people were dissatisfied because reforms were proceeding too fast in some ways and too slowly in others. We expected the young to be more supportive of reform. This was only partially true. The young (and male) were divided between radical reformers and anti-reformers. Dissatisfaction with reform also led to divided opinion about reform, particularly when people were dissatisfied with economic security, welfare benefits, and government efficiency.

The final set of responses were anti-reform. People seemed to oppose rapid reform in Shanghai, and in the eastern, northeastern, and northwestern regions, where the influence of central planning was traditionally strong and the influence from the West and Hong Kong arrived later than in places such as Beijing and Guangzhou. In successive surveys, support for reform declined. "Too slow" responses declined after the initial months of reform, while the "too fast" responses rapidly increased (more than tripled from May 1987 to May 1989) and only slowly returned to lower levels by 1991.

Some of the most interesting responses were in the third set. These ambivalent responses suggested that subgroups became increasingly divided, depending on their own personal fate resulting from the reforms, and that among some of the more dissatisfied, there was great uncertainty about whom or what to blame. This generalized dissatisfaction could lead to extreme complaints that reform was either too fast or too slow, which may be the worst possible set of mixed responses any group of policy-makers could face.

## Conclusions

The above findings allow us to reexamine the theoretical models of market reform under state socialism. We began the study with several specific research questions. Let us return to those questions before ending with a set of broader conclusions.

**Market and Political Reforms.** The first question was whether market reform and political reform require and reinforce each other. As mentioned in the beginning of this article, our data do not allow us to answer this question at the institutional level. However, our findings do show that in the short run continuing market reform does not increase an individual's desire for further po-

litical freedom. Based on our data on satisfaction and dissatisfaction with different reform domains, political reform simply did not rank very high on the list of most people's concerns. How to evaluate this observation is unclear. In some ways it seems too obvious: People concerned with economic security and increasing incomes are not likely to be very concerned about abstract, global ideas on greater political participation. Also, there are few examples of democracy in Chinese history to provide democratic models for popular imagination. With political relaxation and an increased flow of information in the 1980s, people could complain as long as they did not try to organize a group of people against

*In the general public in 1989,  
the most common complaint was not that  
reform was too slow but rather that  
reform was too fast.*

central leaders, and they had many more opportunities, initially, to engage in individual networking in order to pursue personal and family interests. Thus, the idea of participating on a somewhat larger scale may have seemed not so much forbidden as irrelevant.

In 1989, the most common complaint was not that reform was too slow but rather that reform was occurring too fast. For example, in May 1989, almost two-thirds of urbanites said that reform was too fast. Thus, if the government had suddenly called for a free and open referendum on reform in 1989, the result would have been just the opposite of what ideologically committed reformers hoped for. Or, in short, a participatory public could easily have been inimical to economic reform. This is because some labor aristocracy in Chinese cities was afraid of reform of any sort and because most of the public had no firm commitment to reform. Instead, most responses vacillated with the economic ups and downs of the moment. Much as in Eastern Europe and Russia, this type of fickle response often bodes ill for sustained economic reform.<sup>24</sup>

In Russia, for example, support for democracy went side by side with the demand for a greater role of the government in providing welfare protection. This implied an anti-laissez-faire free market sentiment under democracy, coinciding with the development of a welfare state in Western industrialized democracies.<sup>25</sup> Conversely, a capitalist market economy can coexist with a lagging process of democratization. The East Asian authoritarian regimes with rapid, market-oriented economic growth, such as Taiwan, South Korea, and Sin-

gapore, are leading examples of this. In these countries, authoritarian regimes did not have to compromise with opposing interest groups, stayed in power longer, and, thus, could implement policies favoring long-term economic benefits.<sup>26</sup>

**Attitudes, Conditions, and Tendencies.** We also sought to learn whether in evaluating and granting support for reform people responded primarily to their own personal situation, to the conditions in society at large, or based on their ideological commitment regardless of external economic conditions. We found that societal and personal conditions affected reform support in similar ways and to the degree that it was difficult to distinguish their individual effects. As inflation escalated in late 1988 and continued into early 1989, effective real incomes declined fairly evenly across the board. With relatively equal salaries and fringe benefits, the inequalities in individual conditions were not great. This observation, of course, is a bit on the “too obvious” side.

