[Draft: please do not cite]

Social Discontent in the Era of Globalisation: Extent, Nature and Determinants in Urban China

Lina Song and Simon Appleton

University of Nottingham

lina.song@nottingham.ac.uk

simon.appleton@nottingham.ac.uk

Abstract

This paper is set to empirically explore the extent, nature and determinants of social discontent in urban China. The main objectives are:

- (1) To investigate whether there is a high level of social discontent in urban China during the process of marketization. In this period, income inequality has risen; securing urban jobs has become difficult and competitive; the welfare system does not cover all in need; and overall economic security has been vastly reduced.
- (2) To examine the determinants of discontent. In particular, to identify the key socioeconomic factors causing discontents. The hypothesised determinants of such discontent include the impacts of absolute economic deprivation (changes in economic status), social mobilisation, political participation, community involvement, aspirations and adaptations to modernity.
- (3) To explore whether such discontent would escalate into large-scale socio-political instability. This is to further gauge the extent to which discontent in China is contributed to by current economic policies which prioritise economic growth through market incentives to the neglect of issues over equity and property rights.

JEL: I31, I38, J17, J18, D63

Key words:

Political instability, social discontent, unemployment, inequality, China

Social Discontent in the Era of Globalisation: Extent, Nature and Determinants in Urban China

1. Introduction

Despite of China's economic success in the course of globalisation, concerns over its socio-political instability constantly remain. Economically, China is transforming rapidly from a backward agrarian society to a more industrialised and market-oriented nation. However, it has been slow in motion to accommodate a more democratic political system. This crippled method of reform has been accepted by the most when stones were hard to find while crossing the river. If these stones symbolise the easy paths in previous policy-making, is the time to come when there might not be many stones left, and the river would have to be crossed? Whether different speeds in political changes and economical reforms have engendered the socio-political conflicts, which were smoothened by the rapid economic growth insofar? Whether this political reticence would restrict further economic reforms and, and what if when economic growth would finally slow down?

Accompanied with the rapid GDP growth, fast expanding of manufacture sector and largely extended city boundaries are a very high urban unemployment rate, a sharp rise in income inequality and non-stop protests over issues political, social or economic. Regional disparity has worsened, power struggles between the central state and local governments become rigorous, the negotiation over tax retain is more frequent since the re-centralisation of the government budgets in mid 1990s (Li, *et al*, 2003; Liang, 2006). Commentators have observed the high level of social discontent and some predict the change from the small-scale unrests into socio-political instabilities. Would China survive this period and transform itself into a nation with a healthy level of economic growth, democratic system and a much content population?

This paper is set to reveal whether there exists in China a social discontent. The extent, nature and determinants of such a discontent are to be empirically explored. It specifies policy priorities which could prevent the policy-makers from turning individual's discontent into some collectively social unrest.

The data used for this research are purposively designed by the author, administered by the researchers at the Institute of Economics, Chinese Academy of Social Sciences, and conducted by the National Bureau and Statistics (Guannian, 2002). The survey is designed to be linked to 2002 Urban Household Income Distribution Survey (CHIP, 2002). 7000 individuals were randomly sampled from 71 Chinese cities out of 12 provinces covering all geographical regions and administrative levels of China.

The main objectives of this paper are:

- (1) To investigate whether there is a high level of social discontent in urban China during the process of marketization. In this period, income inequality has risen; securing urban jobs has become difficult and competitive; the welfare system does not cover all in need; and overall economic security has been vastly reduced.
- (2) To examine the determinants of discontent. In particular, to identify the key socioeconomic factors causing discontents. The hypothesised determinants of such discontent include the impacts of absolute economic deprivation (changes in economic status), social mobilisation, political participation, community involvement, aspirations and adaptations to modernity.

(3) To explore whether such discontent would escalate into large-scale socio-political instability. This is to gauge the extent to which discontent in China is contributed to by current economic policies – which prioritise economic growth through market incentives to the neglect of issues over equity and property rights.

2. Concepts and framework

A. "social discontent" - the left-hand-side variable

Unlike most factual phenomenon, discontent, (interchangeably used with unhappiness and dissatisfaction in this paper) could be an emotion of flow or stock (Frey and Stutzer, 2002). This is to say, discontent could be momentary and changeable or durable and long-lasting; it could be determined by many factors, transitory or accumulative; medical, psychological, genetic, and socio-economic. The goal of this paper is to acquit momentary and temporary emotions, but to capture the emotions which are more likely determined by socio-economic factors and more likely to last long enough to be dealt with seriously; and then to frame them into a collective mood for the society as a whole, or as different social groups. So doing would allow us to proximate the social discontent and explore the reasons cause it.

Specifically, in this research, discontent is designed and defined as a self-assessed personal reflection on all aspects of life, observed and felt to catch the stocked emotion of discontent. And then through empirical analysis or modelling, the self-reflection would be considered within the frame of a socio-political and economic environment and the commonality of social content or frustration and their determinants would be confirmed and generated.

Through the analysis in this paper, we treat the sense of discontent as a mood on a given ordinal scale. This is an emotion appearing as the lower end of the scale measuring "content", satisfaction or happiness. The purpose to our focus on the negative end of such an emotion is to highlight an overwhelmed observation that China has a very high level of instability and, to quantify the extent to which people are frustrated and discontent. The measure of discontent is of five levels: 1.very satisfied; 2.satisfied; 3. not so satisfied; 4. not satisfied; 5.very dissatisfied.

The other measure we adapt in this paper is to treat discontent as incidents by categorising the sampled respondents into groups according to their choice of discontent level. For example, the sampled respondents may be grouped into (1) those who are content (including both very satisfied and satisfied), (2) those who are not content (including not that satisfied, dissatisfied and very dissatisfied). If we need to entail more categories of choices for analysis the grouping could be made at a multiple level. This allows us to examine an edge-cutting nature of their self-reported discontent – for confirmations and for determinations.

B. Principal components of social discontent: correlation and relevance

There are many components of social discontent. Some of them are observable, or could be felt. Some are latent and immeasurable. Our purpose is to reveal the contribution of these observable components of discontent and investigate the extents to which they may contribute to the dissatisfaction. In this section, we dissemble the components of the content in turn. To start, we reveal the general scale of discontent from this national representative survey.

General scale of discontent

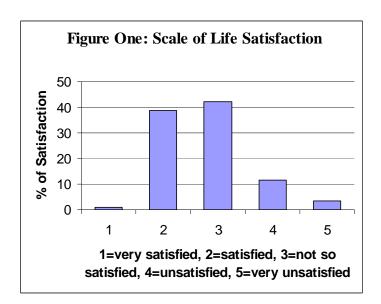
Table 1 reveals that 40% of respondents in this sample were generally satisfied (1% of which felt very satisfied). On the other end of the scale, 15% were not satisfied, and three times more respondents were very dissatisfied than very satisfied.

Table 1
Percentage of satisfaction level over selected perspectives
Urban Household Survey 2002

$$(Unit = \%; N = 6976)$$

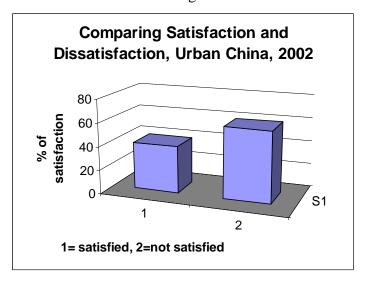
Perspectives:	Very	Satisfied	Not that	Not	Very dis-	Not
	satisfied		satisfied	satisfied	satisfied	respond
Considering all aspects of	1.03	38.89	42.10	11.55	3.31	3.12
your life, how satisfied are						
you?						

