CLASS AND GENDER:
SOCIAL STRATIFICATION OF WOMEN IN CONTEMPORARY URBAN CHINA

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by

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ABSTRACT

This thesis studies the method of gender social stratification and its circumstance in contemporary urban China. Firstly, a 'social class schema' is created after comparing the occupational classification in class schemas of Erikson-Goldthorpe-Portocarero and the Chinese Academy of Social Sciences, and taking into consideration of the Standard Occupational Classification system (2010). Later, each stratum is subdivided into three sectors to reflect the Chinese dualist system of state and market, and the divisions in the market. Based on this schema and the data sets from the Chinese Household Income Project, 2002 and 2007, the shares of each social stratum and the earnings distribution are discussed, especially gender comparisons and changes. Moreover, to further scrutinise the differences in the same social stratum and to observe the impact of the household on men and women, the principal component analysis is applied to create a direct and indirect 'Social Class Index' (SCI) for each observation. Both indices are comprehensive and combine many aspects of the social stratification. The indirect 'SCI' also reflects the impact of the household with a changed variable set. After inspecting the composition changes of the social groups constructed on direct and indirect 'SCI,' the adjusted social stratification of genders are illustrated.

Keywords: Social Stratification; Gender Issues; Labour Market; Impact of the Household; Urban China

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CHRONOLOGY

1949 Establishment of the People's Republic of China (PRC)

1956 Completion of the 'Socialist Transformation'

1966 Beginning of the decade of the 'Great Proletarian Cultural Revolution'

1978 The Third Plenary Session of the Eleventh Central Committee of the Chinese Communist Party (CCP), beginning of the 'economic reforms' and the 'opening up to outside world'

1989 'Tiananmen Square Turmoil' broke out

1992 Deng Xiaoping's 'Southern Tour'—reaffirms commitment to policies of reform and opening up

1994 'New Labour Law' was passed sanctioning the right of employers to dismiss worker

1995 Cancellation of university students' job allocation and beginning of mutual-choice between graduates and employers

1997 Reconstruction of the state owned enterprises (SOEs) causes unemployment problems in urban China

1999 Beginning of the expansion of students enrolment in universities and colleges

2002 Hu Jintao elected as General Secretary of the Central Committee of the CCP in the First Plenary Session of the Sixteenth Central Committee of the CCP. He puts forward the Concepts of 'Scientific Development' and building a 'Harmonious Society'

2007 The First Plenary Session of the Seventeenth Central Committee of the CCP. Hu Jintao serves consecutive terms as the General Secretary of the Central Committee of the CCP

2012 The First Plenary Session of the Eighteenth Central Committee of the CCP. Xi Jinping elected as the General Secretary of the Central Committee of the CCP

ABBREVIATIONS

ADB:	Asian Development Bank
CASMIN:	Comparative Study of Social Mobility in Industrial Nations
CAS:	Chinese Academy of Sciences
CASS:	Chinese Academy of Social Sciences
CCP:	Chinese Communist Party
CFPS:	China Family Panel Studies
CGSS:	Chinese General Social Survey
CHFS:	Chinese Household Finance Survey
CHIP:	Chinese Household Income Project
COE:	Collectively Owned Enterprise
CPPCC:	Chinese People's Political Consultative Conference
EGP:	Erikson-Goldthorpe-Portocarero
FA:	Factor Analysis
GCI:	Global Competitiveness Index
ICPSR:	Inter-University Consortium for Political and Social Research
ISSS:	Institute of Social Science Survey
MLSSC:	Ministry of Labour and Social Security of China
NBSC:	National Bureau of Statistics of China
NPC:	National People's Congress
PRC:	People's Republic of China
PCA:	Principal Component Analysis
RIF:	Recentered Influence Function
SCI:	Social Class Index
SOC:	Standard Occupational Classification
SOE:	State Owned Enterprise
UQR:	Unconditional Quantile Regression

CHAPTER 1

INTRODUCTION

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INTRODUCTION

1.1 MOTIVATION FOR THE STUDY: A FOCUS ON CLASS AND GENDER

During the 'socio-economic transition period,' from 1978 to the present day, China followed the policies of 'economic reform' and 'opening up to the outside world' (Nolan 2005, p20). With the reform and rapid growth of the economy, the Chinese social structure underwent enormous changes. These changes continue to interest scholars and researchers, not only of China, but also the rest of the world. As Bian (2002) suggests, the economic development and consequent large-scale social transformations have provided an unusual opportunity for study by researchers who are interested in social change and social differentiation.

During this 'transition period,' one of the most significant changes was the economic restructuring—from a centrally-planned economy to a market-oriented economy—where the market began to play an increasingly important role in resource distribution and economic development (Oi 1995). This change, in conjunction with the retreat of the state administrative sphere from the labour market, has gradually transformed the mechanisms of resource allocation and led to changes in social stratification (Wu 2004). The enlarging gaps between different social groups have led to an escalation in tensions between the higher and lower social strata (Whyte 2010). Ever more severe social problems will occur if this trend in polarization increases. What is the social structure of contemporary China? How are resources distributed among the different social strata? How have the social strata transformed with the economic reforms?

In addition to the transformation of the social structure, the situation of Chinese women has also changed. Contemporary Chinese women are in a quite different position from their pre-communist 'traditional' counterparts. Over the past several decades, more equalitarian policies towards the genders have made a great deal of difference, not only to their own self-identification of women, but also to their social milieu. Moreover, women are also in a different position from where they were before the economic reforms, when China was a centrally-planned economy. According to Meng (2000), the female employment rate has gradually declined since the economic reforms began. This phenomenon has heralded further changes in women's social status and conditions.

Therefore, the current socio-economic circumstances of women have come into question again, especially since many female workers were laid off (*xiagang*) by state owned enterprises (SOEs) and collectively owned enterprises (COEs) during the 'industrial restructuring' (Chen 1991, p345). In confronting a more and more competitive market environment, has the situation of women degraded or progressed? Do all women face a similar situation or are there discrepancies that exist amongst them? What are the factors contributing to these divisions? These questions are valuable because they highlight key problems which currently face China. Moreover, in order to provide a comprehensive understanding of the current Chinese social structure and its influence on gender differentiation, proper measures to study the social stratification and the gender issues of China are most important. A discussion of these methods is the focus of my research.

As discussed, Chinese society has experienced enormous social transformation and alongside these changes, the socio-economic status of women also altered. Why put these two issues of class and gender together? This is because class and gender are highly related topics and the connections between the two can be established from various standpoints. Firstly, class relationships express a discourse of inequality and hierarchy, which is also the

basis of research on gender issues (Skeggs 1997). For example, research on gender issues emphasizes 'gender inequality' and has tried to explore the reasons behind the patriarchy (ibid). Secondly, the formation of social class can be seen as a process of socialization in which resources are allocated and a corresponding hierarchical social position and status are produced (Bourdieu 1984; Fiske 2013). Gender issues and gender inequality are constructed in similar ways. Gender roles are regarded as being formed by various socializing agents (Eagly 2013). Through the socialization process, resources are allocated discrepantly thus resulting in gender inequalities.

Thirdly and most importantly, 'class and gender' poses a methodological problem, which is how to measure social stratification, especially gender social stratification (Marshall, Newby, Rose and Vogler 2012). On the one hand, classical social stratification regards all members of the household as having the same social stratus and uses a husband's social stratification as a substitute for his wife's. This method has produced many problems, especially with the labour market participation of women. This method eschews vertical and horizontal segregation[1] between genders in the labour market and covers cross-class marriage in households (Blackburn and Jarman 2006; Roberts 2011). On the other hand, the method which studies social stratification from an individual perspective theoretically denies the impact of the husband on his spouse in terms of social stratification. However, this impact exists in reality (Erikson and Goldthorpe 1992). The impact of the spouse and how the spouse impacts on partner's social stratification should be studied in researching gender social stratification. This methodological issue

[1] Horizontal segregation between genders in the labour market refers to the differences in the amount of people of each gender present across occupations. For example, the occupations of nurse and teacher are often presumed to be women's occupations and attract more women than men. On the other hand, doctors and lawyers are often assumed to be male occupations and gather more men than women. In contrast, vertical segregation describes men's domination of the higher status jobs in occupations. For example, men have a better chance of obtaining higher positions in the occupation of 'Education Professionals,' —their share of employment is higher in 'Universities and as Vocational Educational Teachers' than 'School Teachers.'

is reflected in the debates on class and gender, and is discussed in greater depth in later sections and resolved in future chapters.

Fourthly, linking gender and social class together is fundamental to an understanding of the social reality in China. Gender issues in China have never been purely an issue of a relationship between the two genders. On the contrary, these issues have always been connected with societal transformation and development, and even national emancipation (Moghadam 1992). This issue is apparent from an historical overview of the development of women in China. Similarly, social change cannot be fully understood without taking into account the situation of Chinese women. Changes in women's socio-economic position are not only a significant component of societal transformation, but also impact on it. These combined issues can be described as 'Chinese women in an era of Chinese social transformation' or 'Chinese social stratification and the transformation of women.' It can be understood as an interactive process: on the one hand, the changes in the social stratification of Chinese women follows the overall changes in social stratification and this have its own characteristics. On the other hand, changes among Chinese women impact on the overall social stratification.

In this introductory chapter, the explanation of the core topic of 'class and gender' is divided into two main parts. The first section is concerned with the realities of 'class and gender' in China and reviews the history of social stratification and the development of women from pre-communist China until the initial stages of the economic reforms. A historical overview of 'class and gender' is necessary because it provides a basic understanding of how Chinese social structure and the socio-economic position of women have evolved. At the same time, the focus of my research—the current social structure of Chinese women—is based on this.

The second section briefly discusses the theories of 'class and gender'—the traditional Marxist and Weberian class analysis approach,

gender analysis and the debates concerned with them. This introduction to class and gender theories is further developed in the third and fifth chapter when discussing the specific method of gender social stratification. These discussions will pave a way for comparing the two social class schemas—the neo-Marxist and neo-Weberian theory, as applied to Chinese society in the third chapter, as well as the analysis of the impact of the household on the social statuses of both husbands and wives in the fifth chapter. After this, the overall structure of this thesis and each chapter's content is highlighted. The following sections provide a historical overview of social class and gender transformation.

1.2 A HISTORICAL OVERVIEW OF SOCIAL CLASS IN CHINA

1.2.1 Social Stratification in Pre-Communist China

How did the word 'class,' one of the key concepts of this thesis, enter the Chinese social sphere? 'Class,' like some other social or political concepts was first taken over and given new meaning by the Japanese and then reintroduced into China (Guthrie 2012). Currently, the word 'class' is translated as 'social class' (*jieji*) or 'social stratum' (*jieceng*). The term '*jieji*' in Chinese consists of two separate words. The first ideograph '*jie*' means steps, like rungs on a ladder; and the second '*ji*' is the order of threads in a fabric (Liang 1999, p179). As Kuhn (2010, p18) suggests, both '*jieji*' and '*jieceng*' connote hierarchical degrees on a continuum, linked to a system of social ranks.

In the earliest period of China, society was mainly divided into four large occupational groups by Guanzi—a thinker and politician who lived in the period of 'Spring and Autumn' (719 B.C.—645 B.C.) of China (Fu 1996). These four large occupational status groups were called '*simin*' and consisted of scholars (*shi*), peasants (*nong*), artisans (*gong*) and merchants (*shang*), ranked in a hierarchical manner from high to low (ibid). Peasants were thought to be superior to artisans and merchants because agriculture was considered

the root of society, as it provides food and enhances a state's economic potential. In contrast, the merchants were despised and ranked lowest because trade was considered a subsidiary branch. In addition, this negative bias towards merchants in Chinese history was also a disadvantage as they were regarded as being corrupt and untrustworthy, and concerned only with money-making (Lin 1999).

These four occupational groups were thought to cover the entirety of human occupations and form a complete and interrelated system (Kuhn 2010). However, in contrast to occupation and economic status in modern society, wealth and poverty in ancient China had nothing to do with a person's occupational status. Within every occupational group there were huge economic disparities (ibid). There were those who were wealthy and of high status, there were those who were wealthy and of a mean status. For instance, peasants (*nong*) would include both the rich land owners and the poor tenants and the ancient Chinese social structure consisted of a broad and poor base and a very narrow elite top.

This occupational classification remained for millennia until the foreign onslaught at the end of Qing dynasty in the nineteenth century. During the Republican period from 1912 to 1949, China underwent incessant fighting between the warlords as well as during the anti-Japanese war and the Chinese civil war (Sheridan 2008). People became destitute and homeless. Chinese society in the Republican era was turbulent and the original social structure and social order was transformed. In 1949, with the establishment of the People's Republic of China (PRC), China began to move along a road of socio-economic restoration and a new social stratification emerged (Whyte and Guo 2009).

1.2.2 Social Stratification in Maoist China

During the Maoist era, although 'class struggle' was much emphasized, 'class' was more a political perception rather than a socio-economic concept. In addition, class stratification was based more on one's family background, political attitude and ideological stance, rather than one's own private ownership of production assets (Nee 1989; Pow 2009). In 1956, the 'three major reconstructions' were completed—the socialist transformation of Chinese agriculture, the handicrafts industry and the capitalist industry. After that, and until 1978, Chinese social stratification is commonly believed to have consisted of two social classes (*jieji*)—peasants and workers, and one social stratum (*jieceng*) — intellectuals[2] (Lu 2003).

However, some researchers observed a new privileged class emerging (Bian and Logan 1996). These were the cadres and officials (*ganbu*), who were in possession of great political and administrative power (Lee 1991). The division between the state cadres and rank-and-file workers could be detected in the 'labour personnel system' or 'cadre management system' (Edin 2003; Manion 1985). State cadres were designated and allocated by the government and were kept in reserve for preparation and promotion into upper leadership positions (Bian 2002). In addition to their greater career opportunities, the cadres were offered better rewards and living conditions etc. (Djilas 1957; Zhou, Tuma and Moen 1995). By contrast, most rank-and-file workers lived an ordinary life and stayed in the same work position their whole lifetime (Bian 1994).

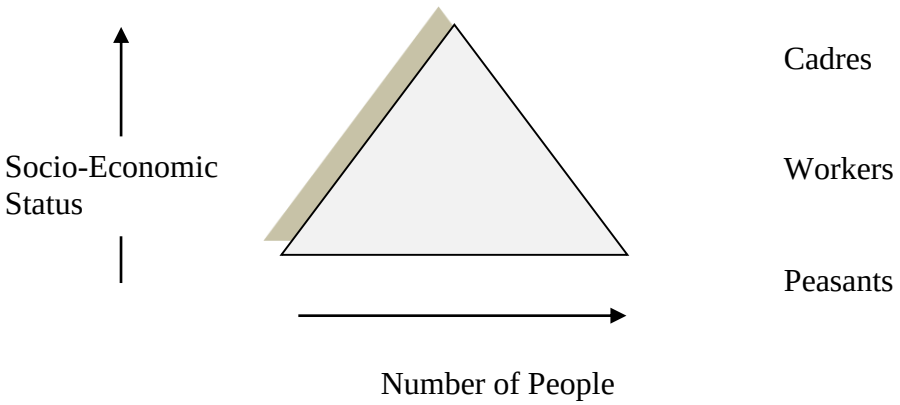
The distinctions between state cadres and rank-and-file workers were subordinate to another notable structural division—the rural and urban division—through the household registration (*hukou*) system (Naughton 2007; Wu and Treiman 2004). People were firstly divided artificially into two main social groups—agricultural or non-agricultural due to their geographical

[2] This classification excludes the class enemies, who consisted of landlords, rich farmers, capitalists, 'Nationalist Party' or '*Kuo Ming Tang*' soldiers, anti-revolutionaries, rightist intellectuals, traitors and spies.

location (Chan and Zhang 1999; Yang and Zhou 1999). Although the living standards of rank-and-file workers could not be compared to that of state cadres, they were much better off than the peasants who were constrained to the countryside (Chan 2010; Mallee 1995). Under the '*hukou*' system, the rural population —the majority—were not allowed to the rights and benefits conferred on urban residents.

The sharp differences between peasants and urban residents were expressed in almost every aspect of life, such as employment, housing, and social security, and included medical insurance, pensions, and educational opportunities for the next generation (Seeborg, Jin and Zhu 2000). As Li (2004) and Logan and Fainstein (2011) conclude, the '*hukou*' system—combined with migrant controls—made rural-urban disparities actually serve as a form of social stratification. Therefore, according to the divisions between the urban and the rural, and between the rank-and-file worker and the cadre, the pre-reform Chinese social structure was defined by the following three social groups as shown in figure 1.1: the economic and social status of cadre was the highest; the worker in the middle, lower than cadre, but much higher than the peasant (Parkin 1974; Solinger 1999).

Figure 1.1 The Class System in Pre-Reform China



Source: the author

Note: this figure demonstrates the relatively simple social structure during Mao's era.

Generally speaking, the social structure during the Maoist period was relatively simple, sealed off and egalitarian (Schram 2010). For example, the identities of these three groups were almost fixed. Once a person was born as a peasant, he/she might remain a peasant identity their whole life, unless his/her village was expropriated by a city or he/she passed the university entrance examinations, which consisted of a very low percentage of people (Li 2005). Similarly, in order for a rank-and-file worker to change their status to a cadre, long bureaucratic procedures would be involved (Bian 1994; Wu and Treiman 2004). In addition, society during the Maoist era was egalitarian with a Gini coefficient of 0.18 in the 1970s, below the absolute equalitarianism line of 0.2 (Schram 2010). However, this absolute egalitarianism was at the cost of extensive poverty.

With the implementation of policies of opening up and economic reform, many concrete systematic and institutional reforms were carried forward, which made this simple and closed social structure differentiate and polarize rapidly (Fan 1997; Lu 2012; So 2003). Later sections discuss how social stratification changed in the initial period of the economic reforms. The content of this section paves the way for further discussions about current social classification in the later chapters.

1.2.3 Social Stratification in the Initial Period of the Economic Reforms

At the very beginning, the initial period of economic reform in this thesis is referred to as the period from 1978 to 2002. Undoubtedly, the economic reforms started in 1978, when the third plenary session of the Eleventh Central Committee of the Chinese Communist Party (CCP) was held. Since then, massive economic and political reforms have unfolded and given rise to concurrent and significant social changes in China (Chen 1991; Mallee 1995). In addition, the focus of this thesis is on current social stratification in China and the data utilized are from 2002 and 2007 (a detailed discussion of

the data is included in the second chapter), when Hu Jintao was elected for the first and second time as General Secretary of the Central Committee of the CCP. Hu Jintao advocated the concepts of 'scientific development outlook' and 'building a harmonious society.' These propositions heralded a new period of economic development which was characterized by people-oriented, comprehensive, coordinated and sustainable development (Lam 2006; Saich 2004). Therefore, the discussion of the initial period of economic reform is referred to as the period from 1978 to 2002.

During this period, the Chinese economy gradually diversified by allowing the private sector to grow and foreign investment to enter. The market mechanism was officially recognized which changed the original single central planning model into a dualist model of state and market (Lin 2001; Nee and Matthews 1996). With the economic reforms and market development, social changes and the differentiation of the social stratification began. Some new social groups emerged and the old social order was transformed. The egalitarianism that underpinned the planned economy diminished and the disparities between different social groups enlarged enormously (Brandt and Rawski 2008).

In addition, it is worth mentioning that the term '*jieji*' was infrequently utilised after 1978 because the priorities of the CCP government were reoriented from 'class struggle' (*jieji douzheng*) to economic development. The term '*jieji*' has a highly political connotation, which reminded people of the violent class struggle during the Maoist regime. Therefore, the term '*jieceng*,' replacing '*jieji*,' was increasingly adopted. Furthermore, '*jieceng*' carries connotations of socioeconomic differentiation, meanings which conformed more to the new era of reform and opening up (Anagnost 2008; Guo 2013). The social differentiation of the initial economic reform period can be summarized in five trends as below:

The first trend encompasses the capitalization of the official and state manager stratum. In the government-led economic reform process, the central and local governor's role has been crucial. In the process of the restructuring and privatization of SOEs and COEs, a large amount of state capital has been transferred into the hands of officials and governors or their relatives and families through informal and unregulated channels (Sun 2005). This process is somewhat comparable to the differentiation of the old bureaucrats and the formation of new business elites in Russia (Kryshtanovskaya and White 1996). High-level state officials in China have seized economic benefits by virtue of their political power and organizational resources and thus their leadership has extended from the Party-State administrative sphere to the economic sphere. Many offspring and relatives of these high-level state officials have become monopoly tycoons in industry (Lin 1999).

The second trend is the admittance of the private entrepreneur stratum into the political and legal sphere. During the 80th anniversary of the CCP on 1st July 2001, general secretary Jiang Zemin gave a speech in which he emphasized that it was essential to absorb the excellent private entrepreneurs into the CCP (Dickson 2003). This was an important recognition of their political status. Consequently, in 2004, the 'private property legitimation' was incorporated into a 'Constitutional Amendment' and the 'Property Law of China' passed the National People Congress (NPC) in 2007 (Zhang 2008, p346). These events confirmed property ownership rights for private proprietors and indicated that the period of the boycotting and exclusion of capitalists had ended. Currently, private entrepreneurs not only enjoy economic success as the 'economic elite,' but also have become an important part of 'the people,' some of them even elected as representatives of National People's Congress (NPC) or members of the Chinese People's Political Consultative Conference (CPPCC) (Yan 2012, p338).

