

Chapter V The Attainment of *Nengli-zhuyi* (Meritocracy): Changing Value System and Political-Economic Transformation in China

SONODA Shigeto

1. Introduction

The labor market in China is currently emerging as a transformation process from the socialist regime to a market economy. Much empirical survey research reveals that the patterns of distribution of labor as well as people's evaluation of their occupation and company are changing very rapidly. In other words, contemporary China is experiencing a drastic change in its value system (Hishida and Sonoda, 2005).

We have conducted many empirical studies, mostly surveys, in urban China (Table 1), all of which reveal interesting findings.

In 2001, a questionnaire survey was conducted on local employees working for Taiwanese, Japanese and Korean companies in Suzhou City. According to the survey results, people are becoming more sensitive than ever to materialistic conditions such as promotion and increments in salary (Figure 1).

According to a survey conducted by Chuo and Shanghai universities in 2003, university students in Shanghai prefer to work for foreign companies (Figure 2), due to the latter's strong performance-oriented attitude (Figure 3), as compared with their Japanese counterparts in Tokyo.¹

2. Emergence of "Credentialism" in Urban China

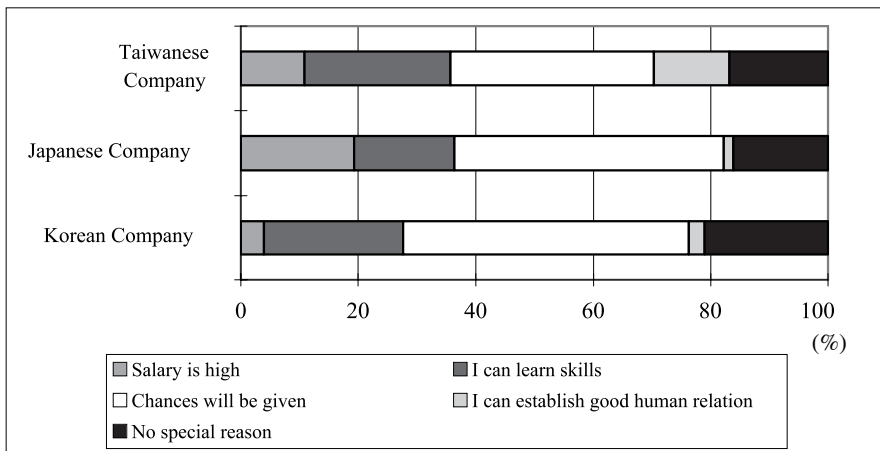
As is frequently pointed out, academic career is one of the social resources possessed by an individual. In the status attainment model, academic career is regarded as an important variable for explaining a respondent's (or the respondent's father's) occupational prestige (Blau and Duncan, 1966). In *Homo Academicus*, Pierre Bourdieu highlights the importance of cultural capital, a part of which comes from one's academic career.

East Asian countries, particularly "Confucian" countries such as China, Korea, and Japan, are regarded as "education-oriented" societies that place strong empha-