Usually, a scale like this sample should generate a very normal distribution – with the dominating majority observations in the middle range. However, our middle range (not that satisfied - 42%) was merely 2% more than those who are satisfied. This could be shown in Figure One.



In Chinese language, it is hard to find a mutual feeling between the good and bad. The middle range "so-so" is always translated into Chinese as with a meaning more towards the direction of negative than positive. When designing this questionnaire – we termed the middle range on this scale as "not that satisfied" (or "not that dissatisfied") which is closer to "so-so" in Chinese. This in fact would allow us to identify the scale of the emotion into two cleanly divided portions. We find more people in urban China felt unhappy than happy. Figure Two demonstrates this.

Figure Two



When treating the middle range of the scale as a mutual range, we calculate the weighted mean score of satisfaction for urban China in order to make comparisons internationally, or with other previous research.

Table 2
Reported Subjective well-being in Selected Countries

Country	Average satisfaction life	withCountry	Average satisfaction
Nigeria	6.82	Russia	4.45
South Africa	6.08	Ukraine	3.95
Brazil	7.15	Denmark	8.16
Peru	6.36	Switzerland	8.02
Taiwan	6.89	Sweden	7.77
South Korea	6.69	U.S.	7.67
India	6.53	Australia	7.58
		Britain	7.46
China	6.83 (1995)	France	6.78
China	6.47 (2002)*	Japan	6.61

Sources: Frey and Stutzer (2002); * my calculation from this sample. Note: This is a scale between 1 and 10, 1=lowest score of satisfaction, and 10= highest.

From Table 2, we could establish two facts. First, satisfaction scores (of the two periods) for urban China in the international community are neither the highest, nor the lowest. Despite from Japan, most selected OECD countries have higher scores of life satisfaction; countries with political disputes or of instability, like Russia and Ukraine are of lowest content scores.

Secondly, we find that the discontent score of urban China 7 years apart fell slightly from 6.83 in 1995 to 6.47 in 2002. What actually would contribute to the fall?

Components of social dissatisfaction

In order to sustain a true evaluation of their life satisfaction, we specifically ask our respondents to consider all other designated aspects of life first and finally to answer the question "Considering all aspects of life, how satisfied are you?" To make sure whether these questions are represented by our final discontent variable, we have employed an exercise to investigate the correlations between these variables. Table 3 shows the results.

Table 3

Multivariate correlation between overall life-satisfaction and satisfactions of other aspects

(Left-hand side variable – overall life satisfaction)

Catisfaction over the following aspects:		T statistics	
Satisfaction over the following aspects:	coefficient	T-statistics	
Income:	0.002	5.05	***
current income	0.083	5.95	***
current income in comparison with others	0.075	5.78	***
current income in comparison with before	0.157	10.48	444
Social Status and social class:	0.000	1.01	
current occupation	-0.008	-1.01	.111.
current social status	0.049	4.35	***
job stability / security	-0.008	-0.92	
Welfare and wellbeing:			
housing / living condition	0.116	9.23	***
the means of personal daily transportation	0.000	0.05	
old-age economic security	0.016	2.28	***
Macro economic policies:			
public infrastructure of the city you live	0.065	5.37	***
pollution control	0.0004	0.04	
current price of basic food (staple)	0.073	5.12	***
current price of basic cloths, daily goods	0.033	2.45	***
overall impacts of state policy on family wellbeing	0.028	3.55	***
Achievement and opportunities:			
career achievement/personal development	0.107	10.59	***
opportunity of job-promotion	0.00005	-0.01	
opportunity of training	-0.026	-3.65	***
opportunity of personal development	0.088	9.75	***
Social connection: family tradition			
marriage, family life and relationship	0.030	3.45	***
quality of social network (guanxi)	0.022	2.7	***
spouse's career achievement	0.058	6	***
spouse's current occupation	-0.020	-2.04	***
spouse's current income	-0.002	-0.18	
spouse' current social status	0.025	2.22	***
Intercept	0.032	0.57	
	0.002		
Adjusted R square	0.371		
F-value	172.57		
Number of Observations	6977		
1 miles of Obbet (wholib	57.,		

From Table 3, three most important aspects of satisfaction are identified by the size of correlation coefficients. "Current income in comparison with the past", "housing/living condition" and "personal achievement are highly positively and significantly correlated to the overall life satisfaction. The correlation coefficients are -0.157, 0.116 and 0.107 respectively. Hosing reform, a package used to compensate state workers during the process of Stateownership restructuring, was apparently a great success in reducing social discontent. Satisfaction over personal career achievement may have well picked up the first generation of conquers who were never made redundant or never lost their jobs, and they play with the market just like fish swim in the ocean.

The explanatory scope of the model is 37.1 (adjusted R square). It is rather high for a cross sectional modelling. In other models when controlling all observed characteristics at individual, household or regional levels, the adjusted R square had reached about 70%. The goodness of fit has proved that most of the components observed by us are represented within the range of the overall life satisfaction.

Economic deprivation: relative or absolute

China has achieved rapid economic growth. But at the same time, it is challenged by the soaring of economic inequality (The Human Development Report for China 2005). It would be significant if we could estimate the extent to which economic deprivations would contribute to social discontent. In the survey, we asked how satisfied they were with their current as well as past income; how satisfied they were when comparing their income with others' (relative deprivation). More people were satisfied or very satisfied with their current income if comparing with what they earned in the past (44%). 34% were satisfied when comparing their income with those they know (relative deprivation). Only 30% of respondents were satisfied with their current income. This general picture has requested us to explore whether income generation would reduce the level of discontent and to what extent? Whether further income growth would stabilising the society by reducing dissatisfaction further in some more sophisticated manners. Table reveals.

Table 4 **Income: current, relative and past**

Perspectives:	Very	Satisfied	Not that	Not	Very dis-	* Not
	satisfied		satisfied	satisfied	satisfied	respond
Considering you current	2.08	28.30	39.89	18.81	9.72	1.20
household income, how						
satisfied are you?						
Comparing your current	1.29	33.20	40.09	16.40	6.32	2.70
household income with the						
people you know, how						
satisfied are you?						
Comparing your current	1.68	42.24	34.83	14.22	5.71	1.32
household income with what						
earned before, how satisfied						
are you?						

Moreover, it is worth noting from Table 3 that among the three income-related variables, it is the vertical comparison of income (absolute income deprivation) that has the largest correlation

coefficient to the overall life satisfaction; and the satisfaction over current income, high of itself, only ranked the second. Relative deprivation – comparing income with friends, neighbours or colleagues – has contributed least to the discontent in urban China. This is a surprise because the overly-heard voice from many commentators that income inequality is the most possible cause of social discontent. From the evidence here, we now know that the correlation between the satisfactions over relative deprivation and overall satisfaction is not the highest if compared with the absolute deprivation or over the current income. Does that mean – as long as the household income continues to grow for all deciles of income recipients, relative deprivation of income could be ignored?

Social mobility

Under this thematic assumption, we study the extent to which the Chinese society has been mobilised; investigate the impacts of such social mobilisation on the society; identify the likely causes of social frustration, and whether or not this social frustration would lead a possible participation that may cause socio-political instability (Huntington, 1968).

When asking the respondents to consider whether they were content with their social position, we specified the concept into occupation and status. The former is an objective measure of social position; and latter is rather subjective and complex - a reflection of respects from others which may be based on one's social-political status and their economic worth. It is, therefore, not surprising that over 55% respondent were content with their occupations while only 43% satisfied with their current social status. Table 5 demonstrates the results. However from Table 3, satisfaction over current occupation has a negative and insignificant coefficient. This is also true when they were asked to report their satisfaction of their spouse' occupation. During the economic reform, state-ownership restructuring has destroyed conventional ranks of occupation established by the communist regimes. Those who still hold socially prestigious jobs may be likely poorer than the new rich, "black horses" from the emerging private sectors. This has alerted us to reconsider whether, during this transitional period, social position could not be simply measured by occupation as John Goldthorpe (1987) suggested for Western societies. Instead, a more ambiguous term – "social status" combining economic worth and social prestige are well grounded.