The third trend highlights the improvement in the social status of intellectuals. Intellectuals, cultural elites and technological experts

experienced uncertain circumstances and a fluctuating status after 1949. In the 1950s, intellectuals (*zhishi fenzi*) were not trusted by the CCP and they were restricted in terms of participation in political and party work (Eddy 2009). In addition, they were often forced to accept the 'socialist transformation' to cultivate the appropriate 'proletarian attributes' (ibid, p611). Since the economic reforms, however, this situation has changed. Their technological skill and knowledge have been valued and have helped them to achieve material benefits. In addition, China's political leaders have recruited and welcomed them into the political establishment (Wright 2010). The intellectuals have gradually changed into a 'professional elite' or a 'cultural elite' (Walder 1995).

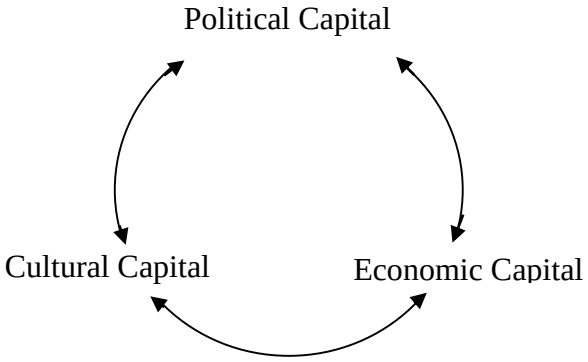
These three trends represent obviously those who have benefited from the economic reforms. They have become successful and prosperous because they have resorted to using their political[3], economic and cultural capital (Li 2013; Li, Meng, Wang and Zhou 2008; Liu 2003; Lu 2002; Raymo and Xie 2000). These resources are evidently of vital importance and can be interchangeable for each other as shown in figure 1.2. In contrast, those who did not own these resources have been gradually marginalized. The following two trends delineate the changes in their socio-economic position of these increasingly marginal groups.

The fourth trend is the fast descent of the working class. The working class was named as the leading class in Mao's regime, but after the economic reforms, especially the restructuring of SOEs, they were rapidly marginalized (Lin 2009; Weil 2006). For example, in 1997, eleven to twelve million urban workers were laid off and massive cuts continued over the next several years (Benson and Zhu 1999). The income of retained workers dropped and those who were laid off lived only on a small pension and support from their family

[3] The political capital here does not refer to the trust and influence of a public politician and other political figures, but refers to the capability one has to influence on policy setting and engage in state intervention, such as government grants, legal permits, and special tax breaks.

members. Although some workers were reemployed in private enterprises later, they had to endure very long working hours and humble working environments. In addition, amongst these, women have been severely disadvantaged (Dependence 2002). Women were the first to be asked to leave and comprised the majority of those who were laid off. Furthermore, these women have been disadvantaged in terms of finding new jobs because they lack certain skills and are old.

Figure 1.2 Social Capital Interchange



Source: Research Report on Social Stratification in Contemporary China, by Lu, Xueyi (2002).

Note: 'Political capital' also can be referred as 'organization capital.'

The fifth trend is the differentiation of peasants and the inferior condition of the 'peasant worker' (*nong min gong*) in cities. Before 1978, peasants not only lived in the countryside, but made a living on agriculture. When the policy that allowed peasants to find jobs and to live in cities was enacted, hundreds of millions of peasants poured into cities. However, most of them gathered in low skilled and labour intensive industries, which urban workers were reluctant to do (Wong, Fu, Li and Song 2007). Peasants took jobs with low pay, low prestige, and worked in unpleasant condition. Moreover, they were not able to benefit from any kinds of national and local insurance because of household registration (*hukou*) system (Chan and Buckingham 2008; Ngai and Lu 2010). As Tomba (2011, p317) remarks, out-

migration is often deemed as a way to escape the ‘peasant’ identity and to garner better living standards, but the identity of ‘peasant worker’ becomes another signifier once they have migrated to the cities.

In conclusion, confronting the social upheavals of the economic reforms, the formerly simple and relatively egalitarian social structure experienced rapid polarization (Lin 1999). Some groups got rich fast, such as the sub-groups, who owned political and social resources. The socio-economic status of some groups has improved, such as the entrepreneurs and intellectuals. In contrast, some other groups have to cope with greater uncertainty, such as the workers and peasants. They have split respectively. The laid off workers who once worked in the state and collectively-owned enterprises have had very difficult lives during the Chinese industrial transformation. In addition, numerous peasants have migrated to cities, participating in low level jobs and they constituted a new group, the ‘peasant worker.’ Corresponding to these drastic social transformations, the circumstances of Chinese women have also changed. What follows is a historical overview and discussion of the evolution of Chinese women’s socio-economic role, especially the changes after the economic reforms.

1.3 A HISTORICAL OVERVIEW OF CHINESE WOMEN’S CHANGING SOCIO-ECONOMIC ROLE

Generally speaking, the historical evolution of Chinese women has been a continuous process. It is hard to divide the development of Chinese women into certain phases according to particular ideological implications or a great significant event. In addition, Chinese women’s development has to a great extent been intertwined with Chinese national emancipation and socialist construction (Croll 2013; Wang 1999). Therefore, in this section, the changes in the socioeconomic role of Chinese women are divided roughly into three stages according to the Chinese social development process. Elaboration on

this begins with a discussion of the transformation of the traditional Confucian women in the late Qing dynasty.

1.3.1 The Change in Women's Role from the Traditional Confucian Status

For two thousand years before the end of the nineteenth century, Chinese girls and women abided by Confucian family doctrine, which linked feminine virtue with being a faithful wife and devoted mother (Chang 2007). The requirements of Chinese women—such as the three obediences and the four virtues (*san cong si de*)—bore the imprint of feudal imperial values. Women had to be dutiful—obeying their fathers when they were children, obeying their husbands after marriage, and obeying their sons after their husbands died (Hong 2013; Li 1995).

However, the patriarchal system in which these feminine norms were embodied began to be challenged when China confronted the 'great western powers' in the mid to late nineteenth century (Hong 2013, p195). With the Chinese national crisis and western invasion in the late Qing dynasty, Western thoughts on rights—from notions of natural rights to awareness of women's rights—began to infiltrate Chinese society. The advocacy of equality between the genders and liberation of women became the banners raised by Chinese intellectuals in their pursuit of national emancipation, progress and civilization (Li 2013).

The de-Confucian cultural movement combated old Confucian institutions and changed the traditional role of Chinese women. In the period of the early Republic of China, women who opposed feudal ethics and left home to seek a western education and a new life in society were a beacon of change. Therefore, as mentioned earlier, the gender issue or women's liberation in China has never purely been solely an issue of the relationship between the genders. Rather it was a fundamental part of overall Chinese

national emancipation and modernization. These ideological and social changes surrounding Chinese women's development built a fundamental basis for their progress in a new historical era after the establishment of the PRC. Subsequent paragraphs elaborate how circumstances of women changed after the PRC was established.

1.3.2 'Women Hold Up Half the Sky': Women in Maoist China

After the PRC was established in 1949, there were various political mobilisation movements launched under the Maoist regime—the land reform (*tudi gaige*), the great leap forward (*da yue jin*), and the Cultural Revolution (*wenhua dageming*) etc. (Granrose 2007). These mobilisation movements brought millions of women from the household sphere to the public sphere (Croll 2013). This was because women, as a productive force, were much needed by the state. They were an essential and irreplaceable part of Chinese socialist construction, and they were referred to as 'holding up half the sky' (Leung 2003, p367). The CCP government not only encouraged and recruited Chinese women to participate in work on a large scale, but also laid emphasis on the fact that women were equal to men (Hong 2013). The CCP undertook many actions to improve Chinese woman's social status and protect their rights.

To begin with, the principle of gender equality was written into State legislation. For example, the 'Constitution' stipulated equal entitlement to voting and to work, as well as equal pay for equal work, equal property inheritance and other rights (Croll 1983; Jordan 1994). Furthermore, the CCP government was active in promoting continuous struggles to break down male supremacy and woman-repressive customs or traditions. For instance, the marriage law, adopted in the 1950s, outlawed child brides and mercenary and forced marriages, which once were common phenomena in traditional Chinese society (Chun 1996).

In addition, many protective policies in favour of women were enacted, which included paid leave for childbirth and adjusted labour conditions during menstruation, pregnancy and nursing etc. In the meantime, civil courts were instructed to side with women more than men in divorce disputes (Jordan 1994). Moreover, the State Federation of Women had local branches in every factory, street and village to ensure that women had an organization of their own to turn to when gender-related problems arose (Howell 1996).

These policies, regulations and protective countermeasures for the rights of women represent the determination of the CCP government to improve women's social status. However, there were serious flaws in the justifications for claiming that women were equal to men in China. Analysing the position of women in Maoist China, Stacey (1983, p261) argues that the revolution of Chinese women 'reached backward to move forward.' She points out that in the process of the social revolution, the CCP prioritized class struggle over gender equality and made compromises with the patriarchal system to gain the support of peasants at the expense of women (ibid). Johnson (2009) makes a similar point in her study of the family in socialist China. She believes that construction of a socialist society was based on a traditional family economy and this family solidarity further inhibited prospects for the development of an independent consciousness of woman (ibid).

Furthermore, on the one hand, women were forced to take the same low-level and heavy work as men. The compulsion of women to work as equal as men not giving them the right to refuse this 'sexless' or 'degendered' way of living was deemed as another type of oppression (Yang, 1998, p211). This kind of 'gender equality' reached highest point during the Cultural Revolution. During that time, even the clothing and apparel of people with indication of gender have been removed (Chun 1996). On the other hand, gender discrimination existed in job assignments, as Zheng (2000) proposes the allocation of jobs followed gendered lines. Some service and auxiliary work

was regarded as suitable for women, while some technical jobs were seen as male work (ibid).

Possibly, the constant and unchanged concept of son preference can be used to verify that the status of women is not as high as people suppose. Especially after the policy of 'one-child family' carried out, the female infant death increased rapidly because many parents choose to miscarry or abandon the girl babies under the pressure that they can only have one child (Johansson and Nygren, 1991). In order to change this female infanticide circumstance, an extensive campaign has been embarked to upgrade the value of daughters in China's history. This is an open recognition of discrimination suffered by women, which was impossible to acknowledge since discrimination against women was largely and officially prohibited (Zheng, 1994, p142).

In summary, the development of women in the Maoist period was mainly pushed forward by intentioned activities and policies of government, and by the way of slogans, catchwords and broadcasts. From this point of view, the awakening of female self-awareness and consciousness (in comparison to the early period of the Republic of China) was set back. In addition, the ideological cultivation of gender equality to some extent lacked a necessary economic basis to support it. The 1978 economic reforms and the transition from a centrally planned economy to a market-oriented economy gave rise to complex socio-economic surroundings. Following these changes, the status and conditions of women in society also transformed. The later paragraphs discuss the changes in the circumstances of Chinese women with the economic reforms.

1.3.3 The Change in Women's Circumstances with the Economic Reforms

With the rise of the market economy and economic growth, the initial assumption was that gender inequalities would decline (Zhang, Hannum and

Wang 2008). This explanation was supported by 'discriminant theory,' which suggests that gender discrimination entails extra costs, which eventually will be punished by the market (Becker 1957; Polachek and O'Neill 1993). Or alternatively, as the 'classical modernization theory' argues, the gender gap may initially expand, but ultimately will diminish when the gender gap reaches a peak (Jaquette 1982, p274). This theory attributes the persisting gender inequalities to the existing 'socially conditioned structure' and the differences of 'social nature' between genders (Stainback, Ratliff and Roscigno 2011). This theory suggests that with the decline of gender disparities in 'conditioned structure' and 'social nature,' the gender inequalities will also decline.

The theories discussed above are optimistic and suggest that the gender gap in China would have decreased, even if, only eventually. However, the enlarged gender gap after the economic reforms has been verified by many studies. For women in cities, gender segregation in the labour market is more severe and their employment positions are more marginalized (Zhang, Hannum and Wang 2008). As mentioned earlier, women have been disproportionally selected for redundancy and have constituted a high proportion of the laid-off workers since the reconstruction of SOEs (Granrose 2005; Naughton 2007). Women were often pushed into in the private enterprises, informal employment with reduced income, less job security and worse work environment. Furthermore, women endured longer unemployment durations than men even if they had the same willingness to find a job (Du and Dong 2009). As Shu (2005) concludes, the market transition has diversified employment opportunities and choices for women, but it produced new marginalization and exclusions for them as well.

In contrast, men are in a better position to benefit from the new economic opportunities and tend to experience improvement in their economic circumstances (Shu and Bian 2003). The enlarged gap between the genders in the initial period of economic reform can partly be attributed to the

gender differences in human capital. As Liu, Meng and Zhang (2000) suggest, male workers had a higher level of education and more work experience than female workers at the beginning of the reforms. The gender gap in education was also verified by the data in the CHIP set in 2002, especially for those of middle age, which will be discussed in later chapter. However, with the reduction of gender differences in human capital, the gender gap in terms of employment and wages did not diminish correspondingly, but instead enlarged (Gustafsson and Li 2000; Knight and Song 2003; Shu and Bian 2003). Thus, the conclusion is drawn that the work circumstances for female workers have deteriorated since the reforms, in terms of earnings, employment and promotion opportunities etc. This phenomenon is even more severe for less-educated women (ibid).

The worsened working environment for female workers comes partly from the conventional gender discrimination against women by their employers (Bishop, Luo and Wang 2005; Wang 2005; Wang and Cai 2008). In addition, the removed and abandoned central planning mechanism encouraged this gender discrimination. It was found that the gender earnings gap was larger in the market sector than in the state sector (Maurer-Fazio and Hughes 2002). Furthermore, some protective policies and provisions for women did not help female workers in reality. Instead, they turned out to damage their work opportunities, if there was no related state regulations cooperation and funding support (Cooke 2001). For example, as Weichselbaumer and Winter-Ebmer (2007) suggest the effect of the labour laws on women's labour conditions and rights increased the cost to corporations of employing women. In the condition of lacking subsidies from the government and state to corporations, these plausible women-protection policies, such as maternal leave, actually reinforced the inequitable practices in employment.

With increasing urban unemployment in the late 1990s, the reassertion that the private household sphere was women's domain began to be deployed

to legitimize arguments that women should withdraw from the public labour force to free-up employment opportunities (Zheng 1994). In addition, there are voices appealing for a gentle and soft wife and mother who can put the interests of her family before her career. The absence of the forceful and widespread promotion of gender equality by the states and governments results in the re-emergence of the traditional gender role requirements and the gender discrimination in labour market. Many female graduates, who are qualified, are turned away by employers and the prospect of promotion for women is not as promising as that for men (Granrose 2005). Therefore, women began to retreat from the work place. Meng (2000) found woman's participation in the labour market decreased gradually.

To conclude, the growth of the market and the economy may have benefited a few urban educated women, but the majority has been impoverished relatively by the economic reforms. Against a background of social structural separation, Chinese women experienced severe polarization and slid further down in terms of socio-economic status. Women constituted the majority of the laid-off workers during the reconstruction of the SOEs and COEs, and have had to participate in informal employment with reduced incomes and less job security. Some traditional gender role requirements have resurged and have impacted on the employment and promotion prospects of women.

These descriptions provide a general picture of Chinese urban women's transformation after the economic reforms. What are the details of the social structure and social transformation of women, especially during the previous General Secretary of the CCP—Hu Jintao's tenure? In order to answer this question, some important issues are involved, such as how to organise a social schema so that the position of women can be compared and discussed, and what kinds of data sets are appropriate to be used. These issues are answered in due course. In addition, the most important question is how to choose the best approach to construct a framework for social class analysis.

Therefore, in the next section, the classical social classification approaches of Marx and Weber and gender analysis are discussed. The discussions of Marx and Weber's social classification provide a basis for the discussion of the neo-Marxist and Neo-Weberian social classification, especially their applications to Chinese society. Their works are the theoretical preparation for constructing my 'social class schema' in the third chapter. In addition, the gender analysis and the debate on 'class and gender' are further elaborated upon in the fifth chapter, which delivers theoretical support for creating the direct and indirect 'Social Class Index' (SCI). Here, the discussion will firstly begin with the social classification approaches of Marx and Weber.

1.4 CLASSICAL SOCIAL STRATIFICATION ANALYSIS AND GENDER ANALYSIS

As Crompton (1989) suggests, within sociology there is a permanent debate over terms such as social class or equivalent expressions—the social stratum. One of the key expressions of this thesis, the term 'stratum' has been borrowed from the science of geology where it refers to a layer of sedimentary rock or soil with internally consistent characteristics that distinguish it from other layers (Saunders 1989, p87). After being translated into sociological terminology, the concept of 'stratum' refers to 'layers' or 'social groups' which are arranged sequentially, one on top of the other (ibid). In social stratification analysis, one important issue is how to allocate individuals within the social structure. This issue poses the question: which criteria should be deployed to differentiate the population? Two prominent theories applied in social stratification studies to answer this question are those of Marx and Weber.

1.4.1 Marxist and Weberian Class Analysis

In the Marxist social stratification framework, class relationships are embedded in production relationships. Marxian theorists emphasize different kinds of rights and powers, and the deployment of a range of assets, resources and factors of production: machines, land, labour power and so on. These different kinds of rights and powers and their output determine social class relationships. If ownership of the means of production is taken as the basis for social stratification, two great classes are formed in the 'capitalist society': bourgeoisie and proletariat. The former are the owners and controllers of the material means of production, while the latter own only their labour power, which they are forced to sell to the bourgeoisie in order to maintain a livelihood (Marx and Engels 1906).

The pivotal concept of 'exploitation' and 'domination' makes Marxist class analysis distinctively different from other class analysis theories, such as the class analysis of Weber. In Marxist class analysis, capitalists exploit workers by virtue of their ownership of the means of production under the capitalist regime. Although Marxist social classification deems the bourgeoisie and proletariat as the major historic roles in a capitalist epoch, it does not deny that society is composed of a multiplicity of other classes (Wright and Wright 1985). A variety of social groupings are identified, such as the landed aristocracy, the industrial bourgeoisie, the middle class, the petty bourgeoisie, the industrial proletariat, the lumpenproletariat and the peasantry (ibid).

As far as Weberian class analysis is concerned, the rights and powers that individuals have which extend from productive materials are not significant in determining class relationships. For Weber, right and power are not caused by exploitation and material domination, but because of the role they play in shaping one's life chances against a backdrop of market exchanges (Weber 1946). In addition, Weber believed that only in the market can all these assets have values. In this sense, one's class circumstance is equal to one's market circumstance and is determined by multidimensional factors,

such as property, particular skills, and other assets. One's control over different resources affects one's bargaining capacity in the market and this in turn affects the results of the exchanges. According to their market bargaining capacity and their controlled resources, the population are divided. Weber identified social classes as: the working class; petty bourgeoisie; technicians, specialists and lower-level management, and the classes at the top of the hierarchy of occupation and ownership.

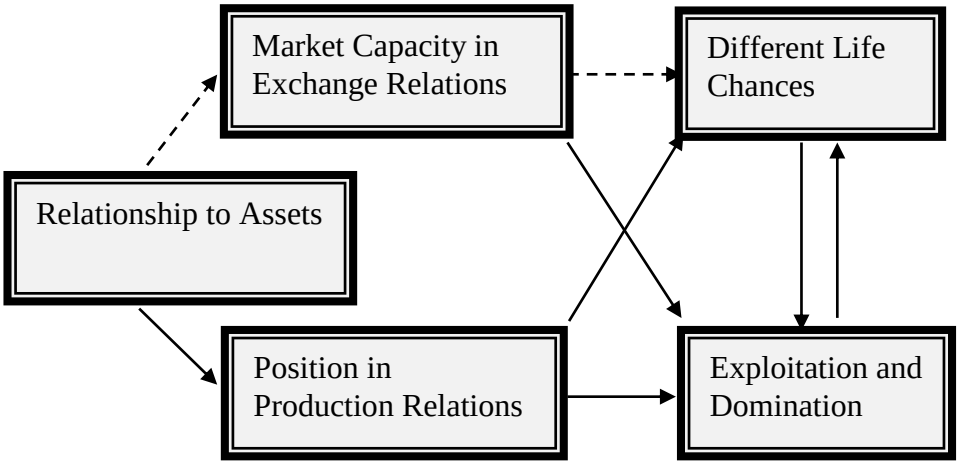
Both of Marxist and Weberian class analysis begin with the issues that determine the access of people to economic resources. From this perspective, Marxist and Weberian definitions of class relations in capitalist society share the same basic operational criteria. However, how they differ lies in the theoretical explanations and specification of the implications of this set of norms (Wright 2005). The Marxist model understands social stratification in two causative paths: one operating through market exchanges and the other through the process of production. In contrast, the Weberian model traces one—the market exchanges. Furthermore, Marx explains the causal mechanism of these two paths. Figure 1.3 suggests the contrast between Marxist and Weberian frameworks of class analysis.