Table 1 Data Referenced in This Paper

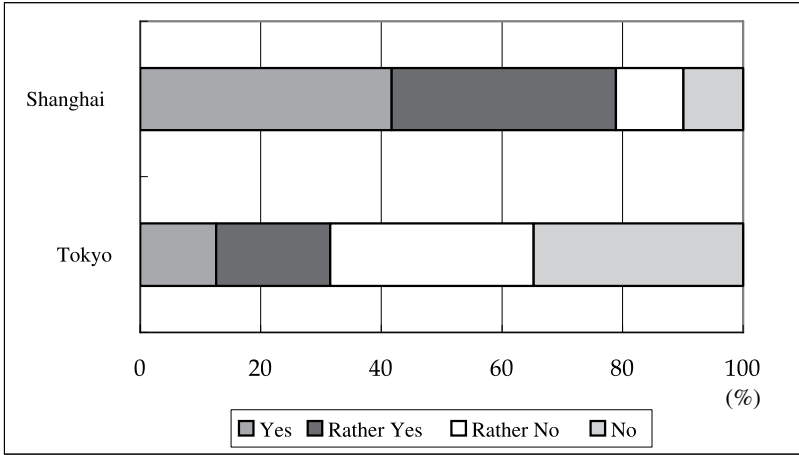
<i>Name of Survey</i>	<i>Year</i>	<i>Research Area</i>	<i>Sampling Method</i>	<i>Sample Size</i>	<i>Research Unit</i>
Japan 1995 SSM Survey	1995	Japan, Nationwide	Double-stage Systematic Sampling	2,704	Japan 1995 SSM Research Group
China 4 City Survey	1997-9	Tianjin, Chongqing, Shanghai, Guangzhou	Double-stage Systematic Sampling	4,282	Sonoda Group with Tianjin Academy of Social Sciences
Suzhou Survey	2001	Ten Foreign Companies in Suzhou, Jiangsu	Quota Sampling	352	Sonoda Group
Chuo University-Shanghai University Survey	2003	Tokyo, Shanghai	Quota Sampling	418 (Tokyo) 399 (Shanghai)	Sonoda Group
Asia Barometer, Japan	2003	Japan, Nationwide	Multi-stratified Quota Sampling	857	Nippon Research Center
Asia Barometer, China	2003	Beijing, Shanghai, Guangzhou, Xian, Chongqing, Nanjing, Dalian, Qingdao	Multi-stratified Systematic Sampling	800	Chinese Academy of Social Science Research Center

Figure 1 Reasons Why Local Employees Decided on a Company in Suzhou City



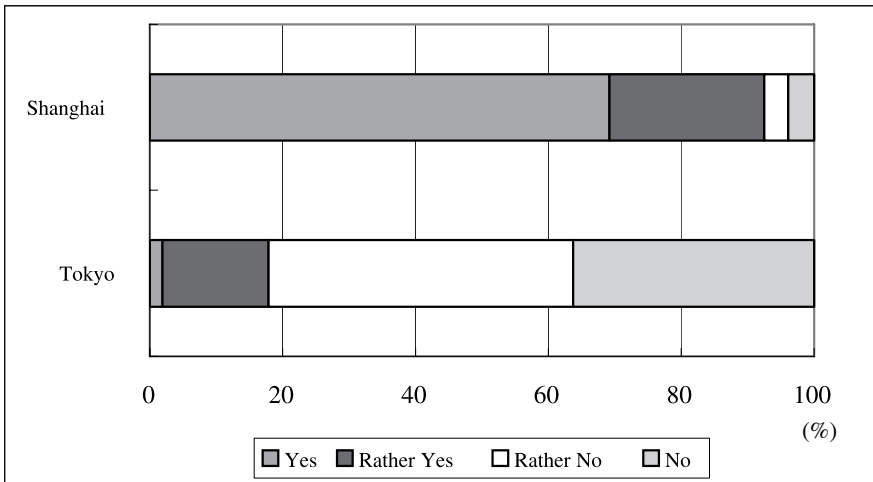
Source: Suzhou Survey.

Figure 2 Different Evaluations of Workplace: Tokyo and Shanghai (1)
 Question: "Do you want to work for a foreign company?"



Source: Chuo University-Shanghai University Survey.

Figure 3 Different Evaluations of Workplace: Tokyo and Shanghai (2)
 Question: "Do you want to work for the workplace where your salary will be decided only by your performance?"



Source: Chuo University-Shanghai University Survey.

sis on higher education. Surprisingly, however, few articles have attempted to perform a comparative analysis of credentialism between Japan and China on the basis of empirical data.