Table 5
Percentage of satisfaction level over current occupation and social status
Urban Household Survey 2002 (Unit = %; N=6976)

Perspectives:	Very	Satisfied	Not that	Not	Very dis-	Not
	satisfied		satisfied	satisfied	satisfied	respond
Considering your current occupation, how satisfied are you?	5.40	48.90	24.28	7.83	3.57	10.02
Considering your current social status, how satisfied are you?	1.86	41.01	32.04	15.58	5.69	3.82

Job security and loss of welfare

Urban unemployment has become a serious problem since the radical reform known as *xiagang* (Appleton, *et al*, 2003). Job-for-life is a gone-by. The urban labour job has become more valuable, and the competition for it becomes fiercer (Song, 2005). In this survey, 43% of people felt secured with their jobs while fewer people were satisfied with their old-age security (35%). There is a rather proportionate split for satisfaction over housing conditions: 41% people were satisfied with their housing conditions, 35% not so satisfied and nearly 24% dissatisfied. More people were happy with their daily transport means than unhappy (37% versus 23%).

Table 6
Percentage of satisfaction level over job security
Urban Household Survey 2002
(Unit = %; N= 6976)

Perspectives:	Very	Satisfied	Not that	Not	Very dis-	* Not
	satisfied		satisfied	satisfied	satisfied	respond
Considering your job	1.39	41.76	25.03	12.84	6.01	12.67
security, how satisfied are						
you?						

State or work-unit welfare has been withdrawn – employees in the state sector feel insecure about their future over their pensions, medical insurance and housing subsidies (Morries *et al*, 2001). The laid-off workers were not well funded in terms of the welfare provision, income generation or re-employment (Saunders and Shang, 2001). Politically, the intensified competition among regions, institutions and individuals may cause discontent and hence instability if the situation was not properly handled (Wright, 2001, Liang, 2006). Mass protests in China have not been stopped (Tanner, 2004). All this may lead to some kind of social and political instability. Violence, crimes and mass protests or demonstrations have been soaring rapidly (Legal Statistic Yearbooks of China, various years).

In this survey, we asked the respondents to rank the satisfaction over their old-aged economic security considering their current performance. We find that less than 36% of the sampled population are satisfied or very satisfied. But nearly 40% respondents were happy with their housing/living conditions, and fewer were unhappy about their daily transport tools in comparison with their old age security. Table 6 reveals the results.

In the multivariate correlation analysis (Table 3), we have realised that the correlation coefficient of old age security on overall life satisfaction is only 1.6 even though it is statistically very significant. It is apparent that this is an area deserving further exploration in the later part of the paper.

Table 7
Percentage of satisfaction level over welfare security
Urban Household Survey 2002
(Unit = %; N= 6976)

Perspectives:	Very	Satisfied	Not that	Not	Very dis-	* Not
	satisfied		satisfied	satisfied	satisfied	respond
Considering your current	1.82	33.34	31.59	14.15	7.74	11.35
economic situation, how						
satisfied are you with your						
economic security at old age?						
Considering your current	2.91	37.54	34.63	15.88	8.51	0.53

housing condition, how satisfies are you?						
Considering the means of	1.40	35.74	32.93	17.57	5.16	7.2
your daily transportation,						
how satisfied are you?						

Achievement and opportunity

Achievement and opportunities are not well distributed in urban China: more people were satisfied with their opportunities of training; more people felt that their skills or talents would be appreciated; but fewer were satisfied with their job promotion, and after all only slightly higher percentage of people felt satisfied with their achievements (Table 8).

Table 8
Percentage of satisfaction level over welfare security
Urban Household Survey 2002
(Unit = %; N= 6976)

Satisfied Not Very dis-Perspectives: Very Not that Not satisfied satisfied satisfied satisfied respond 1.20 27.71 39.49 5.75 8.4 Considering your current 17.45 achievement, how satisfied are you? Considering your chance to 0.59 18.25 37.08 17.86 5.35 20.87 get job promotion, how satisfied are you? 0.99 Considering your chance of 25.59 41.79 16.54 4.44 10.65 getting your talents /skills is appreciated, how satisfied are vou? Considering your chance of 1.00 25.46 31.52 15.70 4.92 21.40 getting training, how satisfied are you?

The correlation coefficient of satisfaction over personal achievements (not the same as material achievements) on overall satisfaction was the third highest (Table 3). It is only lower than absolute income satisfaction and housing conditions in relation to overall satisfaction. It is hard to explain this concept in English, and it is harder to comprehend the reasons why personal achievement would be so highly correlated to happiness. The phenomenon might be explained by an understanding of Chinese cultural inheritance – disapproving material pursues while admiring education-related establishments.

Macro economic policies

Macro economic policies have always direct impacts on people's livelihood. Di Tella *et al* (2001) have established in their research of 12 European countries and the United States that people care about inflation and unemployment, and appeared to be happier when the inflation and unemployment rates in their countries were lower. In this research, we identify inflation, pollution control and urban infrastructure management as the proxies of macro policies in considering people's social discount.

Their response to public policies is of interest. Most of them were satisfied with the low inflation rates of staple food (76%) and basic goods (57%); 44% were quite content with the state policies which affected them (whatever they were); but they were not all content with the pollution control (34%); and quite a lot of them who were not happy with the public infrastructure of the cities they live.

Table 9
Percentage of satisfaction level over selected perspectives
Urban Household Survey 2002

$$(Unit = \%; N = 6976)$$

Perspectives:	Very satisfied	Satisfied	Not that satisfied	Not satisfied	Very dis- satisfied	Not respond
Considering the general impacts of the State policies on your family, how satisfied are you?	1.76	42.27	34.83	8.70	2.61	9.82
Considering the current price of basic food (staple), how satisfied are you?	2.57	73.12	18.08	3.27	0.59	2.37
Considering the current prise of basic daily needs (clothing and daily goods), how satisfied are you?	1.56	54.96	32.64	6.98	1.32	2.54
Considering the public infrastructure of the city you live, how satisfied are you?	1.39	37.07	38.72	15.11	5.62	2.09
Considering the control level of pollution, how satisfied are you?	0.97	17.78	44.50	23.29	10.61	2.85

Social capital: network and family tradition

Above all these, we find that the factor satisfying most people is their family life, marriage and relationships – only 4% respondents were not satisfied, but nearly 80% were either very satisfied or satisfied. People were also rather content with their social connections – over 53% were either very satisfied or satisfied, fewer than 7% were not satisfied.

Table 10 Percentage of satisfaction level over family tradition and social connections Urban Household Survey 2002 (Unit = %; N= 6976)

Pe	erspectives:	Very	Satisfied	Not that	Not	Very dis-	* Not
		satisfied		satisfied	satisfied	satisfied	respond
C	onsidering your social	1.38	51.42	30.98	5.69	1.10	9.44

relations with others (guanxi), how satisfied are you?						
Considering your family life marriage and relationships, how satisfied are you?	9.46	69.45	11.54	3.11	0.90	5.54
Considering your spouse's current income, how satisfied are you?	2.32	33.08	31.79	16.83	7.44	8.54
Considering your spouse's current occupation, how satisfied are you?	4.06	43.33	23.68	12.18	4.80	11.95
Considering your spouse's current social status, how satisfied are you?	2.24	41.37	27.85	13.59	5.00	9.95
Considering your spouse's current achievement, how satisfied are you?	1.85	34.66	32.67	13.88	4.39	12.55

From the multivariate correlation analysis and bivariate cross-tabulate findings above, we are satisfied with the facts that the discontent variable to be used in the further research would be a well-representative concept, and out hypothesis to be tested in out discontent equations are also formed.