In addition, at the level of class analysis, both class theories of Marx and Weber are gender-blind. Marx pointed out that capitalism is indifferent to what kind of labour it exploits (Crompton 1989). Capitalism, no matter whether or not it lacks gender exploitation, can still be capitalism. However, if the gender exploitation is admitted, it actually acknowledges gender inequality and admits that men and women have different access to economic resources. Social stratification is a study about the difference in distribution of various kinds of resources. If gender makes a difference in access to these economic resources, the factor of gender should be added as an important aspect in any social stratification study[4]. The paragraphs below discuss issues

[4] Other factors, such as the 'race' and 'ethnicity,' also impact on the distribution of various kinds of resources, but in this thesis, I mainly study the factor of 'gender'.

of female status in the study of social stratification and the gender debate on class analysis.

Figure 1.3 Marx's and Weber's Model of Class Analysis



Source: Erik Olin Wright (2005), Approaches to Class Analysis.

Note: The dotted line demonstrates Weberian analysis; both the solid line and the dotted line explain Marxist analysis.

1.4.2 Gender Analysis and the Gender and Class Debate

The key word 'gender' of this thesis and its distinction from 'sex' is firstly discussed. 'Gender' is often used to refer to the socially given attributes, roles, activities, and responsibilities which are connected with being a male or a female (March, Smyth and Mukhopadhyay 1999). In contrast, 'sex' is a biological human distinction between male and female, which is defined by the gametes the organism produces. There are only two categories of sex all over the world—male and female, whereas the gender experience of being male or female can be very different from one culture to another. People's gender identity determines how they are perceived, and how they are expected to think and act in the role of women or men.

The analysis on gender in sociology explores and highlights the relationship between men as a sex and women as another sex, how these relationships and gendered positions have been created and reproduced in a society, and the reasons behind those relationships (Lorber 1994). Gender relations are simultaneously relations of cooperation, connection, and mutual support, and of conflict, separation, and competition, of difference and inequality (Connell 1987). It is concerned with how power and rights are distributed between the sexes in the household, in the market, and at the community and the state level. In addition, to choose a suitable measure to study gender issues is also important. In this section, the gender analysis mainly focuses on the inferior condition of women, the gender disparities in terms of social stratification, as well as the criticisms made by feminists about the methods of social stratification.

To begin with, women's inferior position in comparison to men is ubiquitous and easily identifiable. This phenomenon is deeply rooted the patriarchal culture, history and traditions (Friedan 2013; Sperling 1991). In patriarchal societies, the inferior situation of women was taken for granted because women were seen as physically inferior to men. Rituals and customs reinforced and defended this mind-set. Gender inequality has a long history in China. Even when individual rights and equalities were advocated and propagated, the rights and equalities of the half of the population—women—were not widely acknowledged or were negated outright. However, women have never stopped challenging those traditional gendered concepts and attitudes, especially in the last century.

In the past century, in the main western countries, numerous efforts have been made to reduce the structural gender inequalities. For example, in the first wave of feminism during the nineteenth and early twentieth century, suffrage was claimed and some legal obstacles to gender equality were removed (Lorber 2005). The second wave of feminism began in the 1960s, in the background that many women entered into the workforce. The central

focus of the second wave was on total gender equality, and much more activities associated with the women's liberation and fights for women's legal and social equality etc. ensued (Connel 1990). In addition, political elites and state power entered into the battle through court decisions, legislations and mass movements (Ryan 2013).

While social and political movements took up the fight against the gender inequality in reality, the academic research of social science in universities was also impacted by feminism. In the 1960s, feminist researchers raised fundamental challenges to the ways that social science has analysed women, men and society. Feminists argue that modern scientific understanding—specifically information about sociology and politics—is produced by patriarchal institutions which favours men and ultimately reflects a 'masculine world view' (Keller 1985, p110). In the particular instance of class analysis, as discussed before, classical class theory did not consider the stand of women (Acker 1973). As both Crompton (1989) and Lockwood (1988) have argued, class theory is about class, not gender.

Social class theories, such as that of John Goldthorpe's, which was the most arguable one in Europe, regarded the female as largely peripheral to the class system (Goldthorpe 1983). In Goldthorpe's work, women were conventionally perceived to have the same class position as that of their husband. This approach is reflected in the gendered labor divisions within household, in which the male is characterized as the 'breadwinner,' whilst the woman retained the primary responsibility for the domestic sphere. However, this method was subject to extensive criticism. This was because more and more women have participated in the labor market and the proportion of women in professional, administrative and managerial occupations has largely increased. In responding to this criticism, Goldthorpe and Erikson stated no matter whether it is man or women, social stratification analysis could be based on the 'the head of the household strategy' (ibid).

Unfortunately, this alternative did not settle the debate because of cross-class marriage within households (Blackburn and Jarman 2006; Roberts 2011). On the contrary, it revealed the vertical and horizontal gender segregation in the labor market and pointed out the difficulties in the application of occupational-class schemas in discussing social stratification. As Lockwood (1983, p178) argued, it is the position of occupation, rather than the sex of the individual, which determines the status of the incumbent. However, the status of the occupation has been often been decisively influenced by gender. In addition, the class position of women remains a highly contentious issue.

Eventually, feminists gave further evidence and arguments to support the necessity of rebuilding class theory to correspond to the changes in both the public and private spheres of individual's social lives (Stanworth 1984; Sorensen 1994). Marshall, Roberts, Burgoyne, Swift and Routh (1995) tended to combine class and gender, and suggested that social classes comprise neither families nor individuals, but individuals in families. For this reason, the study of class is properly conducted at different levels of analysis. Duke and Edgell (1987) proposed that individual level investigations into production-based behaviour should include both men and women as individuals, whilst empirical studies of consumption behaviour and attitudes should use a measure of household class which is a product of the class situation of the household members.

In conclusion, these critiques and debates represent the complexities of 'class and gender' analysis and verify the necessity of connecting both spheres together. The development of a gender perspective in class theory offers an important contribution to social stratification knowledge and also inspires my research. This research tries to determine how the element of 'gender' can impact on one's social class and focuses on the social stratification of Chinese women. Therefore, the individual perspective is first

taken in order to sketch the overall social structure and make a gender comparison.

At the same time, this thesis does not neglect the impact of the household. The impact of the household on social stratification is also discussed and the kinds of principles coming from the class and gender debate are elaborated upon in the future chapter and applied to create the 'SCI.' In addition, all these analyses are based on quantitative analysis, which uses the data from the Chinese Household Income Project (CHIP). The section which follows provides an outline of this thesis and the summary of each chapter.

1.5 THE STRUCTURE OF THE THESIS

The contents of the rest of this thesis are outlined as follows:

Chapter 2

This chapter reviews the existing literature, and discusses the research methodology, data sets, research outcomes and contributions. The aim of this research is set to find a proper method to provide a detailed picture of current Chinese social stratification and the social position of women in the social structure. After reviewing the literature on Chinese social structure, earnings distribution and gender issues, the main research aims are divided into sub-goals and specific objects. In order to achieve these goals, a quantitative research method is preferred because specific statistical modelling is applied and a large quantity of data, representative of the overall population are needed. Concerned with the availability and feasibility of data collection, the secondary data from CHIP are selected to be used after a comparison of different data sets.

With these informative data, the aims of this research can be fulfilled, while at the same time there is a contribution to the literature. This research

first creates a ‘social class schema’ which adopts the method of occupational classification, meanwhile considering the dualist system of market and state, and the subdivisions within the market. This classification and its subdivisions can be used respectively to study social issues at different levels. In addition, this research utilises an innovative method in studying gender social stratification by synthesizing a comprehensive index—‘SCI.’ This innovative method combines class and gender together, and gives consideration to both the individual and household perspective, which solves the problem of utilising the element ‘gender’ in class analysis. The new created ‘SCI’ modifies the original social structure and provide a more realistic picture of Chinese social stratification and gender issues.

Chapter 3

This chapter constructs a ‘social class schema’ for contemporary China based on occupational classification, while at the same time taking into consideration the Chinese specific institutional framework. In order to construct an occupational classification schema for this research, this chapter refers to the U.S. 2010 Standard Occupational Classification (SOC). In addition, this chapter discusses the comparison of occupational classification between the social class schemas of Chinese Academy of Social Sciences (CASS) and Erikson—Goldthorpe—Portocarero (EGP)[5]. Furthermore, the occupational classification from CHIP in 2002 and 2007 is also considered. The final occupational classification schema includes seven strata: official and manager, professional, clerk, industrial manual worker, service labour, entrepreneur and self-employed.

In addition, the Chinese unique dualist framework of state and market is also taken into consideration. Due to the disparities in each social stratum

[5] This class schema can be variously referred as the Goldthorpe, Erikson—Goldthorpe (EG), Erikson—Goldthorpe—Portocarero (EGP), and CASMIN (Comparative Study of Social Mobility in Industrial Nations) typology.

caused by the ownership and industry, each occupational stratum is subdivided into three sectors: the state sector, the competitive market sector and the uncompetitive market sector. Thus, a 'social class schema' of 17 social strata is formed. The subdivisions in each stratum are necessary because they reflect characteristics and institutional divisions of the transition period, and how the state and market together impact on Chinese social stratification. This 'social class schema' provides a research framework for later discussions on social strata and earnings distribution, and their transformation, as well as gender comparisons.

Chapter 4

Based on the 'social class schema,' the transformation of the social structure, gender comparison, and earnings disparities are explained. It is found that labour migrated from the industrial manual worker market to the service industry worker market and the proportion of social stratum, such as the professional and clerk, expanded corresponding to the heavy demand for high-end personnel. The market sector in each social stratum extended with the market development, but the state sector still has an obviously dominant position in the upper three social strata. In contrast, the proportion of the market sector is bigger in the lower two. In reference to changes in earnings, the competitive market sector performs the best, and the increase rate of earnings in uncompetitive market sector lags much behind. The earning capacity of the upper social classes increases more than that of the lower classes and this causes a polarization among different social strata.

In addition, the discussion of gender reports that the circumstances of female employees are frustrated. Although the gender ratio gaps decreased in most social strata from 2002 to 2007, women still tend to cluster in the narrow range of the lower level social strata. In exploring the factors that impact on gender social stratification, it found that younger and more educated women are more able to gain access to higher social strata, while the less educated

women tend to be restricted to the lower occupations. Moreover, the gender earnings gap in almost every social stratum enlarged. In order to illustrate how gender earnings are impacted, Unconditional Quantile Regression (UQR) is undertaken. Results of estimation demonstrate that the earnings loss caused by gender discrimination increases, particularly for those women with higher earnings.

Among the factors impacting on gender earnings, lower educational returns for female workers of higher earnings are detected, although this increased from 2002 to 2007. In addition, a woman's age is much less rewarding than it is for men. The marital status and young children etc. household factors are less of a reward and even constitute a negative for women. Furthermore, the impact of region, occupation, ownership and industry on gender earnings are also explained. It is found that being in eastern region contributes more to earnings at quantiles 80^{th} and 90^{th} for men, while it is more for lower half for women. As for the occupational impact, occupation plays a more important role in impacting on earnings, as well as ownership and industry. The latter two factors also become more significant in 2007, particularly for those with higher earnings.

Chapter 5

In order to understand social class analysis more deeply, the fifth chapter adopts the Principal Component Analysis (PCA) to create a 'SCI' for each observation to expresses subtle differences between individuals. This index is a comprehensive one, which combines many aspects of social stratification, such as occupation, ownership, industry, educational attainment, social security circumstance and earnings. In addition, the results of factor analysis (FA), confirm the legitimacy of using occupation, ownership and industry to construct the 'social class schema,' because these variables are in the same dimension, together presenting the aspects of 'job characteristics.'

In addition, with a changed variable set, a new ‘SCI’ is created which represents the impact of the household in terms of redistribution and exchange. Some features, which relate to occupational status that are hardly shared with spouses, remain the same. Other aspects, which included information on household shared resources and activities are added in. In addition, individual’s earnings are replaced by shared household earnings to express household exchange and redistribution. This new created ‘SCI’ reconstructs the social structure and changes the individual’s original social rank.

Comparing the two indices, it is found that the household shared economic resources and consumption has an averaging impact leading to the social gap decreasing between couples. This evening up impact is more capable of improving social positions of wives, as they tend to be inferior in the productive sphere. The original gender social gaps are relieved following the reduction of the social disparities between husbands and wives. At the same time, with cross class marriage, the social gaps between different social groups are abridged.

Chapter 6

The final chapter reviews the findings and insights which are gleaned from the study’s analyses in previous chapters. Based on the findings, policy implications and suggestions for further study are explicated.

UNIVERSITY OF NOTTINGHAM

CHAPTER 2

LITERATURE REVIEW, RESEARCH DESIGN AND METHODOLOGY

CHAPTER 2

LITERATURE REVIEW, RESEARCH DESIGN AND METHODOLOGY

This chapter outlines the research design, literature review, methodology and rational, the data sets used for later empirical analysis, the research achievements and the contributions. Research design is a term used to define a process, with planned actions and steps to obtain the answers to the research questions (Creswell 2013). The research design involves the research questions, hypotheses, study types and sub-types, data collection methods and a statistical analysis plans etc. The method of data collection determines whether a researcher can achieve the most relevant and valid evidence and sources, and a plan for data analysis defines the eventual results and conclusions.

At the beginning, I will discuss the research design from a literature review and research aims. A review of the existing literature can offer inspiration for new research in terms of the study direction and the method. As Punch (2005) suggests the existing literature provide methodological guidance for subsequent researchers. Good research should have a clear focus on the fundamental research questions, informative literature, rigorous arguments and confirmed conclusions. To formulate the research questions and a statement of literature is the starting point for a research. Therefore, I discuss the research design beginning from the literature review and research aims.

2.1 LITERATURE REVIEW

2.1.1 Social Stratification and Gender Issues in China

The purpose of this research is to find a suitable method to study the Chinese social stratification and gender issues, alternatively, using a proper method to provide a detail picture of the current Chinese social stratification and social position of women in the social structure. It is agreed that China's class structure changed dramatically post-1978 and the market-oriented economic reforms. Bian, Breiger, Davis and Galaskiewicz (2005) developed a new method of analysis which divided urban Chinese society along two axes: one by economic success in the more privatized economy and the other by the disparities in political authority. They regarded the mixed market and socialist economy as having eroded the institutional bases of the cadre-dominated social hierarchy and created conditions for this new pattern of social stratification (ibid).

Some new social strata such as the self-employed and the entrepreneurs emerged (Goodman and Zang 2008; Wu 2006). In addition, the main components of social class were also found to change after the economic reforms. Mok and Ngok (2011) consider that the working class has increasingly consisted of rural migrant workers. In 2002, the rural migrant workers engaging in the industrial and service sectors have exceeded the number of workers in state and collective owned enterprises and have become the mainstream of the Chinese industrial working class (ibid). Another controversial social class is middle class in China (Ren 2013). Researchers have much disagreement in terms of its component, changes and future development.

As for the changes in the components of middle class, Li (2001) regard the new middle social stratum as different from the old one, which was typically made up of the workers in state-owned enterprises. Wu and Cheng (2012) consider the new middle class to comprise professionals and managers who work in privately owned high-tech firms and foreign-invested companies, the self-employed and the private business owners. Jaguscik (2008) believes

that the main result of the Chinese economic reforms was the emergence of the middle class. In addition, the middle class would expand with the economic development, even though they are far from sufficient (ibid). Lu (2012) is optimistic and suggested the rapid expansion of the middle class may lead to a more 'olive-shaped class structure' in China. Moreover, the social structure was found to be dispersing and the gap increased between the upper and bottom social stratum with the top wealthiest stratum getting much richer. Lin and Wu (2009) described this declining process of class structure as proletarianization.

At the same time, researchers created a 'social class schema' to study the social stratification and provide the overall social structure of China. For example, Lin and Wu (2009) applied the neo-Marxian theory and categorized the social stratum as capitalist, proletariat and new middle class etc. In addition, they noticed the divisions between the urban and the rural, the state and collective forms of ownership. Therefore, they subdivided the stratum of cadre into state cadre, collective cadre and rural cadre. Another example comes from the Chinese Academy of Social Sciences (CASS) which stratified the employees according to their occupational classification and created a 'social class schema' of ten social strata. The discussion on the 'social class schema' will be delivered in detail in the third Chapter.

These research which studied the mobility of social strata, the component changes of the social structure, and its characteristics during Chinese transitional period enriched the literature in the area of social stratification. However, specific to the percentage in each stratum and how the particular composition changes, there is less literature. Research of these kinds have provided the specific distribution of the social strata and their changes which need to construct a suitable 'social class schema' first. At the same time, suitable data sets concerning with this area is also necessary.

As for changes in gender and class, especially the issues of how gender stratification changes over the course of economic development, the evidence from China is not optimistic. Fan (2003) states that the labor market position of women has declined because the central planning mechanism was removed which strongly guarantee gender wage equality. Howell (2011) asserted that female employees were marginalized during the transitional period and the gender segregation in the labor market was more severe. Females were found to be located within the lower segment of the labor market. Cooke (2013) compared the four Asian counties and regions (Mainland China, Japan, South Korea and Taiwan) and found women in China to have been disproportionally selected for redundancy and to consist more of laid-off workers. They were often pushed into informal employment with reduced incomes and job security (ibid).

In addition, Du and Dong (2009) found women endured longer unemployment durations. They analyzed the reasons behind this and found that unemployed female workers wanted to be reemployed as earnestly as men. However, their job hunting efforts were handicapped by many factors such as lacking access to social network, unequal entitlement to social re-employment services, early mandatory retirement for female workers. These studies reflect the changes in female social status under the dualism of state and market and highlight the deteriorating situation for Chinese working women. However, very little literature specifically focus on the female social structure, their social status and positions. For example, the percentage of women in each social stratum, and changes in their distribution are unknown.

2.1.2 Earning Distribution and Gender Issues in China

The discussions on earnings, earnings distribution and gender earnings issues, as for the most important component of this thesis, are also emphasized. Compared with the scarce literature on the comparison between genders in terms of class stratification and changes, there are plenty of studies on earnings

distribution, gender earnings inequality and discrimination. The earnings distribution of different social groups is also widely discussed. Wang and Zeng (2007) suggest that the strengthened earnings gap is not only expressed through the gaps between individuals, but also through the different social strata. The social strata moved upward or downward along the social structure ladder and their earnings also changed with their mobility (ibid). Alternatively, the gaps between different social strata increased, and the barrier between different social strata can be observed from the perspective of the earnings gap.

In addition, the earnings gap between citizens has much enlarged and accelerated. According to Li, Hong and Song (1995), the upper 20% of the population possessed 44.5% of the total earnings in 1994. Their conclusion was drawn based on the data collected by the National Survey Research Center at Renmin University of China (NSRC) in 1994, which adopted the Population Proportion Sampling (PPS). However, this figure has been much enlarged because wealth has rapidly accumulated into the hands of the high income group based on the data from CHIP in 2002 (Li, Wei and Ding 2005). That the earnings growth of the high-end is much faster than that of low-end is the main cause of the increasing earnings inequality in urban China (ibid). According to the first quarterly report of the national bureau of statistics in 2005, the earnings of the group of the top 10% increased by 15.7%, 4.4% higher than the average. In contrast, the earnings of the group of the bottom 10% increased 7.6%, 3.7% lower than the average (Li 2005). Another paper by Li points out that the earnings gap was enlarging with accelerated speed (Li and Zhao 2007).

Moreover, Wang and Fan (2005) predict that the earnings inequality will endure a further increase in the coming future. Their essay tests the existence of the hypothesis of ‘Kuznets inverted U-Curve’ in China which claims that earning inequality will experience an initial enlargement and then diminution with the economic growth. However, as to when the decrease period will come, they point out that there were no clear signals. Besides, the

increasing earning gap may drag Chinese society into an ‘inequality trap’ which is against their shaking off the poverty of the poor (Lu 2012). The larger the disparities between the different social strata, the less impact economic growth will have on reducing poverty.

Previous research has enriched the studies of social stratification from the perspective of earnings distribution. However, this literature studied the earnings distribution among groups which were demarcated automatically on their earnings and titled the groups as the top 10% or top 20% and bottom 10% or bottom 20%. Although the upper earning group might be considered to consist of the entrepreneurs and officials and managers of a high level, they do not overlap completely. This automatic classification according to earnings raises questions, such as who makes up the top 10% or top 20% and what are their proportions.

In addition, earnings gap, gender earnings inequalities, as well as the earnings gap between the urban and rural, between the different industries and the regions has been studied and assessed. There are many studies related with gender earnings inequalities, gender discrimination and the changes in both. For example, Gustafsson and Li (2000), who compared the gender earnings gap from 1988 to 1995, found that the gender earnings gap had increased since China’s reforms. Zhang, Hannum and Wang (2008) draw a similar conclusion by updating the time period from 1988 to 2004. They found that the mean female and male earnings ratio declined from 86.3% to 76.2%.