Nevertheless, there are some observations worth making. First, even while attitudes varied with the overall rate of inflation, people who were better situated (e.g., those with higher income and Guangzhou residents) were more favorable to reform. Thus, there was some separation of personal and collective interests. People were responding to both. Second, a small group responded neither to personal nor to collective pocket-book issues. This was the small, ideologically committed group (those with more education and employed in professional and administrative jobs) who consistently responded that the pace of reform was “too slow.” (See Table 3.) While the opposition “too fast” and the go-along “just right” groups were sensitive to economic conditions, the radical “too slow” group was not. It is possible that the radical pro-reform group’s attitudes were based on ideological orientation, irrespective of individual economic situation.

**Winners and Losers.** Because each economic system requires different types of skills and talents, the shift from socialism to market capitalism necessarily produces winners and losers. The old labor aristocracy, for example, must lose and entrepreneurial risk-takers may win. If the massive demonstrations in urban China in 1989 are an expression of popular opinions on this issue, the picture is complex. Both losers and winners from reform went to the streets. The losers, such as the less educated, low-income earners, and residents from the northeastern region where central planning was strong,

wanted slower reform, while the winners, such as the better educated, high-income earners, administrators, managers, professionals, and service and sales employees, wanted faster reform.

But while there were some with clear preferences, there were many other subgroups who were simply ambivalent or even confused. For example, people from the same social groups—youths, males, people dissatisfied with various aspects of reform—went to the streets for opposing reasons. Some from these groups thought reform was too slow; others thought it was too fast. Still others were probably demonstrating for obtaining con-

***Chinese urbanites were (and are) torn between high incomes and consumerism and the lingering attractions of welfare and security offered by the socialist social contract.***

tradictory results. They welcomed the benefit of decreasing government control and greater economic and political freedoms but demanded more government intervention when social stability and individual economic security were threatened. The most general conclusion that we draw from this complexity is that rapid change in status positions in society certainly does increase individual levels of concern, but given the great complexity of reform and the tremendous uncertainty about who will gain and lose in the long run, it is difficult to predict how people will “vote” when asked. Perhaps just as important, then, is simply the observation that people are more likely to take their vote to the streets when uncertainty increases.

These uncertainties reflect the quandaries of reform. Through the late 1980s, the switch from a social contract to a remuneration-based society was not yet an irreversible process. Chinese urbanites were (and are) torn between high incomes and consumerism and the lingering attractions of welfare and security offered by the socialist social contract. The high inflation of 1988–89 made a mockery of the promise of high income and consumption, causing all but the most ideologically committed reformers to think that a social contract based on economic security might be a better approach. The many observations we have made throughout about the ambivalent responses of many people to reform and the fickleness of support among average citizens seem to illustrate this tension.

Another quandary of reform involves the race between

expectations and government performance. Several policy steps encouraged rising popular expectations of the government. These included devolving political power away from the old centralized control apparatus. In order to produce greater flexibility and more incentives for local leaders, economic governance was decentralized and the media liberalized. Increased information and opportunities for bottom-up influence encouraged people to criticize government failures. As Samuel Huntington warned many years ago, when the government fails to respond quickly in a situation of rising popular expectations of government, growing discontent can lead to popular protest.

The events of 1989 are consistent with this prediction. The government not only cracked down on the demonstrations, but also had to take measures to control the overheated economy and to slow down the market transition of urban life, including the reform of housing, prices, and health and the elimination of urban subsidies. These measures were helpful in reducing people's feelings of insecurity and instability but failed to provide the opportunities promised under continuing market reform. Perhaps this is why satisfaction with the government never returned to the level it attained during the initial months of reform.