C. Research questions and hypothesis

It is by now very apparent that our research questions in the multivariate models are (1) whether social discontent in urban China is determined by the socio-economic factors at our disposal? (2) Which economic policies would play more significant roles in reducing social discontent? This is to establish the extents to which income (stock and growth), unemployment, medical insurance and other economic policy proxies would contribute to discontent. Detailed hypothesis are explained in turn.

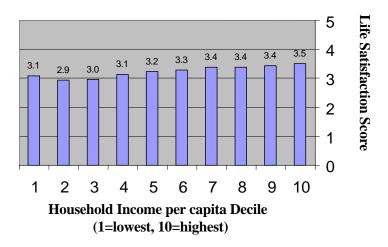
Income effects

Economists tend to believe that higher income would bring people higher level of contents, although empirical evidences do not always support this argument (see Frey and Stutzer 2002 and Layard 2005 for reviews). What is the case for China? Would income effects on life satisfaction be more elastic in urban China? Figure Two below has shown a clear pattern of life satisfaction scores against household income per capita decile. Apart from the lowest decile, the monotonic relation is obvious: the higher household income is, the more satisfied they are.

Urban households in China overall benefited from an average 4.47% annual income growth rate between 1988 and 2002. However, the rate was slightly dropped to 4.42 between 1995 and 2002. Moreover, 24% respondents of this sample (Guannian Survey in conjunction to CHIP 2002) experienced absolute reduction of their household income between 1998 and 2002 (Song, 2002). Absolutely decline in income over a period is a sign of miser. It reflects on current state of

earnings capability, and hence would affect individuals' expectation for future income. Therefore we further ask whether the changes in income would have impacts on social discontent, and if so, to what extent?

Figure Two: Life Satisfaction Score by Income Decile



The dataset allows us to examine two types of income in the equation to measure the determinants of social discontent: (1) income over time – a dummy variable calculated from the 5 year recall household income data - whether respondents' households received income lost during this period; and (2) logarithmic household income per capita of 2002 cross the sections.

Unemployment

Urban Chinese workers were benefited from life-time job security and welfare provision until late 1990s when the reform started to hurt. Urban China has experienced an extremely testing period since 1997 when the radical reform of the state ownership restructuring was launched. More than one third, even nearly a half, of China's urban labour force has been affected - being made redundant or unemployed (Knight and Xue, 2004; Appleton *et al*, 2002). However, the state policies to compensate its redundant employees are rather firmly implemented ¹. This allows its redundant workers to survive with basic needs satisfied and to seek employment in a less formal sector, or getting re-employed at less permanent basis. If ridiculing our arguments by using the employment definition used by ILO (International Labor Organisation) – working one hour in the last week, we could hardly confirm any unemployment in urban China (BC Kim, 2006).

For those who used to depending on the Sate for allocating jobs and providing welfare, the sense of losing job-security is a trauma. And the experience of unemployment is a tragedy. Therefore it is very important for us to estimate the impacts of both - the sense of losing job-security and

¹ The most common methods to compensate the workers are (1) allocating them with enterprise-owned housings for a small cost; (2) handing them with some seniority-linked settlement fund after selling the firm assets although this has been disrupted by the paralleled "Management-Buy-Out" package (MBO) which has caused a national debate since 2004; (3) advising them to take early retirement by offering pension and medical insurance package; (4) establishing a nation-wide (urban) system to issue unemployment benefit and low-income allowance.

true unemployment² - on discontent; to compare the effect of unemployment with that of income and of other sociological determinants.

Welfare provision - focusing on medical insurance

Medical reform in China has recently been criticised widely. It has demonstrated the lacks of fairness, efficiency and effectiveness. Compared with welfare programmes of pension, unemployment and low income allowance benefits, whether to have a good medical insurance coverage would arouse more immediate concerns and affect wider social groups including the majority of China's middle class. In this study, a large proportion of respondents worried about their insufficient coverage of medical insurance. We therefore could like to what extent lacking of state medical insurance would cost the socio-political instability.

Social network and family-value

Lacking economic security and receiving no welfare support from the State would rapidly raise individuals' sense of insecurity. Traditionally, family value has played a significant role in welfare or social support. The economic reform has weakened the dependency of urban workers on their state work-units, which has revived the roles of family and enhanced the values of family and private social network. The most rigorous argument for backing welfare support through family is that China could not afford a nation state with its poor natural resources, lower GDP per capita, and unbalanced demographic structure with a pre-mature sign of aging. Whether to be covered with the State medical insurance has become the most testing for the State-societal relationship.

Social network in China has become more important since the economic reform. This may be due to the withdrawing roles in welfare provision previously played by the State work-units. At the same time the market for social welfare services are not properly established. In the gap, people who desperately need to utilise the services (e.g., medical treatment) would go to their family, relatives, friends and other social connections for help. Could a nicely net social connection eventually rescue the Chinese State which refuses considering a launch of a universal medical programme?

Political participation

An increasingly large proportion of the public is coming to have sufficient interest and understanding of national and international politics to participate in decision-making at this level. Mass publics have played a role in national politics for a long time in the Western world through the ballot and in other ways. Current changes enable them to play an active role in formulating policy, and to engage in "elite-challenging" (opposite to "elite-directed") activities. When policy concerns a large proportion of a nation, the reaction towards the policy from the mass public should be followed and studied. It is likely that the measurement of unhappiness (dissatisfaction) may be barometering the change of the society.

Any elite-directed political participation – to be largely explained as a matter of elite mobilising mass support through establishing organisations, such as political parties, labour unions,

² By unemployment, we exclude the possible un-reported employment, and strictly control for those who were not working at all during the time of the interview.

religious institutions and so on - do not exist. Political participation in China is no longer in the form of action. This is because of the intolerance of the state machine for any taboo-lifting.

However, the tendency of political participation in action has turned into a distorted form in which people who concern political affairs are more likely to read and watch news alone; or to comment or discuss over political issues in small groups of trusted friends. Open comments on political matters, usually made by taxi-drivers or anyone in public, are regarded as moans and petty complains. They are usually ridiculed and unharmful to the political regime. Moaning in such a manner actually releases the social tensions when things are not completely right. The elite-challenging style of political participation has given its way to a collective action of moaning or complaining over individual cases. This has almost stopped the public forming any collective opinions over any big matter which unites the nation. Therefore in this survey, we won't be able to ask any sensitive questions which may disturb the regime and harm the individual respondent. But, we do create an index which could demonstrate whether these individuals have higher tendency of political participation than others.

Political affiliations

Although the Chinese Communist Party (CCP hereafter) has loosened its grip, abandoned its core beliefs, and marketized the economy, its membership has risen markedly along with the economic benefits of joining. The Communist Party membership has expanded from 3.8% of China's population in 1978 to 5.2% in 2002. As of June 2002, it had 66.4m members, making it the largest political organization in the world (Economist Intelligence Unit, 2004). Big as it is in its network, we could like to examine whether the strenuous nature of the Party's homogeneity still exist. Some commentators would suggest that CCP members share the same party affiliations but may hold different outlooks. Moreover other political parties have been given scopes to compete in recruiting as well as in developing their independent strategies — although all this are still under the control of the CCP. The diversity in political affiliation may have broken the pattern of elite-direct political control. We would like to test whether members of other political parties would share the same level of discontent.