Furthermore, within the female group, employees were differentially treated. The research results from Zhang, Hannum and Wang (2008) demonstrate that the gender gap widened much more in the lower earnings group. Women in the bottom decile witness their earnings falling sharply, relative to that of men in the same decile. Even though the situation of women in the high-end also deteriorated, the gender gap in the higher tail was much smaller than that of the lower tail. Chi and Li (2008) referred to the

phenomenon that gender earnings gap was greater at the lower quantiles as the 'sticky floor effect.' This effect was associated with the fact that the female workers in the lower end of the earnings distribution were relatively lower educated and tend to work in non-state owned enterprises (ibid).

Studies tried to find the factors that impact on the earnings of women. The gender discrimination in the labour market was the most popular discussed reason. The research results from Wang and Cai (2008) reveal that most of the gender earnings differentials can be attributed to gender discrimination rather than to the gender differences in the endowment of human capital. Eliminating discrimination against females is effective in narrowing the gender earnings gap (ibid). Bishop, Luo and Wang (2005) studied the changes in gender discrimination and concluded that the gender earnings gap has increased. Thankfully, the 'unexplained gap' or gender discrimination between the genders has declined over time from 1988 to 1995, especially for the lower earnings group. With the new data sets from 2002 to 2007, Tang and Long (2013) challenged this opinion. They found that gender discrimination increased with an enlarged earnings gap between the genders.

In addition, the level of gender discrimination did not only change with time but also with different departments, such as those in the state sector or non-state sector. The research results from Dong and Zhang (2009) indicate that employer's discrimination against women is not very significant in the state-owned enterprises. Alternatively, female workers in the state sector have received wage premiums. Later, Li and Dong (2011) found that the unexplained gender earnings gap is more likely to be found in the firms which operate in the market with fierce competition, hard budget constraints and a lower degree of influence from employees.

Besides gender discrimination, studies have tried to find other factors which impact on the earnings of women. For example, Qi and Dong (2013) estimate the effects of the burden of housework on the earnings of men and

women. They found that the working women in China not only spent more hours on housework than their male counterparts, they also tend to experience more distraction from housework activities. These factors, such as marriage and child, can be referred to as family status. Research by Zhang, Hannum and Wang (2008) finds that the family is a key factor in gender differences in terms of employment and earnings. Married women and mothers face significant disadvantages in labour market, while there is little gender difference among single people. These results draw additional attention to the importance of family, when studying gender disparities.

The specific family status of women and the differentiations between women as a group highlights a new method for studying the gender social stratification. In addition, earnings disparities and social disparities caused by factors, such as the state and private sector, also suggest a comprehensive measurement for studying social stratification of China. This method should be able to assess the mechanisms of change in Chinese society, and the component changes within the social structure. At the same time, this method should leave adequate leeway for the discussions on gender inequality in terms of social stratification and the impact of family status on this gender inequality. The goal of this research is to seek this method. In later passages, the specific research aims, questions and objectives are discussed, and especially how to achieve these goals.

2.2 RESEARCH QUESTIONS AND OBJECTIVES

As mentioned, the purpose of this research is to use a proper method to study Chinese social stratification and gender issues, to provide a detailed picture of the current Chinese social structure and the social position of women in this social structure. This main aim can be divided into sub-goals and finally achieved through the procedure summarized as follows:

Firstly, this research creates a 'social class schema' which is a framework to study Chinese social stratification. Based on this schema, the social stratification in contemporary China is pictured. In addition, with specific collected data, women's social position and the composition of each social stratum can be determined. Through the comparison of proportions in each social stratum between men and women, the gender inequalities in terms of social classification can be demonstrated. Moreover, with the estimation of changes in the composition of each social stratum, whether women's social status has been improved or degraded can be confirmed.

Secondly, earnings distribution and gender earnings inequality in labour market are studied in this research. Earnings disparity and distribution are the most important components of social stratification. How the earnings distribution among different social strata represents social resource allocation and is also related to social class relationships. The overlarge earnings gap between different social strata will initiate social disturbance and social instabilities. In addition, the current gender issues are demonstrated by a comparison of men and women in terms of social classification and earnings. The expansion or reduction of gender earnings disparities and unexplained earnings gaps indicate the deterioration or progress of women's earnings circumstances.

Thirdly, this research tries to find out the causes and reasons that lead to the construction of such social-economic classifications for women. The factors, such as region, age, educational attainment etc. are used to explain the gender disparities in social classification and earnings. After decomposing the earnings gap by Unconditional Quantile Regression (UQR), the effect of these factors and their contributions in generating earnings disparities can be observed. Furthermore, the internal social structure for women, and the question of which group of women has a better social position and earnings situation can also be answered. The earnings disparities among women as a

group and the reasons behind this, as well as the impact of these factors can be compared through a decomposition of earnings.

Fourthly, the specific impact of women's family status indicates a methodological issue to process the element of 'gender' in the study of social stratification. This methodological issue requires combining class and gender together, and gives consideration to both the individual and household perspective. It is necessary to determine the impact of marriage on the social stratification of couples. At the same time, social stratification contains many social aspects and needs to be comprehensively represented. The Principal Component Analysis (PCA) can satisfy both of these requirements at the same time. By synthesising a social class index, which represents economic resource redistribution within the household, the problem of utilising the element 'gender' in class analysis can be solved. Later, comparing this index with the index that is created based on individual's characteristics, the impact of the household on social stratification can be discussed. This method provides a modified and more realistic picture of Chinese social stratification and gender issues.

The specific research questions and objectives are listed in table 2.1 as below.

Table 2.1 Research Questions and Objectives

Research Questions:	Objects:
1. (a) What is the current social structure of China? (b) What is the current situation of women's social strata distribution as compared to that of	**1.** Provide an outline of the social structure by creating a 'social class schema.' **2.** Give the data analysis results concerning the proportion of women in each stratum; describe the distribution of

man? (c) Has women's social status been degraded or raised?	the female social stratum distribution and make a comparison with men. **3.** Find out how women's social strata have changed by comparing data of different years.
2. (a) Has women's social stratification and earnings degraded or raised wholly or partially? (b) Is there a section of women faring relatively better or worse than others in terms of their social situation? Who are these women? (c) What the factors contributing to differences in the situation among women?	**4.** Describe the data analysis outcomes for woman's subgroups as a proportion and its changes. Report the estimation and comparison of earnings of the internal social strata of women. **5.** Delineate the women whose social strata proportion and earnings increased most and least or whose decreases most and least. Outline these strata's demographic characteristics. **6.** Define the factors causing the internal stratification of women, such as region, education, age. Give the primary and secondary reason to explain why different treatment has occurred for women.
3. (a) How has gender social stratification been impacted by marriage and household? (b)What is the comparison of the social stratification between husband and wife before and after marriage? (c) How does marital status impact the whole social structure, gender and different social groups?	**7.** Principal Component Analysis (PCA) is used to create the Direct and Indirect 'Social Class Index' (SCI) with and without considering the sharing of joint household resources and consumption to express the impact of the household. **8.** Discuss and compare the two social ranks between couples which are constructed according to the Direct and Indirect 'SCI' to determine the impact of the household. **9.** Delineate the changes in composition of the social structure and the social groups that based on the Direct and Indirect 'SCI' to determine the impact of the household.
Source: the author	

In addition, this research is designed to verify two important hypotheses: firstly, the social classification of women may undertake more severe deterioration and polarization during China's social transformation. This is because step by step the State has retreated from participation in economic areas and has given way to market mechanisms. The market mechanism places emphasis on efficiency and is good at the effective allocation of resources. At the same time, it is difficult for the market to overcome the shortcomings of overlooked vulnerable groups in the economy. Therefore, gender inequalities may increase and lead to enlarged social disparities in earnings and social positions between men and women.

Secondly, the social stratification of women may be impacted by household factors. Household factors, such as housework and taking care of the elderly and young children, impacts negatively on the earnings of women in the labour market. However, household factors also include the sharing of economic gains and activities. Considering these factors, women's original social stratification from an individual perspective may be impacted upon and the original gap with men may be abridged. This is due to the traditional ideology in China that women marry upwards. If women often marry a man whose social stratification is higher than their own, the gap between husband and wife in the public sphere may be neutralized through household sharing activities. In contrast, men face opposite conditions, if a higher percentage of husbands are found whose social position is superior to that of his wife. Therefore, with this opposite martial impact on husbands and wives, the social disparities between couples measured through the individual perspective may be alleviated, as well as the gaps between genders and social groups.

2.3 RESEARCH DESIGN AND METHOD

After working out the research questions and objectives, the research process is possibly the most important part in the following: How the research is organized and designed to obtain answers to the research questions and to

fulfil the research objectives? The approach and method a researcher chooses affects the estimation process and the way to conclude the findings.

There are two main approaches to complete research: qualitative and quantitative. As Oakley (1999) suggests, the qualitative and quantitative approaches are the two main ways of achieving knowledge about the world amongst social science researchers. The quantitative research approach refers to a systematic empirical investigation using mathematical and statistical means to measure results conclusively, whereas qualitative research uses unstructured data to understand phenomena, and to explore answers to research questions. Ideally, both research approaches should be constructed to allow other researchers to repeat the study and obtain similar results.

2.3.1 Quantitative Research Approach

Which measure is better choice, a qualitative, a quantitative or a mixed method approach? This question is related with research aims and the practicality of collecting what types of data to complete these aims. In addition, the kinds of outcomes that need to be achieved are also required to be considered (Punch 2005). Is a researcher more interested in deduction, which examines the general cases and move to the specific and draws conclusions? Or is the researcher more interested in induction that studies the specific and moves to the general? Alternatively, is a researcher more intent in employing a large quantity of data to make standardized comparisons, sketch contours and dimensions and quantify relationships between variables? Or is the researcher more intent on studying a phenomenon or situation in detail and context, and focusing on interpretations?

As for this research, in confronting the principal research question of studying Chinese gender social stratification, which approach should be taken? As discussed earlier, the primary purpose of this study is to map out current Chinese social stratification, and compare the proportion distribution of the

social strata between genders, as well as trends in their transformation. The principal method is not in-depth interviewing of a small sample. On the contrary, the data should come from a large, representative sample using random allocation and a large number of people to produce statistical power. In addition, information concerning social stratification should be included. For example, an individual's educational level, earnings, occupation and work situation, as well as other demographic variables should be encompassed.

Moreover, the aim of this research is to construct a 'social class schema' and to explore how factors such as region, age, and educational attainment impact on the social stratification of Chinese women. If a strong relationship exists between these variables, the cause and effect relationship can be supposed to be highly probable or highly likely. The specific methods, such as UQR and PCA, are needed to be taken to determine the effect of these factors. This statistically deductive mission to research a potential relationship between two or more variables cannot be accomplished by the qualitative method. Qualitative research has its strengths for interpreting contexts and exploring new phenomena. However, it is seldom used to determine a potential relationship between factors, to verify hypothesis, and especially statistically verify these effects.

In sum, for the purposes of this research, which maps out the gender social stratification of contemporary China, a large quantity sample, which is at the same time representative, is needed. The data are utilised not only to determine the distribution of the population and economic resources in the social structure, but also to explore the reasons behind this. In order to confirm the effect of the factors on social stratification, specific statistical methods are applied. Overall, considering the reasons above, a quantitative, rather than qualitative method is more suitable. As these discussions involve a mass of data, utilizing the existing data would be the best choice. In later passages, secondary analysis is discussed, followed by an introduction to the data.

2.3.2 Secondary Analysis

Since this research needs a large quantity of observations to represent the overall social structure and rich content and variables need to be contained, it is necessary to consider the issues of 'existence and accessibility' in the research (Creswell 2013). In addition, historical data which can provide a before-and-after comparison are required, because this research intends to highlight the transformation of the social structure and changes in genders. These tasks—a huge amount of observations and data, and the historical documents—are impossible to be finished by a single researcher in the time span of a PhD. Therefore, using the existing data and doing the secondary analysis are more realistic and more feasible.

Secondary analysis is the analyses of the data by researchers who probably did not collect data and are using it for purposes that were probably not envisaged by those responsible for the data collection (Bryman 2012). Using the existing data, especially the official statistics, offers researchers a chance to gain access to good quality data without the time and costs of data collection if undertaken by their own. In addition, the secondary analyses offer the opportunity for longitudinal research. Cross-sectional data can be collected over time and certain interview questions are repeated in each data collection, thus the trends and changes can be compared and determined over time (ibid).

The advantage of using secondary data is prominent, but it can be problematic. Usually, researchers will choose the data which are directly relevant for their own research purposes. However, even in this way, some crucial variables may be absent and the data of important year may be lost. The secondary data are not collected to serve research purposes of all the users after all. Researchers should avoid this disadvantage and make full use of existing resources. In order to diminish the problems of 'data validity and reliability,' it is important to choose appropriate secondary data (David and Sutton 2004). As concerned for this research, the secondary data should

include crucial information and variables related to my research question which is on gender social stratification.

There are many documents and much statistical data published by research institutes and governments. Examples can be found, such as the Inter-University Consortium for Political and Social Research (ICPSR), the Ministry of Labour and Social Security of China (MLSSC) and CASS. Meanwhile, some data sets provide information related with the economic and non-economic benefits and changes for Chinese residents, as well as education, family relationships and population migration, health etc. This information is directly or indirectly related to the issues of social stratification and the transformation of China. Such examples can be found as the 'Class Structure and Class Consciousness Series,' 'The State and Life Chances in Urban China, 1949-1994,' the 'Chinese Household Income Project,' and the 'Study of Family Life in Urban China.' These data sets have been utilised by many other researchers as secondary data to study social stratification and transformation of China.

In the existing data sets, there are four data sets which are closely related to my research. They are data from the China Family Panel Studies (CFPS), Chinese General Social Survey (CGSS), Chinese Household Finance Survey (CHFS) and CHIP. These data sets are already open to researchers and the public, and some of the newest data sets are available to download. In accessing each survey archive, information of the description of the study, the main topics of the survey, methods of data collection, sampling details and questionnaires etc. are provided. Furthermore, the access to download data and the special conditions and requirements are also on the webpages of these surveys.

Each data set has its own advantages and disadvantages. Taking the CFPS as an example, this survey, taken by the Institute of Social Science Survey (ISSS), Peking University, has been designed to study the dynamics

of social transition in China. It adopts an approximately nationwide representative sampling frame and data from 25 provinces were collected, representing 95% of the Chinese population. However, the CFPS started late in 2010 (the survey of CHIP began in 1988), and currently only provides one period of data, the data from 2010. The same problem is also apparent for the data from CHFS, which were taken by Chinese Household Finance Investigation and Research Centre, Southwest University of Finance and Economics. CHFS aims to establish a nationally representative household level financial database. The first round of the survey started in 2011 and has already been open to the public. The second round survey is still in progress.

The first survey of CGSS was taken in 2003 by Department of Sociology, Renmin University of China and the Ministry of Social Sciences, the Hong Kong University of Science and Technology. This survey is conducted annually and includes information on individuals and families and academic research topics (Ou and Li, 2011). The topics about academic research involve social stratification, social mobility and social networks (ibid). In respect to content, this data set is very relevant for my research questions. In addition, this survey includes 28 provinces and municipalities, covering China. However, after checking the questionnaires, some key variables for this study are missing. After overall consideration and a comparison of questionnaires from different data sets, the data from CHIP are finally selected for this research.

The aim of CHIP is to analyse the income distribution of China. At the same time, the CHIP data set contains much rich information about other aspects, such as personal information, including age, school performance and health conditions, the situation of employment, which comprises information on work unit, the situation of the household, which contains statistics on total household financial assets, family expenditure and housing conditions etc., and attitude questions, which includes opinions on equality of income distribution, social problems, future incomes, anticipation etc. The specific

information in data is discussed later in the section providing an introduction to the data in this research.

In addition, this data set has been used extensively by many other researchers to analyse the disparities and inequalities among different population groups in China (e.g. Xie and Hannum 1996; Shu and Bian 2003; Hauser and Xie 2005). The existing literature provides methodological guidance for subsequent researchers (Punch 2005). That this data set was utilised by many researchers whose subjects are similar to mine and this gives credence and confidence to utilisation of this data set. After checking the questionnaires, their abundant information and their related questions guarantee that this data set will answer most of my research questions and fulfil my research aims. The questionnaires from CHIP are attached as appendix 1 and appendix 2 (of year 2002 and 2007). The next passages discuss in detail information concerning the CHIP data set.

2.4 AN INTRODUCTION TO THE DATA USED FOR THIS RESEARCH

2.4.1 Basic Information on the Survey and Data

CHIP was first launched in 1988 and now has data sets for 1988, 1995, 2002 and 2007 respectively. This project is mainly funded by the Ford Foundation, the Institute of Economics, the Chinese Academy of Sciences (CAS), the Asian Development Bank (ADB), and the East Asian Institute of Columbia University, which aims to measure and estimate the distribution of personal income and related economic factors in both rural and urban areas in China. The first project was led by principal investigators Keith Griffin and Renwei Zhao, and then by Shi Li in 2002 and 2007. In 2002 and 2007, this project added survey data about individuals who have migrated from rural to urban areas and information about the rural-urban migrant household.

These data were collected from significantly larger samples (more than sixty thousand rural households and thirty thousand urban households) which were designed by the National Statistical Bureau of China (NSBC). In 2002, twelve provinces and municipalities were selected: Beijing, Jiangsu, Guangdong, Liaoning, Hubei, Henan, Shanxi, Anhui, Chongqing, Sichuan, Yunnan and Gansu. In 2007, the sample added Shanghai and Zhejiang, and at the same time, deleted Beijing, Shanxi, Gansu, Yunnan and Liaoning, forming a set of nine provinces and municipalities.

After the households for the sample were selected, the household members were visited monthly by an enumerator for a period of five years (ICPSR 2005). The survey was based on interview, and the main questionnaire forms were filled in by interviewers at the various locations, based on questions asked of respondents (ibid). Individuals were not all interviewed directly, but some household members were allowed to be interviewed indirectly, household heads or their spouses answered questions on their behalf.

2.4.2 Important Variables and Data Processing

This data set contains a wide range of demographic and economic variables which can be roughly divided into the individual and the household. Data sets about individuals include demographic variables, and some of these variables are important for this research. Such examples include the household composition, type of '*Hukou*,' gender, age, marital status, whether they have child, Chinese Communist Party (CCP) membership, educational level etc. In addition, individual respondents also reported on their employment status, occupation, type of employer (e.g. public, private, or foreign) and the economic sector they worked in. Individuals also related their work conditions, how many working hours per day, whether they held a second job, and how they found their current job etc. This information can be used to analyse and

explain the personal factors which cause disparities in social stratification and the earnings gap between individuals.

In addition, the data sets contain abundant household information. Some household variables are essential, such as the household assets and income, liabilities, household expenditures (for example: water, fuel, food, clothing, education and entertainment). It also includes information on children and parents, information on parents-in-law of the household head or their spouses, and whether they live with them. This information is used to analyse the shared economic activities within household and to determine the impact of family on one's social stratification. In the case of this study, CHIP provides two independent data sets for the urban population, which focused on the individual and their household. Merging these two sets together, the urban data are formed for future data processing and analysing.

Moreover, the CHIP data set provides samples for 1988, 1995, 2002 and 2007. My research used cross-sectional data for the latter two years. The years 2002 and 2007, as mentioned previously, were the years when Hu Jintao was elected for the first and second time as the general secretary of central committee of the CCP. His advocation of the concepts of 'scientific development' and 'harmonious society' heralded a new pattern of economic development and transformation. The current social stratification and the way in which these economic developments impact on social stratification and gender issues are the focus of this research. Therefore, the cross-sectional data sets for 2002 and 2007 are kept.

Furthermore, although the data set provides information for both the urban and rural, my research mainly focuses on the urban population. This is because urban areas have a much more complex occupational composition, which is the basis for constructing a 'social class schema' in the next chapter. In contrast, occupational classification in rural areas is simple due to the economic structure of agriculture. Additionally, in rural areas, the unit of

agricultural production is mainly based on the household. An earlier discussion established that only through an individual perceptive can gender discrepancies and gender inequalities be compared and delivered. That a household is a production unit in rural areas increases the difficulties of studying gender disparities in terms of occupation and earnings etc. socio-economic aspects. Therefore, only urban data sets are kept.

What's more, due to the fact that social stratification is based on occupational classification, the observation's work status should be in work and the age cannot be younger than 16 years old[6]. Some related key variables cannot be missing, such as occupation, ownership and industry when constructing the 'social class schema,' and earnings when comparing disparities between different social strata. The variable earnings is created according to the definition of earnings that is on cash payments, direct subsidies and on a broad range of payments in kind valued at market prices. Some obvious self-contradictory mistakes in the data are modified or deleted, for example, the education level of several observations are stated as 'undergraduate,' but his/her corresponding amount of years spent at school is stated as being less than nine years, or vise versa.

Ultimately, after cleaning the data, there are basically 5,674 male and 4,563 female observations in 2002, and 4,058 male and 3,141 female observations in 2007. The specific requirements for the data are further explained later in each chapter in regard to specific questions. After processing and estimating the data by specific tabling and modelling, the supposed analysis outcomes on social stratification, social transformation and gender inequality in terms of social class and earnings, and the impact of the household on reconstructing the social structure can be delivered. These achievements contribute to the existing literature and practical policy application. In later paragraphs, the contributions of this research are discussed.