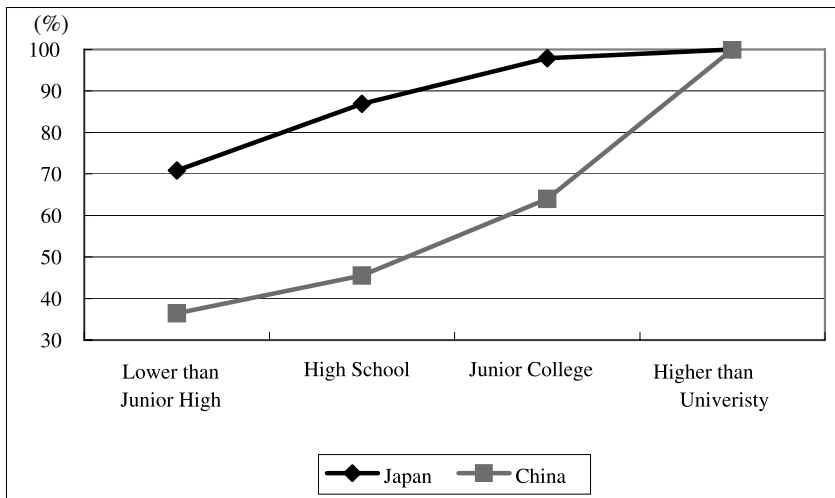
A comparison of the results of the SSM95 survey conducted in Japan, which had 2,704 samples, and the four-city survey conducted from 1997 to 1999 in the Chinese cities of Tianjin, Shanghai, Chongqing and Guangzhou² reveals that urban China is significantly more “education-oriented.” In other words, the income gap among different academic careers is much clearer in urban China.

Figure 4 shows the income gap among different academic careers in Japan and urban China. The figure indicates the percentage of individual income levels according to the respondents’ academic careers in the two countries.

The difference becomes clearer when regression analysis is attempted to explore the factors that determine the level of income in each country. As suggested in Table 2, the effect of academic career on the respondents’ income level is stronger in China than in Japan.

This difference is partly due to the different gender effects on the income level. In other words, a large income gap exists between male and female employees in Japan due to a large number of *senryoshufu* (housewives) who may be graduates of junior colleges or even universities; gender equality of income prevails in urban

Figure 4 Academic Career and Income Level: Japan and Urban China (1)



Source: Japan 1995 SSM Survey and China 4 City Survey.

Note: The figure shows the percentage of income level when the average income of those with university’s or graduate school’s diploma is 100 in Japan and urban China respectively.

Table 2 Determinants of Income: Japan and Urban China:
Multivariate Regression Analysis

	Non-Standardized		Standardized		t	Significance
	Coefficient		Coefficient			
	B	S.D.	Beta			
<i>(Japan)</i>						
Education	0.116	0.019	0.105	5.940	0.000	
Sex	-1.215	0.036	-0.545	-34.044	0.000	
Cohort	0.008	0.015	0.091	5.212	0.000	
Constant	3.918	0.098		39.971	0.000	
<i>(Urban China)</i>						
Education	0.498	0.017	0.424	28.782	0.000	
Sex	-0.244	0.030	-0.110	-8.033	0.000	
Cohort	0.007	0.013	-0.020	-1.349	0.177	
Constant	1.448	0.091		15.950	0.000	

Source: Japan 1995 SSM Survey and China 4 City Survey.

Note: Income level is expressed by four-fold category from upper, upper middle, lower middle, and low according as the amount of income. In variable "Sex," male is "1" and female is "2," and in variable "Cohort," those younger than 30 is "1", from 30 to 39 is "2", from 40 to 49 is "3," from 50 to 59 is "4," from 60 to 69 is "5".

China partly due to the heritage of the socialist system. This shows that the percentage of the upper income group among the Japanese junior college graduates is low because many of them are female housewives without any income (Figure 5).