Urban residential entitlement

After a long process of transforming a socialist state into a market-oriented economy, China has almost reached the deracinating point of ridding its people of a feudalistic form of citizen status – hukou. The hukou system of resident registration has divided China's citizens into the superior urban and the inferior rural, and accordingly into economic "heaven" or "hell" (Knight and Song, 1999a). Although officially still remaining, the urban hukou has now begun to lose its value. This is partly due to the relaxation of the state policy of prohibiting rural-urban migration and partly due to the radical reforms begun in the mid-1990s when the "iron rice" bowl of permanent urban job-status was smashed³. The gains for rural-urban migrants and the loss of formal jobs for urban workers have created the impression of a zero-sum game - one's loss seeming to be the other's gain. In this paper, therefore, is necessary to examine whether the remaining power of urban entitlement would still differentiate people's happiness.

Religions tolerance

-

³ This gives rural residents access to economic opportunities in non-rural areas – it is estimated that nearly a hundred million people have taken advantage of these opportunities. Even within the rural sector, there is more scope for non-agricultural income generation – over two thirds of rural households obtain some of their income from non-agricultural work (Song, 2000).

Religious belief has not been actually tolerated by the communist government of China. This is particularly so when religious activities become organised or popular. Ordinary people in China tend to scrub their religious beliefs and afraid of being thought superstitious. The most success of propaganda in China is in denouncing religious belief. Therefore to use the tolerance of others' religious belief would be a good proxy in measuring the intellectual openness, adaptation to difference, and possibly a degree of acceptance of democracy. And after all, we would like to know whether tolerance to others would bring happiness or not.

Controlling variables

In most occurring cases, the emotion of discontent will be determined by personal genetic defaults which contribute to their personality, mentality or even physic abilities. The acquired qualities of a person would also be shaped by the social-economic environment. The attention of this paper is to focus on sociologic issues and to muffle any factors from non-sociologic arena. Therefore, we treat personality, temporary illness, mood-changes and physical disabilities as the control variables. Individuals' age, gender, marital status, personality and self-reported health status are all controlled in the subsequent modelling.

3. Methodology of modelling

Our objective of modelling is to discover empirically how discontent can be explained by economic, socio-political and all other observed variables. We intend to throw light on the debate over relative deprivation, changing of absolute economic status including falling into poverty or unemployment. We therefore begin with the function of

$$D_{i} = a_{i} + b_{ni} \cdot X_{ni} + u_{i} \tag{1}$$

where D_i represents discontent and X_n is a vector of n socio-economic variables. D_n is normally available as a multiple choice variable D_{mi} (of the sort "are you 1.very satisfied; 2.satisfied; 3. not so satisfied; 4. not satisfied; 5.very unsatisfied") where m = the choices available. The appropriate estimation procedure is therefore by means of a polychotomous probit or logit equation. The selection of X_n depends on the research hypotheses and all variables observed and felt including those capturing individual's health, psycho and personal conditions.

We have articulated models carrying theoretical predictions, and are aware that the insignificance of some hypothesised indicators can itself be illuminating. However we also try to explore with a general-to-particular estimation strategy, with sequential elimination of the insignificant variables in identifying the sequence of significance of the indicators causing discontent.

The vector of estimated coefficients b_n can be used for several purposes. First, it provides the weights that indicate the relative importance of different contributors to discontent. Second, by comparing weights it is possible to examine trade-offs between the different contributors. The estimated function can be harnessed to examine the relationships between the dissatisfaction criterion between economic inequality and other criteria. These include the

_

⁴ We designed questions to identify whether the respondent is more amiable than others and identify them according to the scores (Song, 2006).

conventional income growth, income elasticity, pure unemployment effect, and the social-policy-functioning creations.

Considering the possible lack of significance between levels of choice D_{mi} , we also intend to employ a binary logistic model examining whether an individual i is self-evaluated as discontent $(D_i = 1)$ or not $(D_i = 0)$:

$$D^*_i = \alpha' X_i + U_i \text{ where } U_i \sim N(0, 1)$$

 $Pr(D_i = 1) = Pr(D^*_i > 0) = \Phi(\alpha' X_i)$ (2)

where Xi is a vector of explanatory variables and α a vector of associated coefficients. The modelling strategy would be similar with the equation (1) discussed above.

Further considering catching the subtleness of differences between "content", "not that content", and "discontent", especially for identifying the middle range of the self-evaluated content level, we employ a multinomial logistic model further examining an individual i for level of content $(D_i = 1, 2 \text{ or } 3)$:

$$\Pr(D_i = j | x_i) = P_{ij} = \frac{\exp(x_i' \beta_j)}{1 + \exp(x_i' \beta_2) + \exp(x_i' \beta_3)} \qquad j = 1,2,3 \qquad \beta_1 = 0$$
 (3)

where Xi is a vector of explanatory variables and β is a vector of associated coefficients. The modelling strategy would be similar with the equation (1) and (2) discussed above.

To properly measure income effects on discontent, methodological issues should be addressed. In most conventional economics, issues of endogeneity between income and discontent would be raised. However, there is no way a scholar could get around by instrumenting either income or discontent for the treatment of endogeneity. To be more specific, we would just declare that the relationship between "discontent" on the left hand side and all economic variables on the right may not be causal. And I am only interested in their associations.

The other issue is about collinearity among the independent variables. Some would argue that income would be highly correlated to many other independent variables, like unemployment, occupation, and so on. Again, we are aware of this. In real life, all emotions would be determined by many factors. Some of them could be jointly affecting the emotion. This does not mean that we need to exclude one because of its correlation with identified factor(s). Instead, it would be more appropriate if we could find out the size of the impacts associating to the emotion. This is the rational we adapt for this research.

4. Results

Table 11 provides the key finding from our order probit model. This model is finalised after many experiments of different model specifications. The results are robust, and this is especially true for the results revealing economic policies and factors (Song, 2006).

First, we turn to examine whether our hypothesis on income and unemployment. From the size of coefficients in Table 11, we can identify that the pure unemployment effect (after controlling for income and other variables) on discontent is higher than either of the income variables, although three of them are all statistically significant. This has proved that unemployment would be more damaging than income reduction for people. However, income effects are strong on people's discontent level. When income were reduced in the past (24% of the respondents experienced this), the likelihood of their discontent would rise. The good news is that when household income doubled, the elasticity on social discontent would be reduced by 17 percent. The combined results of these three variables reveal the following, unemployment benefits (either from the State agents or from State work-units) would be crucial to reduce social frustration caused by unemployment. Income reduction would reflect on people's expectation for future earnings which would have a longer-term impact than unemployment. Both of them, in fact could be smoothened by the continuing economic growth which would create more jobs, generate more household income growth, and increase people's expectation for their future. Could growth last forever?

Second, we examine the health, medical insurance and family values. The links between them seem to be obvious which we will explain. Health could be endogenous to income and other socio-economic determinants in the model. After excluding the income and other effects, we still find out a strong monotonic pattern between self-reported health status and the level of dissatisfaction. Health is also very exogenous. Like death, we will all be stuck by it at some point of our lives, and therefore we share the fear of being ill no matter how much money we have. If money could help at all in the sake of illness, medical insurance would be the one. From this survey, we know that 28% of respondents do not have any cover of medical insurance - the coefficient is 0.294 to compare with the default variable with the State medical insurance. Let us recall our previous discovery - satisfaction over family life and social connection were highly correlated to overall life satisfaction. Coefficient on married in relation to social discontent is also so much lower than never married, divorced or widowed. Could family be a remedy? Or should go back to the basic?