[6] 16-years-old is the youngest age permitted by 'Chinese Labour Law.'

2.5 CONTRIBUTIONS OF THIS RESEARCH

This study expects to make at least three contributions to theory and practical application.

Firstly, this study creates my own 'social class schema' to provide a detailed picture of the contemporary Chinese social structure. This class schema adopts the method of occupational classification, meanwhile considering the dualist system of market and state, and the subdivisions within the market. This class schema does not adopt labels, such as 'middle class,' 'capitalist,' and 'bottom class,' but occupational characteristics instead. In this way, classification is more obviously differentiated and more reflective of reality. More importantly, this schema represents the transitional characteristics of contemporary China. The subdivisions of each social stratum express the separation caused by Chinese institutions and the system. The occupational classification and its subdivisions can be used respectively to study social issues at different levels.

Secondly, this study focuses on gender issues in social stratification and provides a picture of Chinese women's social distribution, and their comparison with men. Chinese social changes and consequent gender inequality aggravation have drawn many researchers attention, but mainly from earnings or wages perspective. For instance, previous research studies of gender discrimination or income inequality in labour market (e.g. Brainerd 2000; Bishop, Luo and Wang 2005; Gustaffson and Li 2000; Knight and Song. 2003; Meng 2000). Dong and Bowles (2002) and Démurger, Fournier and Chen (2007) explore the influence of occupation on income gaps between the genders. Appleton, Song and Xia (2005) and Maurer-Fazio and Hughes (2002) compare the extent of gender wage discrimination on different kinds of corporations, including state-owned, collective and private corporations.

Previous research has observed what Chinese women have encountered within the market in Chinese society. However, these studies did not relate these issues to a more macroscopic view of social changes. This study achieves this by constructing a 'social class schema' to explore women issues against background of the transformation of the social structure and relates gender earnings disparities with social classification. At the same time, it also provides a women's viewpoint to scrutinise social stratification during the Chinese transition period. This study sketches disparities between women as a group, and the reasons behind this social arrangement are also discussed.

Thirdly, this research uses an innovative method by synthesizing many factors in studying social stratification and combining the class and gender and the individual and household perspective together. The method of the PCA, which is used for creating a Global Competitiveness Index (GCI) for 'benchmarking country's strengths and weaknesses in economic growth,' is used in this study (Porter, Delgado, Ketels and Stern 2008, p43). Through the PCA, many aspects of social stratification, such as occupation, ownership, industry, educational attainment, earnings and job stability, are synthesized into a single but fully integrated index—'SCI.' With this comprehensive index, the subtle differences in each social stratum, and between individuals and observations can be scrutinized.

More importantly, with the changed variable set, the household earnings and shared consumption etc. family aspects are put into the PCA to recreate a new 'SCI' to reflect the impact of the household. After comparing changes in social rank constructed on the 'SCI' and a recreated 'SCI,' the impact of the household on couples, genders and different social groups is demonstrated. This synthesis of an index and utilisation of household variables to replace the individual's is an innovative method for social class analysis. This method combines the work circumstances of individuals and the shared economic resources of the household together, solving the problem how to handle the variable of gender in studying gender social stratification.

Additionally, the research on social transition and changes for Chinese women is a part of the worldwide analysis of social transformation and women. Chinese economic development and consequent large-scale social transformation provides an unusual opportunity for the studies of social differentiation and verification of hypotheses, as well as the study of women. There is no doubt that feminism goes beyond in western countries in terms of both practice and theoretical research (Felski 2000). While the first and second feminist waves emerged like a rising wind and scudding the clouds in western countries, China had to either dwell in the successive years of anti-colonial war and tangled warfare among warlords, or seclusion from the outside world. Although women's rights were advocated, the feminist awakening of women as a significant identity did not automatically grow. Instead, women's issues were subservient to the requirements of national liberation and the political mission.

Later, as the heated debates about 'class and gender' were discussed in 1980s in the western countries, China was concentrated on economic reconstruction and development, and had no time and energy to research of gender inequality issues. In addition, certain disciplines of the social sciences, such as the sociology, were once removed from university until after the economic reforms. All of these factors impacted on the social research and led women's studies in China to lag behind. In recent decades, increasing literature about Chinese women's studies has come forth and enriched the research in this area, but these studies are still not enough. Chinese women's development has its own special traits and demonstrates new characteristics in the new era. Therefore, the analysis of Chinese women is necessary and can be seen as important complement to understanding the worldwide development of women.

2.6 CONCLUSIONS

This chapter reviews the existing literature, and discusses the research methodology and rational, the data sets, the supposed research outcomes and the contributions. The aim of this research is set to find a proper method to provide a detailed picture of current Chinese social stratification and the social position of women in the social structure. Therefore, the literature on these aspects is studied. After reviewing the literature on Chinese social structure, earnings distribution and gender issues, the main research aims are divided into sub-goals and specific objects. In order to achieve these goals and objects, a large quantity of data which are representative for the overall population are needed. After a comparison of different data sets, the secondary data from CHIP, which contain rich information, are selected and utilised.

This research first creates a 'social class schema' to study the Chinese social structure. This class schema adopts the methods of occupational classification, meanwhile considering the dualist system of market and state, and the subdivisions within the market. With the data of CHIP in different years, the composition of women in each social stratum and the changes can be determined. In this way, whether women's social status has improved or degraded can also be confirmed. Next, earnings distribution, as the most important component of social stratification, is studied, as well as gender earnings inequalities. After decomposing the earnings gap between men and women, the effect of factors, such as educational attainment, age, occupation, which generate gender earnings disparities, can be concluded.

In addition, this study uses an innovative method of social stratification by synthesizing many aspects of social stratification into a comprehensive index—'SCI.' In addition, with a changed variable set but the same method, shared household economic resources and consumption are included to create a new one. By comparing the two indices, the impact of family status on the social stratification can be studied. This innovative method combines class and gender together, and gives consideration to both the individual and household perspective, which solves the problem of

utilising the element ‘gender’ in class analysis. The new created ‘SCI’ modifies the original social structure and provides a more realistic picture of Chinese social stratification and gender issues.

After this chapter giving an account of the literature review, research aims and sub-goals, methodology issues, the data sets used for empirical analysis, the research achievements and the contributions, the following chapters will discuss on Chinese current social structure, the distribution of social stratum and the comparison between men and women. In the next chapter, the basis of these discussions—a ‘social class schema’—will be first discoursed. This ‘social class schema’ provides a frame to further discussion. In addition, how this ‘social class schema’ is constructed step by step is especially deliberated.

CHAPTER 3

CONSTRUCTING A SOCIAL STRATIFICATION SCHEMA FOR URBAN CHINA

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In order to comprehensively understand the Chinese current social structure and gender issues in terms of social stratification, the first task is to construct a suitable 'social class schema,' and this is the focus of this chapter. The previously constructed class schemas for China applied the theoretical developments of Marx and Weber. Through a comparison, the strengths and weaknesses of these schemas are illustrated in this chapter. In addition, classical occupational classification is considered to be central to the social stratification analysis of China and is used in this research. Moreover, the dualist system of state and market during the Chinese transition period is also considered when creating this schema. In the sequent paragraphs, I will firstly begin with the neo-Marxian and neo-Weberian class analysis as applied to China. Through the inspection of these constructed social class schemas, mine is ready to come out.

3.1 SOCIAL CLASS THOERIES AND SOCIAL STRUCTURE DISCUSSIONS IN CHINA

3.1.1 Neo-Marxian Class Analysis Applied to China

Marxian class theory and its new progress are utilized by researchers in interpreting Chinese social stratification. According to the neo-Marxian scholar Wright (1997), ownership of productive assets has multiple forms, such as labour, capital, special skills and political power resources, and this point is also highlighted by the neo-Weberian approach. However, property ownership is more essential for the neo-Marxian approach. In contrast,

Weberian and neo-Weberian schema differentiate the owners of production materials from their employees, and their main argument are focused on the disparities in life chances among employees.

In China, many researchers have adopted neo-Marxian class theory, which regards property as the foundation of social stratification (Wright 2002). This phenomenon emerged because Marxian theory concerning social stratification and struggle had a significant impact on modern Chinese history. Since the Chinese Communist Party (CCP) came to power, Marx's theories have not only impacted on ordinary people and their daily lives, but also on academic research[7]. Additionally, after thirty years of development of the private economy, the division between the owners of economic property (bourgeoisie) and workers (proletarians) has indeed much enlarged (Lee 2007). In the same way, divisions between the owners of political and intellectual capital and rank-and-file workers have also significantly increased. It is therefore no wonder that many studies have focused on ownership.

Such examples can be found as in the social class schema of Lin and Wu (2009), which is based on the neo-Marxian social stratification paradigm, and explicitly lists the capitalist and proletariat as separate stratum in the social structure. There are ten main social strata in their class schema as shown in table 3.1 (social class schemas of Chinese Academy of Social Sciences (CASS) was paralleled with the social class schema of Lin and Wu to make a contrast. The social class schema of the CASS will be discussed later as an example of neo-Weberian thoughts applied to China.) In addition, they find that the Chinese class structure is moving towards proletarianization and a relatively small new capitalist class has emerged (Lin and Wu 2009).

[7] For example, in the early 1950s, sociology, as a subject, was removed from the Chinese university curriculum, because sociology was deemed as a capitalist social science which should be replaced by Marx historical materialism. It was not until the late 1970s, when university normal recruitment was restored that sociology began to be allowed to return to universities.

Table 3.1 Comparison between Social Class Schemas 1

Lin & Wu's 10-Class Schema	CASS's 10-Class Schema
I State Cadre	I State and Social Administrators
II State Worker	II Managers
III Capitalist	III Private Entrepreneurs
IV New Middle Class	IV Professionals
V Collective Cadre	V Clerks
VI Proletariat	VI Individual Businessmen
VII Petty Bourgeoisie	VII Business Service Employees
VIII Collective Worker	VIII Industrial Workers
IX Rural Cadre	IX Agricultural Labours
X Rural Peasant	X Unemployed, Jobless, Laid-off

Source: 1. Contemporary Chinese Social Structure of Chinese Academy of Social Sciences (CASS)

2. The Transformation of the Chinese Class Structure, 1978-2005

The social class schema of Lin and Wu takes into account China's institutional characteristics, for example, the differentiation of state owned enterprises (SOEs) and collectively owned enterprises (COEs). However, there are some inadequacies in this schema. Firstly, this schema mainly concentrates on historical institutional segregations. These segregations included the divisions between rural and urban areas, the SOEs and COEs, as well as the divisions between cadres and rank-and-file workers. These segregations have changed in the new era following the development of the economy and the market. For example, the division between state and market, specifically the division between different kinds of ownership, has become increasingly obvious. These new changes in current era should be reflected in the schema.

Secondly, although the schema of Lin and Wu observe the phenomenon of the new groups emerging and that their situation is very

different from any groups before, it failed to clearly demarcate them. For example, in Lin and Wu's social class schema, middle class is referred to as the new emerging class, but it is hard to distinguish who belongs to the middle class. In addition, the classifications of other strata have the same issue and this classification is not easily operable. For instance, the schema does not stipulate how much capital defines a capitalist, how much less a petty bourgeois, and what exact criteria demarcate the differences between them.

Thirdly, Lin and Wu (2009) tried to verify the schema by explaining disparities among earnings and education distribution using the data from the 'Chinese Population Mini-census' (2005), the survey of 'Life Histories and Social Change in Contemporary China' (1996) and the 'Chinese General Social Survey' (1996 and 2005). They compared their schema with that of Erikson-Goldthorpe-Portocarero (EGP) and CASS, and then concluded that their social class schema explained more variations in monthly earnings than that of EGP and CASS. It is known from their statement that the variable earnings was used in their classification as a factor to help differentiate the population in the market, who are capitalist, new middle class, petty bourgeoisie and proletariat. The result of this aspect in comparison to the social class schemas of EGP and CASS is of little value.

Fourthly, the monthly earnings was used to examine this schema in order to see whether it explains more variations than that of EGP and CASS. Actually, average monthly earnings are not an adequate indicator in comparing the earnings disparity among different social strata. In the informal market sector, the employees' working hours tend to be extended in comparison to the state sector. This is especially the case in some small private enterprises, where plausible modest earnings are in fact based on employees' overtime work. If a test on earnings needs to be done, it is better to use hourly earnings rather than monthly earnings.

Even with these shortcomings, Lin and Wu's social class schema is still a good example, because they tried to apply Marxian class theory to explain Chinese social structure and considered some specific characteristics of Chinese society. Some principles applied to create this schema can be borrowed and used as reference for other research. Excepting the neo-Marxian class analysis method, the neo-Weberian has also been applied in the research on Chinese social stratification issues. Later sections will give examples in this aspect.

3.1.2 Neo-Weberian Class Analysis Applied to China

The tenet of Neo-Weberian class analysis is to differentiate disparities among individuals in the labour market. The Neo-Weberian model of social stratification is based on the concept of social status and authority, which can be expressed through the distribution of property and other resources, and which then leads to a differentiation in life chances (Marshall 1997; Scott 2002). The Neo-Weberian analysis is based on occupational divisions and on access to organizational, economic and cultural resources. The social class schema created by CASS can be regarded as an instance of Weberian class analysis applied to China. This schema outlined China's basic social structure, consisting of ten social strata, which is also shown in table 3.1.

In studies by CASS, changes in social strata are observed. On the one hand, the middle class has rapidly expanded heralding a more 'olive-shaped class structure' (Lu 2002). On the other hand, social stratification intensified with the top wealthiest stratum getting much richer and the lowest social classes becoming destitute (ibid). In addition, institutional divisions with Chinese characteristics have been used to explain social transitions and the specific condition of certain social groups. However, one of the unfortunate properties of this schema is that these characteristics of transition period in China have not been integrated into the analytical framework.

For example, institutional arrangement of Chinese characteristics, such as the 'unit type' (*danwei*), was used to explain how these institutional divisions impact on resource distribution and life chances. However, it has not been incorporated into this social class schema. Therefore, people who are regarded as being in the same stratum may actually experience many divisions because they belong to different unit. Taking the social stratum of clerk as an example, the life chance is very different between those who work in foreign enterprises and those in the public administrative sector. However, they are deemed to be in the same stratum in the social structure by CASS.

The schema built in this study tries to make up for the defects mentioned above in the neo-Marxist and neo-Weberian social class theories applied to China and to provide a more realistic picture of social stratification in contemporary China. In order to construct this schema, appropriate indicators have to be determined. Social classification involves many aspects and can be observed from many different perspectives. These indicators cannot be easily selected; they have to guarantee the validity of the final social class structure (Neuman 2005). Moreover, as this social class schema is constructed to explain Chinese social structure during the transition period, it is important to reflect these characteristics. Some specific institutional divisions have to be integrated into this schema. Furthermore, the criteria have to be feasible for operationalization and can be reused to demarcate the population in other similar research (Babbie 2013). A later paragraph will discuss in detail which indicator is chosen for studying social stratification in contemporary China and the specific operational steps to construct this schema.

3.2 OCCUPATIONAL CLASSIFICATION AS A CLASS MEASURE

3.2.1 Occupational Analysis in Western Social Class Theory

The indicator chosen to construct the 'social class schema' and to

study social stratification in contemporary China is the 'occupation.' In Lin and Wu's and CASS' social stratification analyses, it is not hard to find traces of occupational classification. In some societies, especially societies in which a mature and commercial economy has developed, such as the U.S. and the U.K, sociological researchers take occupation as a main indicator for the construction of the social structure (Scott 2002). We can trace this emphasis to Durkheim (1984) who argued that the labour market will be organized into classes because the work place is the main site where distinctive attitudes and moralities emerge. In the process of choosing an occupation, a self-selection mechanism will bring similar employees into the same occupation. Social interaction and contact, formal and informal ties and bonds within co-worker groups tend to reinforce certain tastes, ideas and ways of thinking. In addition, common interests which arise from the same occupation can result in collective action (ibid).

Furthermore, in the classical Marxian and Weberian frameworks of class analysis, the traces of occupational divisions can also be found (Marx and Engels 1906; Weber 1978). The capacity for wage exchange within the labour market is the concern of both the Marxian and Weberian frameworks. The different forms of capital, such as production materials, special skills and labour, are exchanged within the market and determine class conditions. Within the occupational environment, specific employment relationships emerge. These include the divisions between employer and employee, who are divided over their access to marketable production assets and the divisions between professionals, technical workers and manual labourers, who are divided over their access to special skills. Also, occupational classification implicates the difference in status, prestige, ability to command and authority. More importantly, occupation conveys information about earnings capacity and qualifications (Smelser and Lipset 2005).

In addition, Goldthorpe and his associates have conducted an in-depth study of occupation and working conditions in the U.K. since the late 1970s

and 1980s. This has also been used for the purposes of class analysis (Erikson, Goldthorpe and Portocarero 1979; Goldthorpe 1980). Goldthorpe's social class schema studied two aspects of occupation: market and working conditions. Market conditions refer to resource distribution, specifically levels of income, conditions of employment, degree of economic security and chances of promotion. On the other hand, working conditions refer to the hierarchical systems within the workplace (Goldthorpe 1980). Occupations that typically share common market and work conditions are supposed to constitute classes. These theories demonstrate that occupation has been used as an important index of social stratification.

3.2.2 Occupational Analysis in China's Social Class Theory

Not only in Western theories has occupation as a criterion been applied to social stratification, but also this has been the case in China, where the history of occupation as classification can be traced back to early Chinese thought. As discussed in the introductory chapter, ancient Chinese society was divided into four large occupational groups (*Simin*). However, when the CCP came to power, another classification system was imposed, which labelled individuals according to their family background, political attitude and ideological stance (Parish 2010). During the socialist era, class manifested itself principally in an 'ideological and political' way, rather than in terms of socio-economic status. Maoist class theory stipulated occupational equality and all employment was a contribution to the 'great Communist cause' (Kraus 1981).

In reality, occupational differences did exist even during this period. However, it is hard to pinpoint these social divisions, since poverty was prevalent and there was little earnings variation between different occupations (Bian 2002). In addition, occupational divisions are concealed and covered by many other institutional divisions, such as the divisions between urban and rural, state and collective ownership, and cadre and worker identity. In a

relatively egalitarian and simply-structured society, it is these institutional divisions that create discrepancies and boundaries between individuals. After the economic reforms and development, occupational classification gradually took on a modern meaning and a new social classification criterion emerged. The next paragraph discusses how occupational classification becomes the new social stratification criterion and how occupational categories are classified to express socio-economic differences.

3.2.3 Occupational Classification in Contemporary China

After thirty years of Chinese private economic development, the earnings gap and the gap in living conditions between employers and rank-and-file workers has significantly increased (Lee 2007). Meanwhile, this accelerating industrialization has resulted in new occupations emerging and changes in occupational distribution. Professionals, such as IT technicians, counsellors and online game designers etc. have emerged. This is in conjunction with an increase in the number of service industry workers and a decrease in the number of traditional industrial manual workers. Bauer and Yamey (1951) predicted that the process of industrialisation would result in occupational sub-divisions and the creation of new forms of employment.

Currently, occupational categories in China are much enlarged. Along with this, occupational types have gradually acquired meanings and significance akin to those which have developed in Western societies. Occupational classification is at present equipped with modern meanings and social divisions. The question of how to classify and aggregate occupations into several occupational groups to express the advantaged and disadvantaged positions in the labour market, and discover disparate working conditions is of paramount importance. At the same time, occupational classification is required to demonstrate how kinds of resources are distributed.

Occupational analysis in this thesis will consider the Standard Occupational Classification (SOC) system (2010). In addition, I draw upon the occupational classification of CASS's 10-social class schema and Goldthorpe's 11-social class schema. The latter two have both considered occupational divisions. Furthermore, the feasibility of future analysis is taken into consideration. The Chinese Household Income Project (CHIP) data set is used for further analysis of the comparisons between different social strata. Therefore, the occupational categories listed in the questionnaire for the CHIP survey are referred to. This specific discussion will be elaborated upon in below paragraphs.

Firstly, according to the SOC system[8] (2010), there are twenty-three major occupation groups. Each group can be subdivided into minor groups and then further subdivided into different levels. Each different occupation has specific duties, educational requirements (in some cases skills) and working conditions. Occupational classification is also provided at higher levels of aggregation, when there are six groups and also at intermediate levels of aggregation, when there are 13 occupational groups. The occupational classification schema with six groups can be found in table 3.2. Although this occupational classification is designed for the United States, it still provides a valuable reference for China as the tenets behind both are the same. Both the occupational classification system for China and the United States distinguish job specifications, qualifications and output among employees.

Secondly, CASS's 10-class structure and Goldthorpe's 11-class structure can also be used as a reference point as both consider occupational divisions. Between them, the schema of CASS moves more towards occupational differentiation. As shown in table 3.3, some commonalities and differences between the two schemas are drawn from an occupational perspective. To begin with, both social class schemas divided the manual from

[8] The 'occupation classification' can be accessed through the website address: http://www.bls.gov/soc/.