These contradictions, and the inconsistent responses of many subgroups, illustrate the difficulties of constructing a coherent policy that will satisfy most of the people most of the time. All policies involve tradeoffs and great uncertainty about who will win and who will lose in the long run. Learning to live with those tradeoffs may be part of an adjustment process that can only be healed by time. This process seems to have begun. In 1995 the inflation rate once again reached double digits in Chinese cities. This time urban residents did not react as strongly as they did in 1989. People were learning to live with market uncertainties.

## Notes

1. Barry Naughton, "China's Experience with Guidance Planning," *Journal of Comparative Economics* 14 (December 1990): 743-67.
2. Milton Friedman, *Capitalism and Freedom* (Chicago: University of Chicago Press, 1962).
3. Robert A. Dahl, *Democracy and Its Critics* (New Haven: Yale University Press, 1989).
4. Barrington Moore, Jr., *The Social Origins of Dictatorship and Democracy* (Boston: Beacon Press, 1966); Peter L. Berger, *The Capitalist Revolution* (New York: Basic Books, 1986); Albert O. Hirschman, *Rival Views of Market Society* (New York: Viking, 1986).
5. Michael S. Lewis-Beck, *Economics and Elections: The Major Western Democracies* (Ann Arbor: University of Michigan Press, 1988); Michael S. Lewis-Beck, "Introduction," in *Economics and Politics: The Calculus of Support*, ed. Helmut Norpoth, Michael S. Lewis-Beck, and Jean-Dominique Lafay (Ann Arbor: University of Michigan Press, 1991); David Butler and Donald Stokes, *Political Change in Britain* (New York: St. Martin's Press, 1969).
6. Donald R. Kinder and Roderick D. Kiewiet, "Economic Discontent and Political Behavior: The Role of Personal Grievances and Collective Economic Judgments in Congressional Voting," *American Journal of Political Science* 23 (1979): 495-527; Donald R. Kinder and Roderick D. Kiewiet, "Sociotropic Politics: The American Case," *British Journal of Political Science* 11 (April 1981): 129-41; Michael B. MacKuen, Robert S. Erickson, and James A. Stimson, "Peasants or Bankers? The American Electorate and the U.S. Economy," *American Political Science Review* 86, no. 3 (September 1992): 597-611.
7. Lewis-Beck, *Economics*, p. 156.
8. Raymond M. Duch, "Tolerating Economic Reform: Popular Support for Transition to a Free Market in the Former Soviet Union," *American Political Science Review* 87, no. 3 (September 1993): 590-608.
9. Gabriel A. Almond and Sidney Verba, *The Civic Culture: Political Attitudes and Democracy in Five Nations* (Princeton: Princeton University Press, 1963); Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Norman: University of Oklahoma Press, 1991); Alex Inkeles and David Horton Smith, *Becoming Modern: Individual Change in Six Developing Countries* (Cambridge: Harvard University Press, 1974).
10. Melvin L. Kohn and Kazimierz M. Stomczyński, *Social Structure and Self-Direction: A Comparative Analysis of the United States and Poland* (Cambridge: B. Blackwell, 1990); Alex Inkeles, *Social Change in Soviet Russia* (Cambridge: Harvard University Press, 1968); Alex Inkeles and Raymond Augustine Bauer, *The Soviet Citizen: Daily Life in a Totalitarian Society* (Cambridge: Harvard University Press, 1959); Brian D. Silver, "Political Beliefs of the Soviet Citizen: Sources of Support for Regime Norms," in *Politics, Work, and Daily Life in the USSR*, ed. James Millar (New York: Cambridge University Press, 1987); Ada W. Finifter and Ellen Mickiewicz, "Redefining the Political System of the USSR: Mass Support for Political Change," *American Political Science Review* 86, 4 (December 1992): 857-74; Donna Bahry and Brian D. Silver, "Soviet Citizen Participation on the Eve of Democratization," *American Political Science Review* 84, 3 (September 1990): 821-47.
11. Arthur H. Miller, Vicki L. Hesli, and William M. Reisinger, "Reassessing Mass Support for Political and Economic Change in the Former USSR," *American Political Science Review* 88, 2 (June 1994): 399-411.
12. Duch, "Tolerating Economic Reform"; Finifter and Mickiewicz, "Redefining the Political System."
13. Tatyana Zaslavskaya, *The Second Socialist Revolution: An Alternative Soviet Strategy* (Bloomington: Indiana University Press, 1990); also Duch, "Tolerating Economic Reform."
14. One may argue that political pressure made people less willing to express their political dissatisfaction after May 1989, since dissatisfaction with the rule of law, the Communist party, political rights, and freedom of speech dropped gradually between May 1989 and November 1991, as shown in Table 1. If political pressure did exist, it must not have been strong, for dissatisfaction with these items only dropped a few percentage points. Another reason for the decreased level of dissatisfaction could be that the Communist party not only sent troops to Tiananmen but also strengthened "the rule of law" in the post-Tiananmen period by tightening restrictions and punishment for bureaucratic profiteering and by reducing the speed of price increases. The decline of dissatisfaction might be a reaction to these measures.
15. In additional analyses (not shown), we did not find any curvilinear effects for welfare and security, economic opportunity, and political freedom among the same four age groups.
16. Martin King Whyte and William L. Parish, *Urban Life in Contemporary China* (Chicago: University of Chicago Press, 1984).
17. When improvement of living standard was added to the equation, females did show a statistically significant negative attitude toward welfare and security reforms.
18. Once again, no curvilinear effect was found in education.
19. In order to check for curvilinearity, we examined the income cate-