Third, we investigate political participation as well as party affiliations. Although there are 64 million Communist Party members in China, we have about 40% in this urban survey. This might be that most CCP members are dwelling in urban centres in China. To compare with those – only less than 2% who are in other political parties, CCP members are happy or less discontent. This is similar to the study we commissioned on their wage premier (Appleton, 2005). They are richer and happier than the rest of Chinese. However, the chance for others (non CCP members) to get happier, if not richer, would be participating or interested in political affairs. The coefficient on this variable to compare with those who are not interested in politics is significantly lower in relation to discontent.

Forth, we study social classification. Social status discussed previously could not be measured as objective scales. We still use occupation as the indicators of social classification in this model. There are only two coefficients statistically significant among the butch – government officials and middle-ranged managers. They both are also significantly lower than the default variable – non-skilled manual workers in relation to social discontent. If ignoring the fact that not all coefficients are statistically significant at 10% level, we confirm that all, apart from one – the petty private individual owners, are happier than the majority non-skilled manual workers, the proletarians, and the past leading-class of China, designated by the Communist Party before the economic reform. Has red China changed its colour?

Our fifth issue is about urban entitlement. We used residential registration (hukou) to study whether people's origins – rural or urban - would still decide their satisfaction level, if not their income or job opportunities. This sample is an urban-based sample. However, there are people with hukous in rural origins who have participated in the survey (less than 1%). This might be due to their purchase of urban temporary status. We find that this small proportion of people dwelling in Chinese urban centres was the least content compared with urban people local or outside the dwelling cities, or even rural counterparts with local registration. This would lead to a further exploration whether hukou control policy should be released in order to get them happier ever after?

The last sets of the results we would like to discuss in here are about age and sex. Women tend to be more content than men in urban China. The coefficient of male in relation to discontent is 0.175 and its significance is at 1% level. Albeit many studies have established that women in China since the economic reforms, have confronted more discrimination in wage premium and unemployment (for example, Li and Gustafson, Knight and Song, 2006; Appleton et al, 2005), women are still found happier than men in urban China. Further explorations are conducted in song (2006) on this. The findings are that women of this sample were more content with their subordinating status in families and work-places. As long as their family, functioning unitarianly, do well, they seem to be content. Specifically, their considerations of their own happiness are more likely to be grounded on how well other family members do. Whether this is altruism or feudalistic dependency on other sex would need further studied. However, this may explain the puzzle why female employees or factory workers would accept their early retirements as young as in their 40s; and they are more likely to be made redundant if their partners are given job opportunities. It seems that the State policy-makers understand Chinese women rather well. There is no collective voice from women in China protesting against state policy of sex discrimination in the policy process of overcoming unemployment and related policies.

There is a slight U curve to mark people's social discontent against the age cohort. The younger and the older people tend to be happier than those in the middle. The turning point of age when the discontent changed into content is the year of 47. People over 60 would be the most content, and age at 40 the least content. This would certainly request further study employing demographic techniques of cohort analysis. This data in deed allows such a study if the aim is to examine subjective well being of circumstances such as living standards, family relationship, health status and etc. (Song, 2006).

5. Conclusion and policy implications

China has not experienced, or will not experience a large scale political instability if all circumstances would remain the same or be improved. The question is how to maintain these conditions?

At moment, household income has been improved with the guarantee of GDP annual growth; unemployment has been basically tackled with the fall-back package - universal policies of unemployment benefit; inflation is lower – the central government is sensitive about this. Welfare housing package has provided a feel-good effect on urban workers who used to or are still work for the government.

Although no sign of a thorough political system reform, individuals' political dissent could be expressed in the taxies, coffee bars or any private gatherings. Does government concern about this? Yes or no. The finding of this research should be disseminated to the Party-state, giving

individual more freedom to care for the public events would in fact stabilise the society, not opposite. There is always a puzzle of the CCP membership, how true it is if we regard the CCP members as a homogenised group – would they become the force to reform the political system, or would they simply the bureaucrats only interested in their own vested interests? However, we can convey that the enlarged number of CCP membership is no longer political or ideological. The more they are, the more people would be happier and richer.

Family values, traditional (Confucius) culture and the lot could play somehow important roles in the crisis caused by mis-governance, or by the transitions from the social chaos to the social order. Women accepted the tendency of Confucius' doctrine that female is subordinating to male. Therefore female employees accept the worse condition for their employment or income, and more content about this. Stressing on family values becomes a state policy when there is a need to tackle economic crises in welfare provisions. Homonyms, moderation, morale and altruism have been used in state slogans in the process of resolving socio-economic problems. From our research, we find that playing cultural revisionalistic cards would indeed be a very good guess by the policy makers. Chinese people do buy it.

It is not true that inequality between people, or among regions, have caused huge level of discontent. However it would be certainly wrong to assume that absolute equity would provide a stable society. There are conditions, unique or in common, to both phenomena. Inequality could be caused by the dynamics of economic factor reshuffling in the preparation for economic growth and allowing scopes for incentives. Typically, this would change the social structure as well as will lead to, for the long-run, the political restructure.

As the consequences of such changes, Chinese society is in the middle of re-classification. The use-to-be privileged class may fall behind the black-horses who would lead the market direction; jobs are plenty according to the ILO definitions, but fewer are guaranteed for life-time, or with links to welfare provisions; risk-taking may be rewarded with high earnings; "money" could buy what was only available for the privileged in the past. All in all, in front of money everyone is equal. However the way to get money is crippled. The chaos is caused due to the fact that the economy is still trapped between the State-control and the free market. Rent-seeking activities or corruption are common practices, disputes over property rights are the true source of social unrests. If China is going to have any large scale of social unrest, the cause would not be the ones we discuss here, it would be the dispute over state, or community ownership – land for the rural population, and state assets for urban population.

Table 11 Ordered Probit Regression: mean value, percentage of the sample, Coefficient and Robust T-values, Urban China, 2002 CASS Household Surveys

	Mean value or		Robust T-	
Variable	percentage	Coefficient	value	sig.
Absolute income deprivation				
(current income < past				***
income)	0.2408	0.1207	3.66	***
Log (household income per capita 2002)	8.2816	-0.1723	-9.44	***
Currently unemployed	0.0226	0.1723	2.82	***
Currently unemployed	0.0226	0.2771	2.02	
Personal characteristics:				
Age (in year)	42.7005	0.0668	9.64	***
Age in squared term	2105.82	-0.0009	-11.97	***
Male	0.4155	0.1765	5.84	***
Single (never married)	0.0266	0.3983	4.86	***
Divorced	0.0146	0.2450	2.19	***
Widow / widower	0.0234	0.2650	2.72	***
Amiable personality	0.2554	-0.4992	-15.54	***
, , ,		-		
Self-reported health status:				
Rather good health	0.3732	0.1303	3.42	***
So-so good health	0.3122	0.2867	7.18	***
Rather poor health	0.0516	0.3668	5.35	***
Very poor health	0.0044	0.9910	4.30	***
Political participation and Party affliction:				
Political participation	0.3060	-0.1664	-5.36	***
Other political party member	0.0126	0.0852	0.67	
No political party affiliation	0.5860	0.0925	2.93	***
Medical insurance coverage: Medical insurance- Serious-illness coverage	0.3406	0.0860	2.40	***
Self-paid medical insurance	0.0155	0.1259	1.11	
No medical insurance	0.2782	0.2938	7.35	***
Occupation: 1. owner/manager of private business	0.0016	-0.2471	-0.71	
Owner of individual business household	0.0250	0.0056	0.07	
3. Professionals	0.1390	-0.0522	-1.07	
Government official /	0.1330	-0.0522	-1.07	
managerial	0.0191	-0.1837	-1.74	*
Middle-rank managers / official	0.0578	-0.1241	-1.88	*
			1	1
6. Office worker		-0.0373	-0.84	
Office worker Skilled workers	0.1552 0.1152	-0.0373 -0.0254	-0.84 -0.47	
	0.1552			
7. Skilled workers	0.1552			