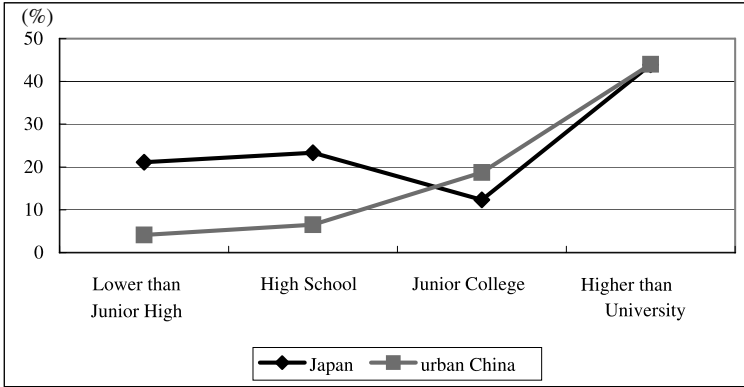
However, it is evident that these data reveal a sharper difference in income among individuals with different educational attainment in urban China. To put it differently, the differences in academic careers distinctively produce a larger income gap in urban China.

Judging from the above mentioned facts, it would be natural for Chinese urban citizens to consider that there exists inequality with regard to academic careers. However, contrary to our expectation, they are less sensitive to the inequality with regard to academic careers than the Japanese (Sonoda, 2004).

Figure 6 clearly illustrates the different patterns of the perception of inequality in Japan and urban China, indicating that the Chinese are sensitive to the inequality with regard to income rather than that with regard to academic careers, while the Japanese consider academic career to be the severest social problem.

Who then is the strongest supporter of credentialism in urban China? Judging from our survey data, contrary to the Japanese case again, a strong preference for credentialism can be observed in the lower middle class or the lower class—the class that has the poorer educational background, comprising people who are eager

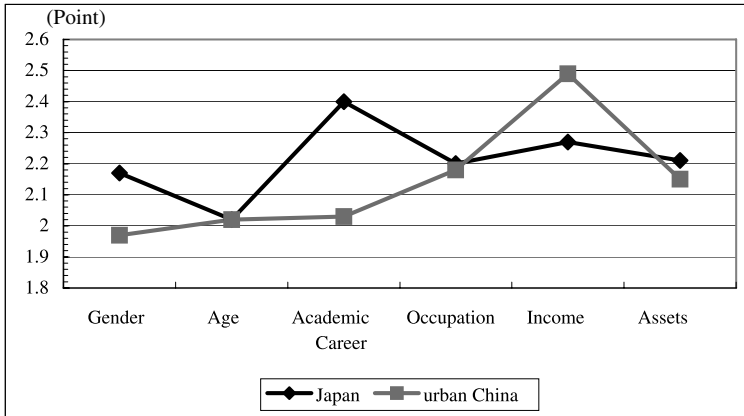
Figure 5 Academic Career and Income Level: Japan and Urban China (2)



Source: Japan 1995 SSM Survey and China 4 City Survey.

Note: The figure shows percentage of those whose income belongs to top quarter.

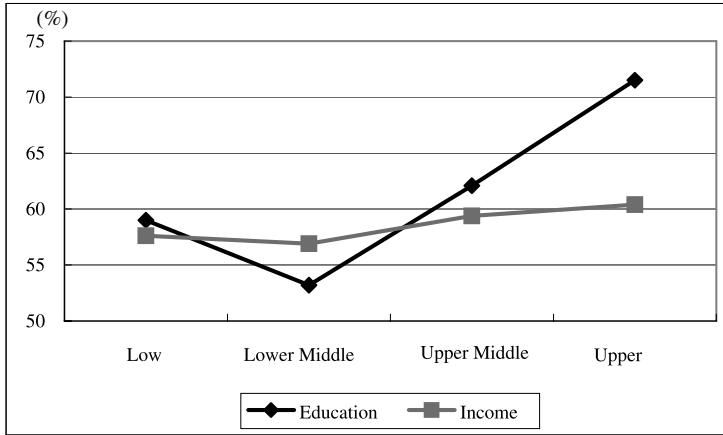
Figure 6 Perception of Social Inequality: Japan and Urban China



Source: Japan 1995 SSM Survey and China 4 City Survey.