Table 3.2 Occupational Classification Schema of High-level Aggregation

Management Occupations
Service Occupations
Office Occupations
Construction Occupations
Production, Transportation Occupations
Military Specific Occupation

Source: Standard Occupational Classification System, 2010

the non-manual worker, and Goldthorpe further divides manual occupation into skilled and semi- or unskilled. In addition, professional, administrative and managerial occupations are highlighted. In Goldthorpe's social class schema, they are classified into two strata according to high and low level occupations, whereas in CASS's schema, they encompass three strata.

Moreover, the entrepreneur and the self-employed are classified in both social class schemas. Separating employers and the self-employed from employees is necessary because they are obviously different in the way of participating in the production (Li, Bechhofer, McCrone, Anderson and Stewart 2002). In Goldthorpe's, they are under the label of 'petty bourgeois' and belong to the same stratum within a subdivided level. In contrast, the stratum position of entrepreneur is very different from the self-employed in CASS's schema. They are in far-distant strata and the entrepreneur almost lies on the top. This is because the decades of economic development have changed the social value of money-making (Lin 1999). The new rich, such as the entrepreneurs, have not only accumulated large material wealth, but also obtained social worship. Moreover, although agricultural and farm workers are listed in both, their social rank is very dissimilar. In China, peasants are almost the bottom strata of society.

Table 3.3 Comparison between Social Class Schemas 2

CASS's 10-Class Schema	Goldthorpe's 11-Class Schema
I State and Social Administrators	I Professional, Administrative and Managerial Occupations, Higher Grade
II Managers	II Professional, Administrative and Managerial Occupations, Lower Grade
III Private Entrepreneurs	IIIa Routine Non-manual Occupations, Higher Grade
IV Professionals	IIIb Routine Non-manual Occupations, Lower Grade
V Clerks	IVa Self-employed Occupations with Employees
VI Individual Businessmen	IVb Self-employed Occupations without Employees
VII Business Service Employees	IVc Agricultural or Farming Occupations
VIII Industrial Workers	V Technical and Supervising Manual Workers
IX Agricultural Labours	VI Skilled Manual Occupations
X Unemployed, Jobless, Laid-off	VIIa Semi- and Unskilled Manual
	VIIb Semi- and Unskilled Manual in Agriculture

Source: 1. Standard Eleven-Fold Goldthorpe Class Schema

2. Contemporary Chinese Social Structure of Chinese Academy of Social Sciences (CASS)

Thirdly, when creating an occupational stratification, feasibility should be taken into account to enable future analysis of the comparisons between different social strata. The questionnaires from the CHIP data sets will determine the social class schema's feasibility. According to the

questionnaires, there were eleven occupational categories in 2002 and eight in 2007 (see the appendix 1 and Appendix 2 for 2002 and 2007). In addition, other work information was collected which can be employed to break down the occupational categories into more specific ones. Both questionnaires provide work unit's institutional framework (enterprise, government administration and public institution etc.). According to this, for example, the occupational category of 'director' can be further subdivided into 'government director' and 'manager.'

When comparing the similarities and differences of occupational classification in the social class schema of Goldthorpe and CASS, seven main occupational categories emerged. This is also taking into consideration the high-level of aggregation of the six occupational groups from the SOC system (2010), and also paying specific attention to the occupational categories of the CHIP data sets for both years (2002 and 2007). This occupational classification is demonstrated in table 3.4[9]. The occupational classification system provided here affords a basic social structure for contemporary urban China. The circumstances of disparities among the population in the labour market are expressed through the occupational classification. However, a significant question is whether we can apply this occupational structure directly to an analysis of the Chinese social structure.

The disparities between circumstances in the same occupational categories can be detected and sometimes are even more significant, as the occupational classification is increasingly equipped with social stratification significance. These disparities are to a large extent due to Chinese institutional divisions (Zhou, Tuma and Moen 1995). These historical institutional divisions combined with market mechanism intensify the original cleavages

[9] I planned to divide the manual worker into the skilled manual worker and the semi- and non-skilled manual worker as two strata following Goldthorpe's schema. With industry modernization and the shortage of skilled manual workers in China, the divisions between manual workers (skilled and non-skilled manual workers) further enlarges. However, the data sets for CHIP fail to provide enough information to support this subdivision.

and demonstrate new characteristics in the new era (Liu and Wu 2006). The next section elaborates the institutional framework behind social stratification, especially its transformation since the economic reforms. In addition, the data analysis of the earnings disparities of the different occupational categories also provides evidence.

Table 3.4 Occupational Classification for Urban China

I.	Official and Manager
II.	Professional
III.	Clerical and Office Staff
IV.	Manual Worker, Equipment Operator
V.	Salesclerk and Service Industry Worker
	Entrepreneur
	Self-employed

Source: The Author

Note: There is hierarchy among the social strata of employees, as well as between the entrepreneur and self-employed. However, there is no hierarchy between the social strata of employees and employers (or self-employed). For example, the social stratum of official and manager is no higher than that of entrepreneur in terms of hierarchy. They are just divided because of their different way of participating in the production.

Refer to: 1. Standard Eleven-Fold Goldthorpe Class Schema
2. Chinese Household Income Project, 2002 and 2007
3. The Transformation of the Chinese Class Structure, 1978-2005
4. CASS's Social Structure of Contemporary China
5. Standard Occupational Classification System, 2010

3.3 CONTEMPORARY CHINESE INSTITUTIONAL DIVISION AND EARNINGS DISPARITY

The frameworks of Chinese institutional segregation were discussed when introducing the social structure during the Maoist era in the first chapter. There are three key important institutional divisions that affected the Chinese social and economic structure before the economic reforms. They were the divisions between rural and urban areas, between SOEs and COEs, and between cadres and rank-and-file workers. The household registration system (*hukou*) categorised the population into 'agricultural' or 'non-agricultural' residents (Chan and Zhang 1999). The 'non-agricultural' citizens can be further subdivided according to the quality of their unit (*danwei*)—the state and collective ownership (Bray 2005). In addition, within the same department, the divisions between cadre and worker distinguished the administrative elite from the rank-and-file workers (Davis 2000).

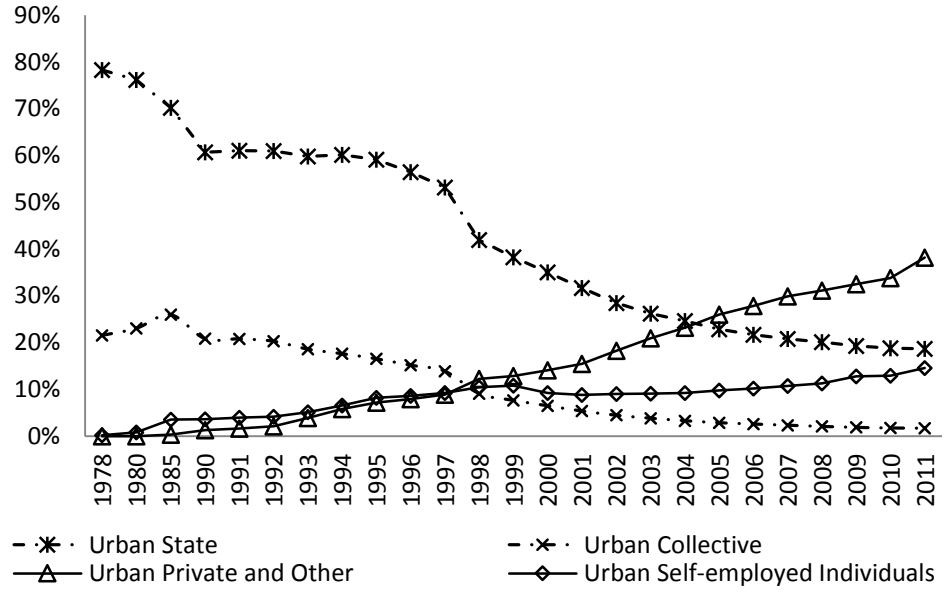
3.3.1 Changes in Chinese Institutional Segregation

These were the three main segregations within the institutional framework before the economic reforms. After 1978, the market system and economic transformation impacted upon the pre-reform institutional framework endowing it with new traits. Firstly, surplus labourers who migrated from the countryside to the cities not only created a new social group, that of peasant workers (*nong min gong*), but have also gradually broken up the original divisions between rural and urban areas. Many migrant workers still encounter many obstacles in finding a decent job and are not treated equally in terms of welfare and work situation (Wu 2004). However, the geographical divisions have been broken down and they can now go to cities freely.

Secondly, the emergence of the market and the prosperity of the private economy have gradually broken down the original state-collective divisions. Before the economic reform, a dominant mode of production under socialism was centralized control which was governed by the state. Except for a few private properties, all production and materials have come to possession

of the state, individuals accumulated few life resources and the surplus is reallocated according to centrally defined goals (Shi 1995). Since the Chinese economy transition began in 1978, these artificial institutional segments have been impacted and altered gradually. The promotion effect of the private sector in Chinese economy is important and this sector plays an irreplaceable role in fulfilling employment (Bian 2002). The ratio change in figure 3.1 demonstrates how urban employment rate changes in ownership of public and private economy.

Figure 3.1 Employment Proportion by Ownership Type in Urban China, 1978-2011



In addition, the coexistence of multiple ownership types not only enriched the forms of ownership in the Chinese socialist market economy, but also produced gaps in terms of earnings, benefits, career promotion and working environment etc. between different types of ownership. The new emerging divisions which were created by market forces have operated in conjunction with socialist state forces can be described as the state-market division (Wu, Xu and Yeh 2013). In addition, the position and the competitiveness of the companies in the market also impact on living circumstances of employees.

Thirdly, the identity barrier of cadre-worker gradually faded away, with occupational classification playing an increasingly role in determining an individual's access to resources. The occupational divisions replaced the importance of the original cadre-worker division in the same department. The paramount significance of occupational classification in the social stratification of current Chinese society has been discussed in earlier sections and it is used as basic framework for class analysis. The other divisions such as the gaps between state and market sector impacted upon occupational stratification and manifest themselves in disparities in earnings, benefits, working environments and other aspects.

The subdivisions in occupational classification have gained recognition in the studies of labour markets since the 1980s through the work unit. Studies have shown that the allocation of job opportunities and economic benefits varies systematically with those firms in the core industries versus periphery industries, and with those in the primary labour markets versus those in the secondary labour markets (Leontaridi 1998). In this chapter, these subdivisions are classified through types of ownership and industry. These divisions can be detected in ownership type and level of the openness between industry and market, and were verified by the data from CHIP, 2007. The later paragraphs discuss the gaps in terms of earnings in the same occupation between different ownership and industries, which can be very large.

3.3.2 Earnings Disparities among Different Types of Ownership

Before the economic reforms, the dominant employment in China was state. State employment included government administration and public institutions, and the state and collectively owned enterprises. Among them, the SOEs account for a large proportion. However, after the reforms, foreign enterprises entered into Chinese labour market with foreign investment and grew quickly with the development of the Chinese economic. At the same time, private enterprises also expanded fast and played an increasingly important

role in absorbing labour. In 2011, the number of employees in private enterprises increased to 13,699,000, accounting for 38.1% of the national urban labour force[10]. In the CHIP survey, 2007, there are together 7,090 observations and the employment types in terms of ownership listed on the questionnaire are: administration and public institution, state owned enterprise, collectively owned enterprise, foreign owned enterprise, private enterprise and others. The earnings disparities among different types of ownership and different occupational classifications can be found in table 3.5.

From a comparison of earnings in different occupational strata, conclusions can be drawn that occupational classification indeed impacts on earnings distribution. An employee's average hourly earnings decrease as their position on the occupational classification schema decreases. If the strata of entrepreneur and self-employed are exempted from the analysis, the hourly earnings of officials and managers are highest, while service industry workers receive the lowest. In addition, after a comparison of the standard deviation among different occupational strata, foreign owned and privately owned enterprises have a relatively larger deviation. This demonstrates that the greater the marketization, the larger the earnings gap between the highest and lowest earner.

The disparity between different forms of ownership within the same occupational stratum is significant. In some cases, it is even bigger than the difference between different types of occupation. For example, the gap in hourly earnings between officials and managers in SOEs and COEs is 1.6 times (23.1 and 16.5 respectively). The gap is even bigger than that between the two strata of officials and managers, and professionals in state owned enterprises, which is 23.1 and 17.1 respectively. Additionally, hourly earnings in foreign owned enterprises are much higher than within the other ownership types. For example, the hourly earnings of a clerk in a foreign owned enterprise are even higher than the earnings of officials and managers in state

[10] Calculated according to the 'National Bureau of Statistics of China' (NBSC), 2011.

Table 3.5 the Disparity of Hourly Earnings between Different Forms of Ownership within the Same Occupation, 2007

Ownership \ Occu. Classification		Official & Manager	Professional	Clerk	Industrial Manual Worker	Service Industry Worker	Entrepreneur	Self-employed	Total
Administration and Public Institution	Hourly Earnings	21.2	17.8	14.6	12	10.4	/	/	15.6
	Standard Deviation	14.6	12.3	9.7	8.5	11.1	/	/	11.9
	N.	373	734	840	242	392	0	0	2581
State Owned Enterprise	Hourly Earnings	23.1	17.1	14.9	12.4	11.8	/	/	14.6
	Standard Deviation	23.0	12.6	13.6	15.6	9.5	/	/	14.3
	N.	63	317	305	395	223	0	0	1303
Collectively Owned Enterprise	Hourly Earnings	16.5	16.1	13.9	9	9.7	/	/	12
	Standard Deviation	12.9	12	9.7	4.5	7.8	/	/	9.4
	N.	16	86	89	86	151	0	0	428
Foreign Owned Enterprise	Hourly Earnings	33.5	28.7	25.3	11.9	13.3	/	/	21.9
	Standard Deviation	22.7	39	21.1	6.2	10.7	/	/	26.3
	N.	7	95	93	47	66	0	0	308
Private Enterprise	Hourly Earnings	20.9	15.5	12.5	9.1	10.3	39.9	25.5	13.6
	Standard Deviation	22.3	12	8.4	10.6	11.5	19	111.2	25.1
	N.	41	278	219	186	518	51	50	1343
Other	Hourly Earnings	17.5	10.8	9.8	7.6	7.9	9.8	13.9	10.7
	Standard Deviation	16.3	7.6	7.1	5	8.3	3.8	20.1	14.3
	N.	16	63	105	76	420	2	445	1127
Total	Hourly Earnings	21.3	17.6	14.6	11.1	10	24.9	16.5	14.3
	Standard Deviation	16.7	15.5	11.5	11.7	10.2	18.9	40.6	16.8
	N.	516	1573	1651	1032	1770	53	495	7090

Source: Chinese Household Income Project, 2007.

Note: the currency unit of 'hourly earnings' is Chinese Yuan.

owned enterprises. The phenomenon that much higher earnings exist in foreign owned enterprises demonstrates that in certain situations, earnings disparities are not concerned with occupational divisions, but only with differences in ownership. Therefore, the ownership subdivisions within occupational classification should be studied when researching social stratification.

3.3.3 Earnings Disparities among Different Types of Industry

In addition to type of ownership, type of industry impacts upon occupational classification. The increasing effect of ownership status and industries in earnings inequality also are verified by Fujita and Hu (2001). Hourly earnings distribution between industries and occupations are presented in table 3.6. The results demonstrate that in the same occupational stratum, the gap between the highest and lowest earning industry is more than twice as large. For instance, the average hourly earnings of officials and managers in the bank industry are 33.6, whereas within the hotel and catering industry the average is 15.3. Many examples such as this can be detected. In addition, sample distribution among industries is unbalanced. The manufacturing industry absorbs the most labour, the wholesale and retail trade accumulate approximately one third of the labour, while the mining industry has only slightly more than one percent.

Although the occupational order has been obeyed roughly, the disparities between different occupational classifications within the same industry do not exactly follow the order of occupational stratification. (One reason for this is that there are few cases within certain subcategories, causing some anomalies. For example, there are only three cases of industrial manual worker in the bank industry. The data outcomes are distorted if the number of cases is not large enough.) The hourly earnings distribution between industries and occupations demonstrates how industrial divisions impact on earnings. The gaps caused by industrial subdivisions within occupational classifications

Table 3.6 the Disparity of Hourly Earnings between Different Industries within the Same Occupation, 2007

Industry \ Occu. Classification		Official & Manager	Professional	Clerk	Industrial Worker	Service Worker	Entrepreneur	Self-employed	Total
Manufacturing	Hourly Earnings	20.4	16.9	14.0	10.6	11.2	24.2	22.2	13.6
	Standard Deviation	17.8	15.0	14.6	13.9	8.6	15.6	29.0	14.7
	N.	54	306	246	500	126	14	18	1264
Mining	Hourly Earnings	19.7	12.1	13.5	7.2	12.3	26.0	11.2	13.0
	Standard Deviation	6.2	6.8	15.1	2.0	5.2	0.0	4.5	8.9
	N.	10	27	14	9	11	1	2	74
Wholesale and Retail Trade	Hourly Earnings	24.2	15.1	15.1	15.2	10.0	23.2	15.5	12.9
	Standard Deviation	19.8	10.0	12.2	29.4	11.9	10.5	27.9	18.2
	N.	11	57	130	20	443	8	233	902
Hotel and Catering Services	Hourly Earnings	15.3	13.2	10.4	12.9	8.9	/	11.1	9.8
	Standard Deviation	3.8	9.3	5.7	9.6	6.0	/	15.2	8.8
	N.	3	12	24	7	154	0	48	248
Bank	Hourly Earnings	33.6	20.4	18.4	11.8	14.6	/	28.4	18.5
	Standard Deviation	40.5	15.8	11.6	6.5	10.0	/	0	15.1
	N.	12	57	115	3	69	0	1	257
⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮
Total	Hourly Earnings	21.3	17.6	14.7	11.1	10.0	24.9	16.5	14.3
	Standard Deviation	16.7	15.5	11.5	11.7	10.2	18.9	40.6	16.8
	N.	516	1572	1647	1032	1770	53	495	7085

Source: Chinese Household Income Project, 2007

Note: 1. The currency unit of 'hourly earnings' is Chinese Yuan.

2. The table omits many industries to make it concise, such as the industry 'Mining,' 'Transport, Storage and Post,' 'Information, Computer and Software,' and 'Leasing and Business Services.'

should be studied when researching social stratification, which is in turn based on occupational classification. The later part of this chapter details how types of ownership and industry impact on occupational classification.

3.4 SOCIAL STRATIFICATION: STRUCTURAL COMPLEXITY IN TRANSITIONAL CHINA

3.4.1 The Impact of Ownership on Occupational Classification

As previous paragraphs have discussed, types of ownership and industry impact on occupational classification. This leads to large divisions within the same occupational stratum. In a study of social stratification in China, ownership and industry are valuable variables, and the divisions between both should be discussed and represented. Ownership can generally be divided into two main categories under the dualist system (state-led economic institutions and market-based institutions): state ownership and private ownership. State ownership not only includes SOEs[11] and COEs, but also government departments and public institutions. Private ownership consists of private enterprises, foreign enterprises and privately-held joint enterprises, which are autonomous and based on non-state capital. Future paragraphs will give a more detailed discussion of how ownership types, such as government departments, state enterprises, foreign enterprises and private enterprises impact on the occupational classification.

Government and public institutions were the main centre of redistribution before the economic reforms and played an important role in the guidance and nurturing of the market after 1978. Government investment is one of the three main factors[12] driving the economic growth of China. The consequences of the Chinese government in stimulating consumption became

[11] SOE here is a widely defined category, including solely state owned enterprises, state holding enterprises and state holding joint ventures. This also applies to COEs.
[12] The three major factors which are deemed as driving the economic growth of China are export, investment and consumption.

even more essential in the face of shrinking exports during the global economic crisis starting in 2008 (Song, Sui and Wang 2010). Although public institutions do not belong to government agencies, there are similarities between them in many ways. Public institutions are established for the purpose of public interests and are fully or partly funded through public financial subsidies (Liu and Liu 2003). With their manipulation and interference in the economic arena, the government administration and public institutions also directly have a hand in public financial redistribution. This has ensured that staff in these units has directly reaped the benefits of China's economic development.

In the past few years, news reports have frequently noted that large numbers of university graduates have participated in the examination for the entrance to civil service. The acceptance rate for the civil servant examinations increases year by year and has reached more than 1000:1 (Song 2006). This phenomenon of participation in these extraordinarily competitive examinations is thought-provoking and demonstrates the popularity of these positions. The salaries of civil servants and staff in public institutions are average, suggesting that income is not a major factor for applicants. Rather, the advantages of such employment are reflected in the job stability and in the abundant forms of welfare public sector employees receive. Employees in the civil service and public institutions also enjoy high social respect because the social function of their department and their close relationship to public power. In addition, they are sometimes also in receipt of forms of grey and black earnings[13] (Hurst 2009).