Hukou location:				
Local suburban rural	0.0087	-0.1715	-0.99	
Outside urban	0.0037	-0.2985	-1.40	
Outside rural	0.0030	0.5429	2.88	***

Province:				
Beijing	0.0726	0.1655	2.38	***
Shanxi	0.0932	0.1612	2.51	***
Liaoning	0.1001	0.0215	0.33	
Anhui	0.0711	0.0589	0.88	
Henan	0.1001	-0.0146	0.23	
Hubei	0.1000	0.1704	2.67	***
Guangdong	0.0782	-0.0136	0.20	
Chongqing	0.0436	0.1839	2.27	**
Sichuan	0.0855	0.0462	0.71	
Yunnan	0.0910	0.1421	2.17	***
Gansu	0.0571	0.1154	1.51	*

Number of observation:	6761
Log Likelihood:	-7200.8895
Restricted Log L	-7747.0193
Pseudo R ²	0.0705

Notes:

- (1) The dependent variable is an ordinal value of dissatisfaction; and the dependent mean =2.7.
- (2) Omitted dummy variables are: currently employed, married, not amiable, very good health, not active in politics, Communist Party/League membership, medical treatment covered by the state agents, hukou in local urban area, non-skilled manual worker, and Jiangsu province.
- (3) *** denotes the statistics significance level at 1% or lower, ** between 1% and 5%, * between 5% and 10%.
- (4) Standard errors are cluster-corrected.

Table 12 Probabilities of Satisfaction: obtained from Table 11

	Very		Not so	Not	Very
	satisfied	Satisfied	satisfied	satisfied	unsatisfied
Baseline	0.6%	39.8%	46.8%	10.6%	2.3%
Not deprive (current income < past	0.007	40.007	10.007	40.007	0.407
income)	0.6%	40.8%	46.3%	10.2%	2.1%
Deprive (current income > past income)	0.4%	36.4%	48.3%	12.1%	2.8%
Log (household income per capita)	0.470	30.470	40.070	12.170	2.070
if doubled	0.9%	46.2%	43.3%	8.1%	1.5%
Currently employed	0.6%	40.0%	46.7%	10.5%	2.2%
Currently unemployed	0.3%	30.1%	50.2%	15.3%	4.2%
Personal characteristics:					
Age in year:					
= 20	0.6%	41.0%	46.2%	10.1%	2.1%
=30	0.3%	32.6%	49.6%	14.0%	3.6%
=40	0.3%	30.5%	50.1%	15.1%	4.0%
=50	0.4%	34.5%	49.0%	13.0%	3.2%
= > 60	0.8%	45.1%	43.9%	8.5%	1.6%
Male	0.7%	42.5%	45.4%	9.5%	1.9%
Female	0.4%	36.0%	48.4%	12.3%	2.9%
Married	0.6%	40.5%	46.4%	10.3%	2.1%
Single	0.2%	26.5%	50.8%	17.3%	5.2%
Divorced	0.3%	31.7%	49.8%	14.4%	3.7%
Widow (er)	0.3%	31.0%	50.0%	14.8%	3.9%
Personality:					
Not amiable	0.4%	35.1%	48.8%	12.7%	3.0%
Amiable	1.5%	53.5%	38.3%	5.8%	0.9%
Health status (self assessment):					
Very health	0.9%	45.8%	43.5%	8.3%	1.5%
Health	0.6%	40.9%	46.2%	10.1%	2.1%
So-so health	0.4%	35.2%	48.7%	12.7%	3.0%
Not health	0.3%	32.4%	49.6%	14.1%	3.6%
Very unhealthy	0.0%	14.1%	47.7%	26.1%	12.0%
Political participation and affiliatio					
Not interested in political affairs	0.5%	37.9%	47.6%	11.4%	2.5%
Interested in politics affairs	0.8%	44.1%	44.5%	8.9%	1.7%
Communist Party/League members	0.7%	41.8%	45.8%	9.8%	2.0%
Other political Party members	0.5%	38.6%	47.3%	11.1%	2.4%
Not affiliated to any political Parties	0.5%	38.4%	47.4%	11.2%	2.5%
Type of medical Insurance: Covered by state medical					
insurance	0.7%	41.8%	45.8%	9.8%	2.0%
Serious illness-coverage (self-paid	0.50/	20.40/	47.00/	44 40/	0.50/
by proportion) Commercial self-purchased	0.5%	38.1%	47.6%	11.4%	2.5%
medical insurance	0.4%	36.6%	48.2%	12.0%	2.8%
No medical insurance	0.3%	30.6%	50.1%	15.0%	4.0%
Location of ID registration:	0.070	00.070	00.170	101070	
ID registered in local urban sector	0.6%	39.7%	46.8%	10.6%	2.3%
ID registered in local rural sector	0.9%	46.1%	43.3%	8.2%	1.5%
ID registered in outside urban	1.3%	50.8%	40.3%	6.6%	1.1%
ID registered in outside rural		3 21.7%	50.7%	20.4%	7.1%
/ogiotoroa in oatolao farai	2/0	5 /0	JJ 70	_0.170	/0

Occupation / social status:					
Non-skilled manual worker	0.5%	38.8%	47.2%	11.1%	2.4%
Owner/manager of private					
business	1.0%	47.8%	42.2%	7.6%	1.3%
Owner of individual business					
household	0.5%	38.5%	47.3%	11.2%	2.4%
Professionals	0.6%	40.7%	46.3%	10.3%	2.1%
Government official / managerial	0.9%	45.6%	43.6%	8.3%	1.5%
Middle-rank managers / official	0.7%	43.4%	44.9%	9.2%	1.8%
Office worker	0.6%	40.2%	46.6%	10.5%	2.2%
Skilled workers	0.6%	39.6%	46.8%	10.7%	2.3%

References

Alesina, Alberto; and Peritti,	Roberto (1996),	"Income Distril	oution, Politi	cal Instability	, and
Commerce / service worker	0.5%	39.3%	47.0%	10.8%	2.39

Commerce / service worker	0.5%	39.3%	47.0%	10.8%	2.3%	
Other (non specified)	0.4%	36.1%	48.4%	12.3%	2.8%	
Jiangsu (default)	0.7%	43.4%	44.9%	9.2%	1.8%	
Beijing	0.4%	36.6%	48.2%	12.0%	2.8%	
Shanxi	0.4%	36.8%	48.1%	11.9%	2.7%	
Liaoning	0.7%	41.8%	45.8%	9.8%	2.0%	
Anhui	0.6%	40.4%	46.5%	10.4%	2.2%	
Henan	0.7%	43.3%	45.0%	9.2%	1.8%	
Hubei	0.4%	36.3%	48.3%	12.2%	2.8%	
Guangdong	0.7%	43.2%	45.0%	9.3%	1.8%	
Chongqing	0.4%	35.6%	48.6%	12.5%	2.9%	
Sichuan	0.6%	40.9%	46.2%	10.2%	2.1%	
Yunnan	0.5%	37.4%	47.9%	11.7%	2.6%	
Gansu	0.5%	38.5%	47.4%	11.2%	2.5%	

Investment", European Economic Review, 40 (1996), 1203-1228

Gissinger, Rabveig and Gledisch, Nils Peter (1999), "Globalization and Conflict: Welfare, Distribution, and Political Unrest", Journal of World Economic Systems Research, 2, Summer 1999, 327-365