Note: Score ranges from 1, meaning “there is no inequality,” to 3, meaning “there is serious inequality.”

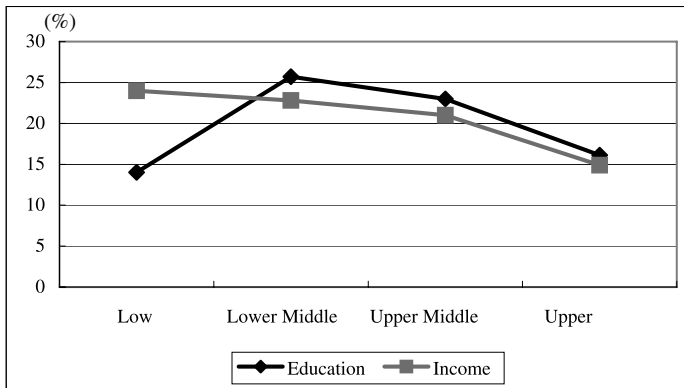
Figure 7 Educational Aspiration by Educational-Income Class: Japan
Question: “Should children be given as much higher education as possible?”



Source: Japan 1995 SSM Survey and China 4 City Survey.

Note: Educational class is composed of four categories, “Low (academic career with lower than junior high school graduates)”, “Lower Middle (high school graduates)”, “Upper Middle (technical or vocational college graduates)” and “Upper (academic career with higher than university graduates)” and Income class is also composed of four categories. The figure shows the percentage of those who chose “Yes” or “Rather Yes.”

Figure 8 Educational Aspiration by Educational-Income Class: Urban China
Question: “For what do you want to use your extra money if you have?”



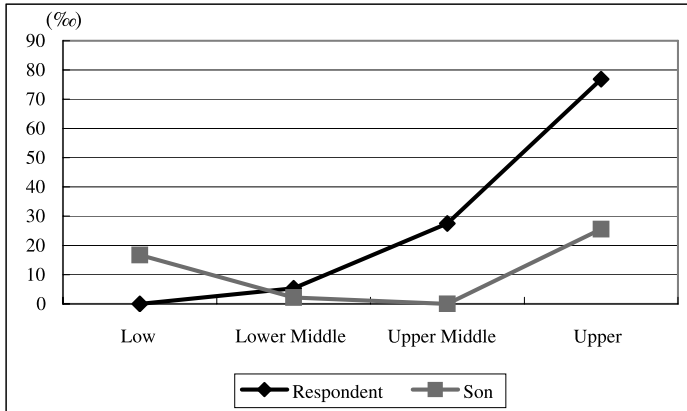
Source: Japan 1995 SSM Survey and China 4 City Survey.

Note: Educational class is composed of four categories, “Low (academic career with lower than junior high school graduates)”, “Lower Middle (high school graduates)”, “Upper Middle (technical or vocational college graduates)” and “Upper (academic career with higher than university graduates)” and Income class is also composed of four categories. The figure shows the percentage of those who chose “Yes” or “Rather Yes.”

Figure 9 Educational Aspiration by Educational Class: Japan

Question: (Respondent) “Of the following lifestyle aspects or life circumstances, please select five that are important to you: Having access to higher education”

(Son) “How would you like to see your son(s) grow up?: Becoming a great scholar”



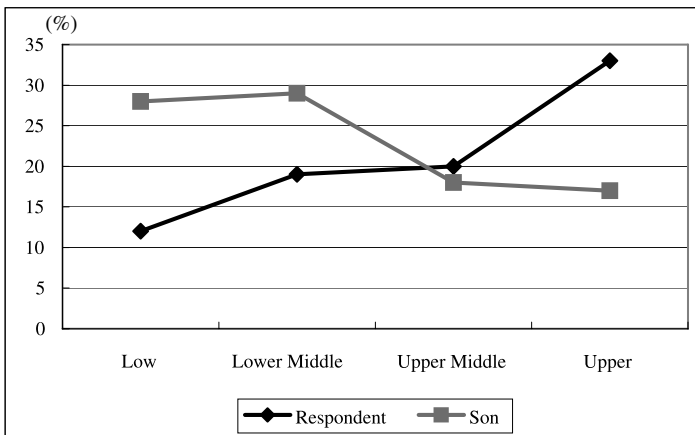
Source: Asia Barometer, Japan.