gories individually against all four indicators of satisfaction and produced the same results.

20. Melanie Manion, *Retirement of Revolutionaries in China* (Princeton: Princeton University Press, 1993).

21. Gordon White, "The Politics of Economic Reform in Chinese Industry: The Introduction of the Labour Contract System," *China Quarterly* 111 (September 1987): 365-89.

22. Other researchers also used this type of measure of support for reform. See Martin King Whyte, "The Social Sources of the Student Demonstrations," in *China Briefing, 1990*, ed. Anthony J. Kane (Boulder: Westview Press, 1990).

23. One may also think that the dissatisfaction measures are endogenous. That is, these are the things one wants to explain and not things that explain why people have different views toward reform. Yet dissatisfaction may still have some intervening effect between reform support and individual background characteristics.

24. Adam Przeworski, *Democracy and the Market* (New York: Cambridge University Press, 1991), ch. 4. Also note the 1993 Polish and the 1995 Russian parliamentary election results.

25. Finifter and Mickiewicz, "Redefining the Political System." Others also contend that a strong and capable government is important in coordinating economic growth and social programs in post-socialist reforms, including: Stephan Haggard and Robert R. Kaufman, "The Challenges of Consolidation," *Journal of Democracy* 5, 4 (October 1994); José María Maravall, "The Myth of the Authoritarian Advantage," *Journal of Democracy* 5, 4 (October 1994); and Joan M. Nelson, "Linkages Between Politics and Economics," *Journal of Democracy* 5, 4 (October 1994).

26. Stephan Haggard, *Pathways from the Periphery: The Politics of Growth in the Newly Industrializing Countries* (Ithaca: Cornell University Press, 1990).

## About the Data

Between May 1987 and November 1991 the Economic System Reform Institute of China conducted public opinion surveys in urban China seven times. The purpose of these surveys was to provide information for the central government to guide it in policy-making. The information in these surveys recorded the most turbulent six years of China's urban reform. Only some results of these surveys were summarized in internal documents for high-ranking officials. Otherwise the data never became available to the public.

A National Science Foundation grant allowed us to recover the data and check them against the original questionnaires. To the best of our knowledge, this is the first time survey data of this nature has been made available to Western researchers.

For more information on the survey sample and measurement techniques, please contact the authors: Wenfang Tang, Department of Political Science, University of Pittsburgh, Pittsburgh, PA, 15260; email: tang+@pitt.edu; William Parish, Department of Sociology, University of Chicago, Chicago, IL, 60637; email: marpari@icarus.spc.uchicago.

To order reprints call 1-800-352-2210;  
outside the U.S. call 717-632-3535.