Martimore, David and Straub Stephane (May 2005), "The Political Economy of Private Participation, Social Discontent and Regulatory Governance", University of Toulouse (IDEI, GREMAQ) and Institute, University de France and University of Edinburgh: unpublished paper

Liu, Jianhong (2005), "Crime Pattern Transition in China", British Journal of Criminology, **45**, 5, 613-633

Easterlin, Richard, A. (2001), "Income and Happiness: towards a Unified Theory", *The Economic Journal*, 111 (July) 465-484

Pollin, Robert (2000), "Globalization, Inequality and Financial Instability: Confronting the Marx, Keynes and Polanyi Problems in Advanced Capitalist Economies", UMASS, Political Economy Research Institute: Working Paper Series, No. 8

Tiryakian, Edward A. (1975), "Either Marx, nor Durkheim... Perhaps Weber", The American Journal of Sociology, **81**, 1, 1-33

Saich, Anthony and Kaufman, Joan (2001), "Financial Reform, Poverty, and the Impacts on Reproductive Health Provision: Evidence from Three Rural Townships", Paper prepared for Financial Reform in China, Kennedy School of Government

Blau, Francine D. (1998), "Trends in the Well-Being of American Women, 1970-1995" *Journal of Economic Literature*, **36**, 1, 112-165

Brocas, Isabelle and Carrillo, Juan D. (2003), *The Psychology of Economic Decisions, Volume 1, Rationality and Well-Being*, Oxford University Press

Bruno, S., Frey and Alois Stutzer (2002), *Happiness and Economics – how the economy and institutions affect human well-being*, New Jersey and Oxford: Princeton University Press

Diener, Ed (2000), "Subjective Well-Being: The science of Happiness and a Proposal for a National Index", *American Psychologist*, **55**, 1, 34-43

Di Tella, Rafael, MacCulloch, Robert and Oswald, Andrew (2001), "Preference over inflation and unemployment: evidence from survey of happiness", *The American Economic Review*, **91**, 1, 335-341

Dockery, AM (2003) "Happiness, life satisfaction and the role of work: Evidence from two Australian surveys", Curtin Business School, Perth, Australia: School of Economics and Finance Working Paper

Dockery, AM (2004), "Looking Inside the Unemployment Spell", *Australian Journal of Labour Economics*, **7**, 2, June 2004, 175-198

Durkheim, Emile (2002), Suicide: A Study in Sociology, Translated by John A. Spaulding and George Simpson, London and New York: Routledge

Foster, Andrew D. (1994), "Poverty and Illness in Low-Income Rural Areas", American *Economic Review*, **84**, 2, Papers and Proceedings of the Hundred and Sixth Annual Meeting of the American Economic Association. (May, 1994), 216-220

Frijters, P (2000), "Do individuals try to maximize general satisfaction?" *Journal of Economic Psychology*, **21**, 3, 281-304

Frijters, P; JP Haisken-DeNew (2004) "Money Does Matter! Evidence from Increasing Real Income and Life Satisfaction in East Germany", *American Economic Review*, **94**, 3,

Goldthorpe, JH (1987), Social mobility and class structure in modern Britain, Oxford University Press

Hausman, Daniel; McPherson, Michael (1994), "Preference, Belief, and Welfare", *American Economic Review*, **84**, 2, Papers and Proceedings of the Hundred and Sixth Annual Meeting of the American Economic Association, (May, 1994), 396-400

Huntington, Samuel P. (1968), *Political Order in Changing Societies*, New Haven and London: Yale University Press

Kingdon, Geeta and Knight, John (2003) "well-being Poverty versus income poverty and capability poverty?", Department of Economics, Oxford University, unpublished paper

Klemmack David L.; Carlson, John R.; Edwards, John N. (1974), "Measures of Well-Being: An Empirical and Critical Assessment", *Journal of Health and Social Behavior*, *15*, 3. (Sept 1974), 267-270

Inglehart, Ronald (1990), *Culture Shift in Advanced Industrial Society*, New Jersey: Princeton University Press

Lai, Gina (1995), "Work and Family Roles and Psychological Well-Being in Urban China", *Journal of Health and Social Behavior*, **36**, 1, 11-37

Liang, Jin (2006), "Where is the way of the balanced development?", New Century Net: 10/24/2005 1:24:00 PM

Moen, Phyllis; Forest, Kay B. (1990), "Working Parents, Workplace Supports, and Well-Being: The Swedish Experience", *Social Psychology Quarterly*, **53**, 2, Special Issue: Social Structure and the Individual. (Jun., 1990), 117-131

Morduch, Jonathan (1994), "Poverty and Vulnerability", *American Economic Review*, **84**, 2, Papers and Proceedings of the Hundred and Sixth Annual Meeting of the American Economic Association (May, 1994), 221-225

Morgan, James N. (1968), "The Supply of Effort, the Measurement of Well-being, and the Dynamics of Improvement", *American Economic Review*, **58**, 2, Papers and Proceedings of the Eightieth Annual Meeting of the American Economic Association May, 1968), 31-39

Morries, J; Sheehan, J; and Hassard, J. (2001), "From Dependency to Defiance? Work-Unit Relationships in China's State Enterprise Reforms", Journal of Management Studies, 38, 5, July 2001 pp. -22

Roberts, Robert E. L.; Bengtson, Vern L. (1993), "Relationships with Parents, Self-Esteem, and Psychological Well-Being in Young Adulthood", *Social Psychology Quarterly*, **56**, 4 (Dec., 1993), 263-277

Saunders, Peter & Shang, Xiaoyuan (2001), "Social Security Reform in China's Transition to a Market Economy", Social Policy and Administration, 35, 3, pp.274-289

Shammas, Carole (1983), "Food Expenditures and Economic Well-Being in Early Modern England", *Journal of Economic History*, **43**, 1, (The Tasks of Economic History) (March, 1983), pp. 89-100

Smeeding, Timothy M.; Sullivan, Dennis H. (1998), "Generations and the Distribution of Economic Well-Being: A Cross-National View", *American Economic Review*, **88**, 2, Papers and Proceedings of the Hundred and Tenth Annual Meeting of the American Economic Association. (May, 1998), pp. 254-258

Smith, James D.; Morgan, James N. (1970), "Variability of Economic Well-being and Its Determinants", *American Economic Review*, **60**, 2, Papers and Proceedings of the Eighty-second Annual Meeting of the American Economic Association (May, 1970), 286-295

Song, Lina (2006 forthcoming), *Inequality and instability: A story of China*, Nottingham University: *mimeo*

Tanner, Murray Scot (2004), "China Rethinks Unrest", *The Washington Quarterly*, **27**, 3, pp. 137-156

Volgy, Thomas J.; Schwarz, John E. and Imwalle, Lawrence E. (1996), "In Search of Economic Well-Being: Worker Power and the Effects of Productivity, Inflation, Unemployment and Global Trade on Wages in Ten Wealthy Countries", *American Journal of Political Science*, **40**, 4.1233-1252.

Weinberg, Daniel H.; Nelson, Charles T.; Roemer, Marc I.; Welniak, Edward J., Jr. (1999), "Fifty Years of U.S. Income Data from the Current Population Survey: Alternatives, Trends, and Quality", American Economic Review, **89**, 2, Papers and Proceedings of the One Hundred Eleventh Annual Meeting of the American Economic Association. (May, 1999), pp.18-22

Wright, Teresa (2002), "The China Democracy Party and the Politics of Protest in the 1980s—1990s" *The China Quarterly*, (2002), 172: 906-926