Note: Educational class is composed of four categories, “Low (academic career with lower than junior high school graduates)”, “Lower Middle (high school graduates)”, “Upper Middle (technical or vocational college graduates)” and “Upper (academic career with higher than university graduates)”

Figure 10 Educational Aspiration by Educational Class: Urban China

Question: (Respondent) “Of the following lifestyle aspects or life circumstances, please select five that are important to you: Having access to higher education”

(Son) “How would you like to see your son(s) grow up?: Becoming a great scholar”



Source: Asia Barometer, China.

Note: Educational class is composed of four categories, “Low (academic career with lower than junior high school graduates)”, “Lower Middle (high school graduates)”, “Upper Middle (technical or vocational college graduates)” and “Upper (academic career with higher than university graduates)”

to provide the maximum possible education to their children for the latter's social advancement (Figures 7 and 8).

According to Asia Barometer 2003, in urban China, members of the lower middle class or the lower class, who have a poor educational background, like to see their sons become "great scholars," although they themselves regard "access to higher education" as less important for their lifestyle (Figures 9 and 10).

Thus, people in urban China regard credentialism in a positive manner, and in this aspect, China is in clear contrast with Japan.

3. Dynamic Combination of Resurgence of Traditional Meritocracy, Increasing Anti-Socialist Value, and Impact of "Globalization"

How can these traits be understood and interpreted? Three elements should be taken into account for this purpose.

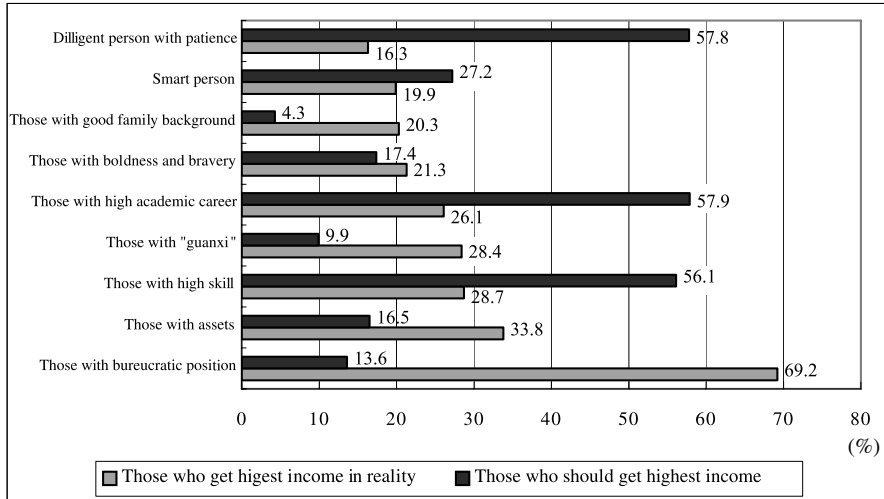
The first is the resurgence of traditional meritocracy, symbolized by *keju* (imperial examinations), which was suppressed during the Maoist era to create an "equal society" (Parish, 1984; Tang and Parish, 2000). In other words, urban residents appear to assume that many social resources will be distributed to individuals according to their academic careers. This way of thinking forms the residents' "traditional" way of understanding "social rank." A comparative study of the occupational prestige in Japan and Harbin city in Heilongjiang Province also supports this observation (Sonoda and Zhang, 2000).

The second element is the increasing anti-socialist value on the distribution of social resources. According to a survey conducted by the Chinese Academy of Social Sciences, people in Hanchuang, Hubei Province, regard those who occupy bureaucratic posts as being in a position easily to earn the highest income, which, according to them, is far from the ideal income (Figure 11). On the contrary, the survey result reveals that those with academic careers are in a better position to earn a higher income (Lu, 2002).