The situation for state enterprises is somewhat more complicated. After the economic reforms, there was a differentiation in state enterprises,

[13] Grey earnings mainly refer to hidden earnings and kinds of benefits by taking advantage of their position that recipients are unwilling to disclose. The grey earnings are not necessarily illegal. The black earnings refer to the big extra illegal gains achieved by abusing one's political or administrative power. However, sometimes, the boundary between the grey earnings and black earnings is obscure.

which caused internal disparities. Some state enterprises, which were vital or strategic industries, such as those concerned with national security, political interests or ideology, benefited and profited considerably (Oksenberg, Potter and Abnett 1998). These state enterprises either continue to rely on the input of continuous state subsidies, or obtain profits from their monopoly status (Bian and Zhang 2002). In contrast, for other small sized state enterprises, circumstances are not as favourable. It is well-known that state enterprises underwent reconstruction in the late 1990s. Confronting the inefficiency and staff redundancy of SOEs and COEs, the central government closed many bankrupt state enterprises and forced many to be privatized and reformed. Therefore, except those within key industries concerned with security or the economy, many state enterprises have to compete with the private sector in the market.

After a struggle and readjustment, surviving state enterprises began to revitalize and rejuvenate (Ralston, Terpstra-Tong, Terpstra, Wang and Egri 2006). In order to compete with other forms of enterprise ownership in the market, their social functions have gradually been replaced by economic functions and chasing profit has become the priority of the management. A result of this workers' wages are minimised when confronting the market pressures. However, even though the nominal income of workers in state enterprises cannot compete with foreign enterprises, their subsidies and access to welfare is decent. This is because employment in the state enterprises belongs to the formal sector, which provides regular and standard protection for their employees.

In terms of foreign enterprises, the super preferential treatment policies have been implemented for the last twenty years by the state to attract foreign direct investment (Jin 2007). Even though these policies have been gradually withdrawn, the market performance of foreign owned enterprises is much better than the enterprises of other kinds of ownerships. According to the report by the Development Research Centre of the State Council, the majority

of the top five enterprises in industries that were open to worldwide competition were owned by foreign enterprises until 2003. Among the twenty-eight main industries, twenty-one were controlled by foreign enterprises in terms of assets. Most employees that work in foreign companies have much better pay (Chen, Ge and Lai 2011). This is due to the higher salary system of the capital exporting countries and also to the better performance and competitiveness of the foreign enterprises (Huang 2003). This phenomenon of higher pay in foreign enterprises was especially significant before China joined the WTO.

Most of the native private enterprises are in the pioneering stage of development, because the native private economy diminished and nearly died out during the 'socialist transformation' in 1956. Not until 1978 did they begin to reappear. When comparing state and foreign enterprises to private enterprises, there is little advantage for the latter in the market. Private enterprises do not belong to the state economy and rarely acquire direct public financial support from the state. At the same time, they have no advantages in terms of capital, technical, corporate governance and staff when competing with foreign enterprises. The majority of them are in marginal markets and are confined to relatively low-end industries, such as accommodation, catering business and retailing.

All in all, in terms of earnings, employees working for foreign enterprises are much better off than those who work for enterprises of other ownership. Indeed, they are even better off than the staff working in government and public institutions. However, this higher remuneration comes at the cost of an intense workload and working hours. The workload and working hours in state owned units is less than in private or foreign enterprises. In addition, they generally provide relatively complete insurance and welfare. This is especially the case for the staff in government and public institutions; they enjoy abundant welfare, a steady job status and benefits rooted in their position. They also have access to power resources and decent earnings.

For employees in state enterprises, the gains are roughly similar, but at a lower level. The advantages of both sides (high wage or relatively complete insurance and welfare) are rarely enjoyed by employees from native private enterprises. Therefore, even within the same occupation, there are disparities between employees due to the different forms of ownership. Therefore, in a study of social stratification, the ownership differences should be taken into consideration. Furthermore, different industries also impact on employee circumstances within the same occupational stratum. As discussed above, data analysis from CHIP's demonstrates that significant disparities exist between different industries. In the forthcoming paragraphs, the impact of industrial types on occupational classification will be illustrated.

3.4.2 The Impact of Industry on Occupational Classification

It is necessary to classify the differences between industries, because even though market competition is intensifying, profit capability is different for various industries in China. As my study examines social stratification in urban China, secondary and tertiary industries are the focus here. According to a report of NSBC in 2012, the GDP of secondary and tertiary industries has reached 46.9% and 42.9% respectively[14]. The contribution of tertiary industry to economic growth has significantly increased, and is becoming the main driving force of economic development. At the same time, there are subdivisions between the secondary and service industries, for which growth is unbalanced. The secondary industry can be further divided into mining and quarrying, manufacturing, electricity, gas, petroleum and water supply, and the construction industry. The service industry can be sub-categorised into the 'producer service industry,' which includes transport, information, finance, leasing and business services and the 'consumer service industry,' which includes wholesale, hotels, resident services etc.

[14] Source: National Bureau of Statistics of China, 2012. http://data.stats.gov.cn/workspace/index;jsessionid=0F2AEBDCD0271F9F6184DBCC4064130C?m=hgnd

In the main, due to the disparities in terms of policy preference and support, market opportunities, technology and capital strength, the industries such as gas, electricity and oil are better than the manufacturing. In addition, producer service industries perform better than the consumer service industries (Luo and Li 2007). For example, banking, finance and real estate industries perform better because of government policy and favourable market opportunities. The real estate industry grew especially speedily from 2005 to 2012, especially when compared to its slower growth during the first twenty years after 1978. The reasons behind this are many, but among the most important is the 'housing reforms,' which cancelled the welfare housing system and used market commercial housing instead. Similarly, the prosperity of the finance industry is due to the policy of openness, as well as the market opportunities brought about by Chinese economic development.

Due to disparities in technology and capital strength there are some differences among industries. Thus, for example, new industries and high-technology industries such as modern information, scientific research, technical services, information technology and similar industries perform relatively better in comparison to other industries (Chen and Edin 2002). In contrast, some traditional or low-end industries, like services, construction, and manufacturing do not do as well in terms of market performance and competitiveness. Correspondingly, the employees' remuneration and access to welfare is not as good as that of the high-tech and burgeoning industries (Zhou and Zhao 2004). These industries have gradually lost their attractiveness to employees and have sunk to the bottom of the industry list.

Furthermore, in China, issues of industry and ownership are often intertwined together. For example, some fundamental or key industries are state owned and controlled by government, such as manufacturing, construction and banking. On the other hand, private enterprises comprise a high percentage of low-end industries, such as restaurant catering and

accommodation. These intertwined factors of ownership and industry can lead to extreme disparities in employee treatment and circumstances. Findings from studies on earnings distribution in terms of ownership and industry demonstrate that state ownership if combined with a certain type of industry can lead to a monopoly in high earnings. For example, using the data of the First National Economic Census of Enterprise, Luo and Li (2007) suggest that state monopoly over industry is the most important factor in explaining enterprise wage inequality.

In addition, Chen, Lu and Wan (2009) found that inter-industrial wage differentials experienced a rising trend during 1988, 1995 and 2002. State monopoly was the primary cause of increasing income inequality across industries. Li, Yue and Terry (2010) draw a similar conclusion. Their empirical analysis compared the incomes of employees in state monopoly industries to the incomes of employees in open market industries. They found that a more than 50% difference in income disparities which cannot be explained. According to these disparities, industry can be loosely divided into three categories: state monopoly industries, high-tech and advantaged industries and traditional low-end industries. Combining industry with ownership, each occupational stratum can be further divided into subsectors. The details of these subdivisions will be introduced in later paragraphs.

3.5 OCCUPATIONAL CLASSIFICATION WITH OWNERSHIP AND INDUSTRY DIVISIONS

3.5.1 The Subdivisions between the State and Market Sector

The disparities within ownership and industry have been discussed in earlier paragraphs. The variables of ownership and industry are valuable for the subdivision of the occupational stratification. Following the dualist system of state and market, each occupational stratum can be roughly divided into

two main sectors: the state sector and the market sector[15]. Taking into consideration the competitiveness and position in the market, the market sector can be further divided into the competitive market sector and the uncompetitive market sector. Subsequently, the subdivisions between the state sector and the market sector are introduced.

The state sector is distinguished from the market sector because the state sector has a 'close relationship' with 'planned economy institutions'—the central or local government. This 'close relationship' means that employment units are directly or indirectly affiliated with the central or local government. This relationship can lead not only direct financial and policy support, but also to privileges in taxation, government investment and bank loans (Yue, Li and Terry 2011). A criterion to distinguish the state from the market sector should use the factors of ownership and industry.

To begin with, government departments and public institutions should be classified as belonging to the state sector as they either directly belong to the central or local government or are agents of them. In addition, private ownership enterprises belong to the market sector, because private enterprises are independent business units, which follow the market rules, and were established for profit. They are the basis of the free market system. In contrast, for SOEs, the situations, as discussed before, is a little more complicated. Generally, the state sector includes units of state ownership, but state ownership does not guarantee that the units belong to the state sector.

As discussed in earlier paragraphs, after the economic reforms, many state enterprises went bankrupt and were transformed (Granrose 2005; Naughton 2007). Their economic statuses changed, even though they were still state owned. Currently, except certain state enterprises in key industries,

[15] Scholars doubt that there is a 'true market' in China. They suggest that even in the most liberal economic area, the Chinese state manipulation cannot be ignored. The market sector here is a relative concept comparing with the state owned or controlled economic sector (Bremmer 2010).

the transformed state enterprises belong to the market sector, because they have to compete on their own in the market. 'Key industry' refers to the industries that provide nationalized services, for example postal and telecommunication services, railroad transportation, electric power and the petroleum industry. They also exercise macro-economic coordination, such as in banking and finance, or play key roles in political and ideological control, for instance in education and the mass media. In these industries, the government or the state directly implements and plays a leading role, so these industries can be termed 'state monopoly industries.' State monopoly industries are attributed to the state sector; other state enterprises belong to the market sector.

To conclude, the term 'state sector employees' refers to those who work in government departments, public institutions, and state monopoly enterprises. In contrast, market sector workers refer to those who work in departments excluded from the state sector. The state or market sector not only includes administrative officials and managers, but also the professional and rank-and-file workers. The divisions between the state and market sector is crucial in explaining the unequal treatment of employees in the same occupational stratum, but the further divisions within the market sector are also important. Later paragraphs discuss how to further divide the market sector.

3.5.2 The Subdivisions between Competitive and Uncompetitive Market Sector

The market sector can be subdivided into competitive and uncompetitive sectors. The division between the competitive and uncompetitive market sector can be compared with the divisions between core industries and periphery industries or primary labour markets and the secondary labour market in industrialised societies (Hodson and Kaufman 1982). As discussed above, enterprises acquire different benefits and

economic returns due to their market opportunities and respective performance (Luo and Li 2007). These disparities in enterprise performance lead to differences in the treatment of employees.

Due to their better market performance, employees who work in foreign companies have earned much more than those who work in other kinds of enterprises. This is demonstrated by my analysis of ownership in the previous section. This contrast was especially significant in the 1990s when the income of rank-and-file employees was generally low (Jin 2007). Therefore, the workers in foreign enterprises or joint ventures based on foreign capital are attributed to the competitive market sector in this research. For enterprises with other forms of ownership, the specific industry determines to which subsector of market they belong.

The analysis of industry and the table 3.6 shows that the new industries and high-technology industries, such as modern information, scientific research, technical services and information technology perform relatively better in comparison to other industries. This conclusion also verified by Chen and Edin (2002). Therefore, the enterprises in these industries are attributed to the competitive market sector. The traditional or low-end industries, such as service, construction and manufacturing, are part of the uncompetitive market sector.

To be specific, in the market sector, employees in foreign or joint venture enterprises or in the high-tech and burgeoning industries belong to the competitive market sector. The other non-state and low-end traditional industries are attributed to the uncompetitive market sector. By combining the three sectors with occupational stratification, each occupational stratum, excepting the private entrepreneur and self-employed[16], has been subdivided

[16] The occupational stratum of private entrepreneur and self-employed is not subdivided. There is only one category for this group—the uncompetitive market sector, because their form of ownership is private, the industries they belong to are mostly low-end traditional industries.

into three sectors. Thus, a 'social class schema' with 17 social strata emerges, as shown in table 3.7.

In sum, the 'social class schema' built in this chapter provides a research framework. Based on the occupational classification, the disparities that are caused by ownership and industry have been reflected in this schema. Comparing my schema with the neo-Marxian and neo-Weberian class schema, the differences lie not only in the subdivisions of certain strata, but in the consideration of Chinese institutional characteristics and the changes to these over time. These institutional divisions led to disparate circumstances and life chances before the economic reforms, and still play an important role in the dualist mechanism of state and market. This 'social class schema' reveals a clearer picture of social stratification of contemporary urban China. At the same time, the schema shows the relative ranking between different social strata.

3.6 CONCLUSIONS

The economic reforms, the rise of the market and the transformation of socialist institutions facilitated dramatic changes in Chinese society and provided a crucial opportunity to observe how social structures change. In order to study the transformation of the social structure, the prime task of this research is to construct an appropriate 'social class schema.' This schema can provide a valuable picture of contemporary Chinese society and this chapter has fulfils this task. After comparing the three social class theories and their application to Chinese society, the classical occupational classification is considered to be central to the social stratification analysis of China.

Including occupational classification in the social stratification schema provides for rich results. Occupational classification takes into consideration specific employment relationships and the individual's position within the labour market according to their marketable resources. At the same time, it

Table 3.7 Social Structure of Contemporary Urban China

Occupational stratification	Social Stratification
I Official and Manager	**I 1** State Sector
	I 2 Competitive Market Sector
	I 3 Uncompetitive Market Sector
II Professional	**II 1** State Sector
	II 2 Competitive Market Sector
	II 3 Uncompetitive Market Sector
III Clerk	**III 1** State Sector
	III 2 Competitive Market Sector
	III 3 Uncompetitive Market Sector
IV Industrial Manual Worker	**IV 1** State Sector
	IV 2 Competitive Market Sector
	IV 3 Uncompetitive Market Sector
V Service Industry Worker	**V 1** State Sector
	V 2 Competitive Market Sector
	V 3 Uncompetitive Market Sector
Entrepreneur	Entrepreneur
The Self-employed	The Self-employed

Source: The Author

Note: There is hierarchy among employee classification, and among the subdivisions within each occupational stratum, but there is no hierarchy among the subdivisions. For example, the social stratum of uncompetitive market sector of official and manager is no higher than the state sector of professional in terms of hierarchy.

Refer to: 1. Standard Eleven-Fold Goldthorpe Class Schema
2. Chinese Household Income Project, 2002 and 2007
3. The Transformation of the Chinese Class Structure, 1978-2005
4. CASS's Social Structure of Contemporary China
5. Standard Occupational Classification System, 2010

recognises relations of command and authority, in which one person is empowered to give others supervision and orders. In addition, it conveys information about earnings and social prestige, which is concerned with occupational status (Smelser and Lipset 2005). Since China has been on the road to industrialization and economic transformation, occupational classification has been increasingly essential for Chinese social class studies.

After comparing occupational classification in Goldthorpe's and CASS's social class schemas, and taking into consideration the high-level aggregation of the six occupational groups from the SOC system (2010), a classification schema with seven main occupational categories is constructed. However, a classification based only on occupation is not sufficient. Institutional divisions, 'with Chinese characteristics,' during the transition period are essential, because for a long time the planned economy or state-led economy was the distinctive mode of economic institution in China. Although the emergence and expansion of the market and private economy has gradually eroded state-led institutions, the effect of state and government is still present.

According to the dualist system of state and market, and the division of the domestic market, each occupational category (except the entrepreneur and the self-employed) is subdivided into three sectors: state sector, competitive market sector and uncompetitive market sector. Thus, a 'social class schema' of 17 social strata is formed. The subdivisions in each stratum are necessary because they reflect the transition period characteristics and institutional divisions, and how the state and market together impact on Chinese social stratification. Based on this schema, utilising the CHIP data 2002 and 2007, the overall social structure and gender social class distribution can be studied, as well as their transformation. In the next chapter, these contents are discussed.

CHAPTER 4

CHINESE SOCIAL STRUCTURE, EARNINGS DISTRIBUTION AND GENDER ISSUES

CHAPTER 4

CHINESE SOCIAL STRUCTURE, EARNINGS DISTRIBUTION AND GENDER ISSUES

In the last chapter, after comparing the social class theories and their application to Chinese society, an occupational classification of seven strata was created. This occupational classification referred to the high-level aggregation of the six occupational groups from the Standard Occupational Classification (SOC) system (2010) and the social class schemas of Erikson—Goldthorpe—Portocarero (EGP) and Chinese Academy of Social Science (CASS). At the same time, the occupational categories of the Chinese Household Income Project (CHIP) data set were also considered. In addition, in order to reflect on the institutional divisions with Chinese characteristics, each occupational category (except the entrepreneur and the self-employed) was subdivided into three sectors: state sector, competitive market sector and uncompetitive market sector, according to the dualist system of the state and market, and the division of the domestic market. Thus, a 'social class schema' of 17 social strata was formed.

Based on the built social stratification schema and the data from CHIP, 2002 and 2007, the overall social structure and gender social class distribution is clearly constructed. In addition, as the data sets contains information from the two years, 2002 and 2007, the transformation of social structure and the changes in gender ratios also can be demonstrated. In later sections, social class distribution, gender comparisons, and their transformation will be discussed. Furthermore, since the 'social class schema' encompasses three dimensions: occupation, ownership and industry, the sample used for this research satisfies the condition that these three variables are not missing.

There were 10,237 observations (5,674 male and 4,563 female) for the year 2002 and 7,199 observations (4,058 male and 3,141 female) for the year 2007.

4.1 SOCIAL CLASS TRANSFORMATION AND GENDER ISSUES

4.1.1 Social Class Transformation from 2002 to 2007

In the first place, for expressional and discussion convenience, the 'main stratum' or 'main class' refers to the seven-fold occupational classification, and the 'stratum' without 'main' or 'subdivided stratum' refers to the 17-fold 'social class schema.'

Generally, with the penetration of the market, the percentage of the overall market sector has enlarged in both the competitive market sector and the uncompetitive market sector, as shown in table 4.1. At the same time, the state sector withered. In addition, the main social strata have different shares of the market and state sector. For both years, the state sector obviously had a dominant position in the upper three main social classes (official and manager, professional and clerk), whereas, the proportion of the market sector was bigger in the lower two (industrial manual worker and service industry worker). The main stratum of industrial manual worker is over-represented in the competitive market sector, while the main stratum of the service industry worker is in the uncompetitive market sector.

There are two perspectives to observe the outcome of the data analysis, from the main social stratum and from the subsectors. In the beginning, I discuss the changes in the main occupational strata from 2002 to 2007. Firstly, some main strata's shares are decreased, such as the strata's of manager and official, and industrial manual worker. This is especially the case for the latter, whose percentage drastically fell by almost half, from 28.3% to 14.6%. This labour change is verified by Chen, Jefferson and Zhang (2011) who also found

Table 4.1 Social Stratification and Gender Comparison, 2002 and 2007

Social Stratum	2002				2007			
	Male (%)	Female (%)	M/F Ratio	Total (%)	Male (%)	Female (%)	M/F Ratio	Total (%)
I Official and Manager	15.0	4.8	3.1	10.4	9.4	4.6	2.0	7.3
I 1 State Sector	8.3	2.9	2.9	5.9	5.0	3.0	1.7	4.2
I 2 Competitive Market Sector	3.8	0.8	4.9	2.4	2.1	0.5	4.8	1.4
I 3 Uncompetitive Market Sector	2.8	1.1	2.5	2.1	2.2	1.2	2.0	1.8
II Professional	20.0	22.3	0.9	21.1	23.5	20.1	1.2	22
II 1 State Sector	10.2	13.1	0.8	11.5	9.6	10.4	0.9	9.9
II 2 Competitive Market Sector	5.1	4.0	1.3	4.6	8.0	5.3	1.5	6.8
II 3 Uncompetitive Market Sector	4.7	5.2	0.9	4.9	5.9	4.4	1.3	5.3
III Clerk	17.6	23.3	0.8	20.2	21.1	25.6	0.8	23.1
III 1 State Sector	9.2	10.2	0.9	9.7	8.7	9.4	0.9	9.0
III 2 Competitive Market Sector	3.6	5.0	0.7	4.3	5.6	6.2	0.9	5.8
III 3 Uncompetitive Market Sector	4.8	8.1	0.6	6.3	6.9	10.1	0.7	8.3
IV Industrial Manual Worker	32.4	23.2	1.4	28.3	17.9	10.3	1.7	14.6
IV 1 State Sector	5.2	3.3	1.6	4.4	1.8	1.1	1.7	1.5
IV 2 Competitive Market Sector	16.0	9.7	1.7	13.2	10.1	5.4	1.9	8.1
IV 3Uncompetitive Market Sector	11.2	10.2	1.1	10.8	5.9	3.8	1.6	5.0
V Service Industry Worker	10.1	21.9	0.5	15.4	19.6	32.4	0.6	25.2
V 1 State Sector	0.8	1.6	0.5	1.2	2.4	3.2	0.8	2.8
V 2 Competitive Market Sector	1.0	1.8	0.6	1.3	3.3	4.6	0.7	3.9
V 3 Uncompetitive Market Sector	8.4	18.6	0.5	12.9	14	24.6	0.6	18.6
Entrepreneur	0.6	0.3	2.0	0.4	1.1	0.4	2.8	0.8
The Self-employed	4.3	4.2	1.0	4.2	7.5	6.7	1.1	7.1
Total N.	5,674	4,563	1.2	10,237	4,058	3,141	1.29	7,199

Source: Chinese Household Income Project, 2002 and 2007.