The third factor is the impact of "globalization." The younger generation in China is looking "outside" for opportunities and is ready to move abroad or to other cities to seek a better life, regardless of whether or not they are members of the Chinese Communist Party (CCP) (Figure 12). Euro-American companies are preferred because they are regarded as "open" and "having more space for their development and promotion." (Sonoda, 2001) Thus, it is understandable that the recent "boom of studying abroad" in urban China has been promoted by the logic of "globalization."

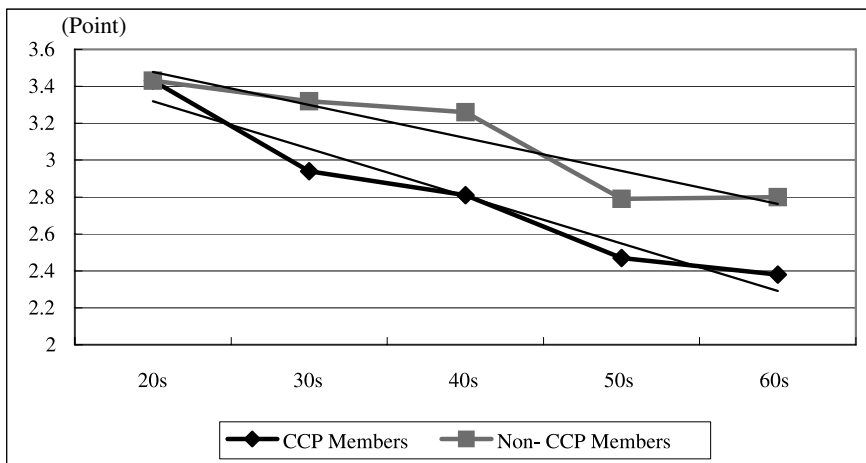
These three factors, combined with each other, are creating a new type of *nengli-zhuyi* (meritocracy) in contemporary China.

Figure 11 Ideal and Reality of Income Distribution in Hanchuang City, Hubei Province



Source: Lu (2002: 77).

Figure 12 "Are you ready to move to other cities or abroad for your life?"



Source: China 4 City Survey.

Note: The higher the score is, the more eager respondents are to move to other cities or abroad for their life.

4. Emerging *Nengli-zhuyi* Will NOT Challenge CCP's Governance

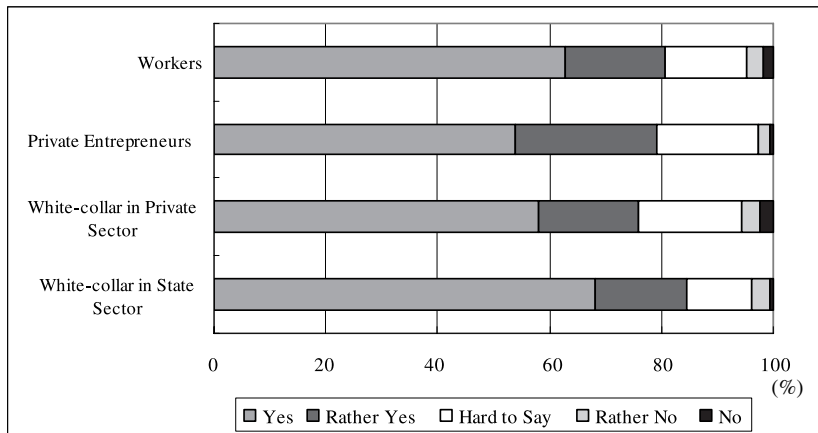
How will this newly emerging *nengli-zhuyi* change the political-economic regime? Will it change the one-party system in China? The tentative answer is “No.” In other words, I suppose that the changing value system will justify, or at least will not challenge, CCP's one-party system and its legitimacy in the near future for the following reasons.

First, the CCP is recruiting younger people with more *nengli* (talent and ability) and a superior *xueli* (academic background); on the other hand, people have come to regard party membership as a “formal channel” to become elite (Xu, 2000; Sonoda, 2001). In fact, the CCP has been recruiting such a large number of highly talented personnel under the doctrine of *sange daibiao* (three representations) that the Party has more managers—white-collar workers—and entrepreneurs, but fewer than ever farmers and blue-collar workers (Sonoda, 2003).

Second, people who have poorer educational backgrounds prefer “return match” by their sons or daughters to denial of *nengli-zhuyi*, as seen in Figures 8 and 10. It is, therefore, natural to consider that *nengli-zhuyi* will not automatically produce anti-CCP feelings in people.

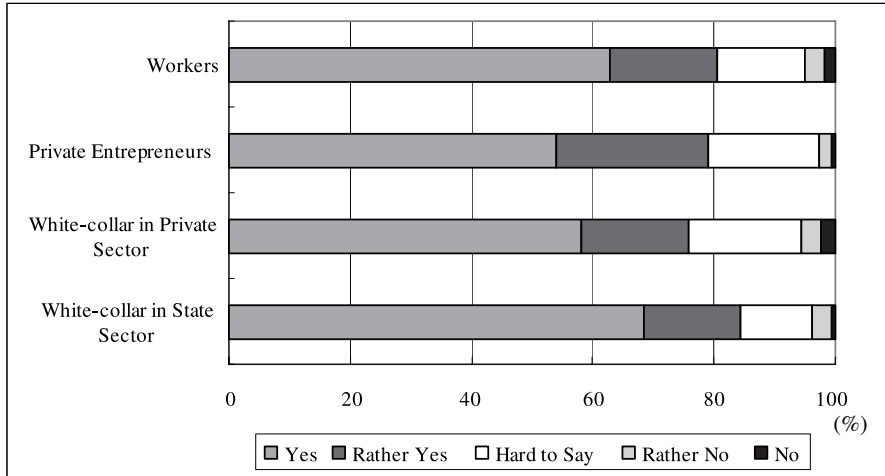
Third, the social groups that are “by-products” of economic reforms, namely private entrepreneurs or *bailing* (white-collar workers) in the private sector, do not have distinctive political attitudes, and display very conservative political attitudes. In other words, they strongly support the party-and-government system and long for social stability rather than freedom of speech (Figures 13 and 14). On the con-

Figure 13 “Party and government know what is best and most profitable for the people”



Source: China 4 City Survey.

Figure 14 “Social stability is more important than freedom of speech”



Source: China 4 City Survey.

trary, the “new rich” in urban China have been attempting to establish a close association with CCP to protect and promote their own interest (Sonoda, 2001; Dickson, 2003).

Dramatic democratization or radical political transformation has not occurred thus far due to the attainment of *nengli-zhuyi*, although a large inflow of rural population in urban China, who cannot enjoy equal opportunities of education for their children due to the strict control of a residence re-registration and who experience strong frustration against mistreatment by the local governments, may create some social disorder in the near future.³

Notes

- 1 According to internet survey by China HR.com in 2004, among popular 50 companies in the eyes of university students 34 are foreign companies. See <http://campus.chinahr.com/investigate/2004/2003.htm>
- 2 Because China is too huge and rural-urban discrepancy is too large to conduct national-size sample survey in a true sense of the word, we have to focus on either rural district or urban district. Most of the sample surveys in China are conducted in urban district rather than rural district partly because of the importance of large cities and partly because of the easiness of the research. As to the effect of education on income, Li (2003) points out the difference between rural and urban China. It is, therefore, dan-

gerous to make overgeneralization of the result of four-city survey in this paper. As to the sampling method of the four-city survey, see Sonoda (2001: 24-25).

- 3 We have started our new project on the impact of social fluidity on social integration and local governance in urban China with the collaboration with Tianjin Academy of Social Sciences.

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