Note: The values in the table of social stratification are percentages (%) in the male or female group.

that the number of industrial manual workers has drastically shrunk since 2001, because of Chinese industrial adjustment. In addition, the proportion of manager and official stratum decreases from 10.4% to 7.3%. This stratum is in the advantageous position within the social structure, holding the most critical resources. Even though the proportion of this stratum is shrunk, the resources they possess have increased. The resources are quickly devolving into the hands of a few people (their earnings information will be discussed later).

Secondly, in contrast to decreasing trend in the strata of manager and official, and industrial manual worker, the proportion of the other main social strata has enlarged. For example, the clerk stratum has increased from 20.2% in 2002 to 23.1% in 2007. The professional stratum also increases, although slightly. The expansion in the strata of professional and clerk satisfies the need for higher level personnel in the related economic sectors and industries in China. Another two social strata, which also enlarged were the owners of private enterprises and the self-employed. The scale of these two groups keeps increasing with the Chinese development of the market oriented economy and the booming of the private economy.

In addition, the biggest change of proportion is in the stratum of the service industry worker, which jumped from 15.4% in 2002 to 25.2% in 2007, replacing the industrial manual worker, to become the biggest absorber of labour. The stratum of the service industry worker has absorbed both the new labour and the original labour from the state owned enterprises (SOEs) as a result of Chinese industrial adjustment. Following this adjustment, the relative social class positions of these laid-off workers also change, as well as their interrelationships with other social strata. This labour change, as the spontaneous result of Chinese post-industrialization procedures, left the majority of work force no longer engaged in manufacturing industries, but in service industries (Cai, Park and Zhao 2008).

Thirdly, in regard to subsector changes, the subsectors of the main occupational stratum experienced different changing trends. Most changes in subsector are consistent with the variations in the main social strata, as in the case of the strata of official and manager, and industrial manual worker. All three subsectors shrink, with the reduction in the main stratum. Similar conclusions can be drawn for the stratum of the service industry worker, but in the opposite direction. That is all the subsectors enlarge with the growth of the stratum of the service industry worker. However, for the main strata of the professional and clerk, an opposite in trend exist. Even though both social strata's proportion in the market sector is not as large as in the state sector, they increase. In contrast, both social strata receded in the state sector. The enlarged market sectors in the professional and clerk social strata lead to the growth of these two social strata.

To conclude, the proportion of service industry workers enlarges with the industry upgrading and transformation, while the situation of industrial manual worker is opposite. The social stratum of the service industry worker absorbed large numbers of new entrant workers and a mass of laid-off industrial manual workers. With the massive labour changes in the strata of the industrial manual worker and the service industry worker, the proportion of the official and manager social stratum shrinks while the social strata of the professional and clerk expand. In addition, the overall proportion of market sector has increased from 2002 to 2007. The state sector has priority in the upper three social strata, whereas the proportion of the market sector is bigger in the lower two. In the transformation in the social stratum, the men and women also encounter different experiences. Future paragraphs discuss gender social stratification and changes from 2002 to 2007.

4.1.2 A Gender Comparison of the Social Structure: Changes and Issues

With overall social class transformation, the circumstances also change for the men and women. From the results of the data analysis in 2002 and 2007, on the whole, the stratum is more aggregated for women, and the level of their stratum is lower. Taking the year of 2007 as an example, still as shown in table 4.1, the largest proportion of male workers is found in the professional stratum (23.5%). In contrast, it is the stratum of female service industry worker, whose proportion accounts for almost a third (32.4%). The second highest proportion for male and female employees is the clerk stratum, for men this accounts for 21.1%, for women it accounts for 25.6%.

When considering the subdivision of the sectors, the largest group of men and women both fall into the uncompetitive market sector, the stratum of the service industry worker. However, their shares are very different, for men, it is 14.0%, whereas for women, it is 24.6%, almost one forth. The uncompetitive market sector which was the most marginal of the three sectors gathered the most female workers.

In addition, female employees are still much under-represented in the top social strata, such as the official and manager, and the private entrepreneur. Their proportion accounts for only half that of their male counterparts. For the social stratum of official and manager, the proportion of men and women are respectively 9.6% and 4.6%. The overall proportion of the stratum of entrepreneur is not large. However, the proportion of men is more than twice that of women. This is the overall circumstances of social class distribution for men and women in 2007. In order to understand the full picture of gender social class distribution, their transformations have to be taken into account. In later paragraphs, gender changes and comparisons from 2002 to 2007 are explained.

Comparing the data from different years, 2002 and 2007, gender social class transformation is highly significant. In the case of the lower two social strata, a gender increase or decrease in each subdivision of the social stratum

follows the changes in trend of the main occupational stratum. It can be summarized that for the lower social strata, there is little gender difference in terms of social stratum changes. In contrast, for the upper three main strata, such as official and manager, professional, and clerk, female workers do not follow the overall trend. The circumstances for women are more complicated and have their own specificity.

Male employee's transformation keeps pace with the subsector changes, even in specific subsectors where change does not follow the same trend as in the main occupational stratum. It can be assumed that the flow of male workers leads to variations between different social strata. After all, their numbers are greater than that of female employees and they constitute the main of the upper three social strata. As mentioned, the transition in the female social distribution in upper three social strata has its own characteristics. Their changes from 2002 to 2007 do not follow the overall trend pattern of the main social strata.

Some strata in actuality run directly counter to the overall trend. For example, in the case of the professional stratum in the uncompetitive market sector, the overall proportion expands, but the proportion of females has decreased in this stratum. In addition, although the total percentage of official and manager's in the state sector decreases, the female proportion turns out to increase. Even though the gender ratio in some social strata is still very uneven, the counter trend in changes for women results in a more balanced gender ratio in 2007, this in comparison with 2002.

Furthermore, this gender balance in distribution trend can be further subdivided into two categories: (a) the male/female ratio decreases to balance out, as in the case of the main strata of official and manager, where women made in-roads into the stratum; (b) the male/female ratio increases to balance out, for example in the case of the main strata of clerk, service industry worker

and self-employed. Male workers enter into the areas in which women once dominated.

This gradual balance in gender social distribution is the best possible outcome. It is assumed that with technological development and the improvement of female employees' human capital, the gender differences for job requirements will be gradually eliminated, as well as the social stratification significance of the gender segregation of labour (if one does not consider the gender discrimination in the labour market). From gender ratio changes analysis, by and large, a more balanced gender distribution represents the general trend.

To conclude, in most social strata, the gender ratio gaps decrease from 2002 to 2007. Even though the change in trend results in a relatively even distribution between men and women, the circumstances for female workers are still not optimistic as the 2007 data suggest. On the one hand, women still have no priority in the top strata, such as official and manager, and private entrepreneur, their proportion is only half that of their male counterparts. In the case of the stratum of entrepreneur, the gender gap even enlarges. On the other hand, women tend to have a lower social class level in 2007 and the circumstances of occupational segregation are still severe. The largest social class for women is the service industry worker stratum, which contains almost one third of female workers. Chinese female workers are still in the lower situation in the labour market.

In the section above, the shares of each social class and the transformation of the social structure is discussed, as well as the gender distribution, comparisons and changes. In later paragraphs, the circumstances of earnings distribution and the comparison of different social strata are illustrated. Earnings distribution is the most important component of social resource allocation, and is concerned closely with the social order and social class relationships. Unfair social resource allocation and the overlarge gap

between different social strata definitely lead to social disturbances and social instability. Among these unbalanced resources allocation issues, gender disparities and inequality issues cannot be ignored. Therefore, above and beyond the discussion on earnings distribution of the overall social structure, gender comparison and issues are also illustrated.

4.2 EARNINGS DISTRIBUTION AND GENDER ISSUES

Li, Sato and Sicular (2013) summarized the current Chinese earnings distribution structure as: a small group of people has extremely high earnings, while most people enjoy only a small part of the interest. The earnings of the middle-income group are too low, and the low-income group is too large, the distribution structure is seriously uneven. In addition, much of the literature, no matter the perspectives, uses similar phrasing, such as the 'earnings gaps have increased' and 'the distribution is not balanced.' For example, an unbalanced earnings distribution can be found in the comparison of coastal areas and the interior (Knight, Li and Zhao 2001). At the same time, earnings growth is found to be partial in the non-agricultural industries, especially the tertiary industry (Goh, Luo and Zhu 2009). In comparison to ordinary workers, the earnings increase favours the higher educated (Heckman and Yi 2012).

These perspectives on earnings distribution enrich the studies in this area. Moreover, earnings comparisons between different social strata are essential as the enlarged earnings gap is not only expressed through the gaps between individuals, but also through the different social strata. The social strata moved upward or downward along the social structure ladder and their earnings also change with their mobility (Wu and Treiman 2004). However, these research which study the earnings distribution among strata often demarcate the strata automatically based on their earnings and title the strata as the top 10% or the bottom 10% etc. What is the earnings distribution of the 'social class schema' which is constructed according to occupational

classification and considering the Chinese institutional divisions? The discussions in the below paragraphs endeavor to answer this question.

Before discussing the earnings distribution, I firstly give a definition of earnings. Here I adopt a conventional definition for earnings, that it is calculated as the sum of regular wages, floating wages, all kinds of bonuses, subsidies, cash income and allowances. Working hours are more flexible for entrepreneurs and the self-employed and working hours tend to be longer for those who work in private enterprises of small and medium size and the informal market sector. Thus, hourly earnings are regarded as a more suitable consideration for the disparities between different social strata. Under the condition that these two variables are not missing, there are 10,105 observations (5,602 male and 4,505 female) for the year 2002 and 7,091 observations (4,036 male and 3,053 female) for the year 2007.

4.2.1 The Earnings Distribution of the Social Strata from 2002 to 2007

In the beginning of this section, I explain how hourly earnings are distributed among the social strata and their transitions from 2002 to 2007. In later paragraphs, I compare hourly earnings between men and women. The hourly earnings and social stratification in year 2002 and 2007 are demonstrated in table 4.2[17]. For further discussion of gender issues, table 4.2 also presents the earnings information for men and women respectively. A comparison of hourly earnings in both years finds that hourly earnings doubled more than twice, no matter the social stratum or the gender. However, different social strata demonstrated different characteristics and rates of growth. These changes can be summed up in three aspects:

[17] In order to make the hourly earning be comparable between two years, 2002 and 2007, the CPI from 2003 to 2007 was adopted to remove the inflation. According the Database of National Bureau of Statistics of China (NBSC), the CPI from 2003 to 2007 were separately 101.2, 103.9, 101.8, 101.5, 104.8.

Table 4.2 Hourly Earnings of Social Strata and Gender Comparison, 2002 and 2007

Social Stratum	2002			2007		
	Male	Female	Total	Male	Female	Total
I Official and Manager	8.3	8.2	8.3	22.9	17.3	21.3
I 1 State Sector	8.8	8.6	8.7	24.1	16.9	21.8
I 2 Competitive Market Sector	8.5	9.2	8.6	26.0	20.7	25.3
I 3 Uncompetitive Market Sector	6.4	6.5	6.5	17.0	17.0	17.0
II Professional	7.6	7.1	7.3	18.7	15.8	17.6
II 1 State Sector	8.5	7.9	8.2	18.8	16.8	17.9
II 2 Competitive Market Sector	7.0	5.9	6.5	21.2	16.1	19.5
II 3 Uncompetitive Market Sector	6.4	5.9	6.2	15.3	13.2	14.5
III Clerk	6.4	5.9	6.2	16.1	13.1	14.6
III 1 State Sector	7.0	6.3	6.7	17.9	13.9	16.1
III 2 Competitive Market Sector	6.3	5.7	6.0	18.3	15.9	17.2
III 3 Uncompetitive Market Sector	5.6	5.4	5.5	11.9	10.7	11.3
IV Industrial Manual Worker	5.1	4.2	4.8	12.0	8.9	11.1
IV 1 State Sector	5.9	5.3	5.7	15.6	14.9	15.3
IV 2 Competitive Market Sector	5.5	4.5	5.2	12.8	9.1	11.7
IV 3 Uncompetitive Market Sector	4.2	3.6	3.9	9.6	6.8	8.7
V Service Industry Worker	4.2	3.5	3.8	11.9	8.5	10.0
V 1 State Sector	4.7	4.9	4.8	13.9	10.5	12.1
V 2 Competitive Market Sector	5.0	4.9	5.0	14.5	9.8	12.1
V 3 Uncompetitive Market Sector	4.1	3.3	3.5	10.9	8.0	9.2
Entrepreneur	8.5	3.6	7.1	23.4	29.7	25.0
The Self-employed	4.0	2.9	3.5	15.2	11.3	13.6
Total N.=10,105 for 2002 and 7,091 for 2007	6.2	5.2	5.8	15.9	12.3	14.3

Source: Chinese Household Income Project, 2002 and 2007.

Note: 1. The current unit is Chinese Yuan.

2. The CPI from 2003 to 2007 was treated to remove the inflation.

3. The hourly earnings of female entrepreneurs are repeatedly checked because they are much higher than that of their male counterparts. However, there are no outliers or unusual observations. This condition may have occurred because of the small number of observations in this group, which has only 12 female entrepreneurs.

Firstly, the different increase rates in earnings enlarge the gap between the main social strata and the gaps between the subsectors. The earnings capacity of the upper social strata increases more than that of the lower social strata. For example, the rates of increase for the main social strata, from the top to the bottom (official and manager, the professional, clerk and industrial manual worker), were respectively: 2.57, 2.41, 2.35, and 2.31. This unbalanced increase, based on the previously discrepant earnings, leads to an earnings polarization of the social structure. In 2002, the average earnings gap between the higher earnings and the lower earnings social stratum was 2.49, which increased to 2.91 in 2007.

This finding is confirmed by the studies from Chi, Li and Yu (2011) and Meng, Shen and Xue (2013) who found that earnings circumstances improve more for the higher earnings group. This unbalanced improvement in earnings caused enlarged earnings disparities between the groups with lower and higher earnings. The social elites, which included the managers, the officials and the professionals, benefit more in the Chinese economic transformation. This is partly due to the earnings return from education and skills increased with market growth (the return from education and work experience is discussed in detail in later passages).

In addition, the hourly earnings gap of the inner main social strata also enlarges, because the earnings of the uncompetitive market sector cannot catch up with the other two subsectors in terms of earnings increase rate. The uncompetitive market sector, as discussed in the third chapter, is marginal in the three subsectors. It cannot compare with the state sector, which has direct financial and policy support from the central and local government. At the same time, it is hard for them to compete with the competitive market sector, which has better market performance and prospects being the core and primary market. Therefore, the earnings improvement for the uncompetitive market sector lags behind the state and competitive subsectors. For instance, in the main stratum of the industrial manual worker, the earnings gap between the

state sector and the uncompetitive market sector was 1.5 times in 2002, increased to 1.8 times in 2007.

Secondly, the different growth rates of earnings not only enlarges the gaps between the subsectors of the main social strata, but also changes their earnings ranks. In 2002, earnings demonstrate declining trend along the main social strata and also decreases in the subsectors. The stratum of official and manager ranks the highest and the service industry worker is on the lowest rung of the earnings ladder. At the same time, the state sector earns the highest and the uncompetitive market sector earns the lowest in each main social stratum. In 2007, although the earnings order of the main social strata remains the same, the subsectors situation changes and are different dependent on their division of non-manual and manual labour.

For the upper three main social classes (official and manager, professional, and clerk), the competitive market sector stands out and becomes the highest earnings sector. This phenomenon emerges first because the earnings return for human capital is higher in the market sector, compared with the state sector (Hering and Poncet, 2010). Compared with the uncompetitive market sector, the competitive market sector, by virtue of its advantaged position in the market, has the capacity to provide high earnings to attract more competent employees. In addition, the advantage of the state sector lies in that it provides a relatively stable job and abundant forms of welfare, but not very high nominal earnings.

In contrast, the circumstances are every different for the lower social classes, such as the industrial manual workers and the service industry workers, for whom earnings in the state sector increases fairly well and still ranks the highest in the three subsectors. State sector earnings are higher for the lower social strata because the earnings disparities in the state sector are relatively less than in the market sector in general. The premiums or protection from the state sector for the lower class remains a product of historical socialist

egalitarian ideology. Although the SOEs gradually got rid of their social security functions, allowances and other subsidies have not been abolished completely.

Another explanation for higher earnings in state sector of lower social strata is that the variable of hourly earnings is used, rather than monthly earnings. Compared with the state enterprises, the small or medium scale private enterprises in the informal market sector do not pay enough attention to the regulations to protect these cheap manual labours. Extra work and prolonged work hours are common for labourers in this sector. Even though the total sum of earnings may be more or less than that in the state sector, the hourly earnings show their vulnerable position. Therefore, the circumstances for the lower class in the market sectors are worse than in the state sector.

Thirdly, in the case of the independent social strata—the entrepreneur and the self-employed, their hourly earnings increase extremely fast and their relative earnings ranks also change. Their hourly earnings at least triple from 2002 to 2007. The hourly earnings for entrepreneurs increases from 7.1 to 25, and for the self-employed, it increases from 3.5 to 13.6. Their earnings increase at rates that are much higher than that of the employee's social strata whose earnings increase rates are just over double. In addition, the relative earnings rank for the entrepreneur and the self-employed also changes.

In 2002, the hourly earnings of the social stratum of the entrepreneur are almost equivalent to that of the main stratum of the professional. However, by 2007, their hourly earnings are the highest. The circumstances for the self-employed are similar to that of the entrepreneur. Their hourly earnings are almost the lowest in 2002, which is even lower than the average earnings of the service industry worker. However, by 2007, their hourly earnings can at least be compared to that of the state sector of the industrial manual worker. Promotion in earnings and the ranking of earnings lead to the changes of their social status and their social relation with other social strata.

To conclude, the earning capacity of the upper social strata increases more than the lower social strata and this leads to an increase in the earnings gap from 2002 to 2007. In addition, the enlarging gap not only impacts on the main social strata, but also the inner social strata. The earnings of the uncompetitive market sector cannot catch up with the state sector and competitive market sector in terms of earnings increase rate. Furthermore, the earnings rank of the sectors changes. The competitive market sector is more preferable for the upper three social strata, whereas the state sector is still the best for the lower two social classes.

Finally, the hourly earnings of the entrepreneur and the self-employed have increase substantially. The entrepreneur stratum is almost the highest earning group in 2007, which heralds a further promotion in their social status. With changes in the earnings distribution of different social strata, gender earnings distribution and the earnings comparison between men and women also changes. Subsequent paragraphs further discuss gender earnings comparisons and changes from 2002 to 2007.

4.2.2 The Earnings Distribution between Genders: Changes and Issues

The previous discussion of the gender social stratum distribution and changes demonstrates that a balanced gender ratio has emerged, although the situation for female workers is still not optimistic. Contrary to this trend, the overall gender earnings gap has enlarged. This conclusion echoes findings from other researchers, such as Gustafsson and Li (2000), Maurer-Fazio and Hughes (2002), and Lorber (2005) who also find the gender earnings gap to have increased. This phenomenon happens, because in most social strata, male earnings increase faster than female earnings, as shown in table 4.2. In addition, a gender earnings comparison and a comparison of the different

social strata within women as a group, demonstrates some characteristics, which are summed up as below:

Firstly, the hourly earnings of men increase faster, leading to an enlarging gender gap. In 2002, women dominate in some social strata, such as the state sector in the service industry worker social stratum, earning more than their male counterparts. However, by 2007 they lose the priority treatment. For example, in 2002, although the proportion of women in the stratum of official and manager is much lower than that of men, women have the earnings advantage, specifically in the market sector. The hourly earnings of women in the competitive and uncompetitive market sector are 9.2 and 6.5 respectively, which is higher than that of men (8.5 and 6.4). However, in 2007, women with the best paid jobs only earn a comparable amount to men. In comparison to 2002, the gaps between men and women have enlarged and these circumstances are prevalent for the entire social structure. Woman's earning circumstances deteriorate overall.

Secondly, the gender earnings gap varies in different social strata. In both years, the gender earnings gap is obvious in the lower social classes. Taking the lower two social strata as an example, the stratum of the service industry worker witnesses the largest gender earnings gap in 2007, and is the second highest in 2002. The stratum of industrial manual worker has the most serious gender issues in 2002, and little improvement has been made by 2007. This finding is consistent with the research results from Lorber (2005), Story (2005) and Chi and Li (2008), who directly divide the groups based on earnings. They find that the gender earnings disparity is larger in the lower earnings groups, which is titled as the 'sticky floor effect' (Booth, Francesconi and Frank 1998; Engberg 1999).

In addition, in 2007, the earnings gap between genders much enlarges in the stratum of official and manager which demonstrates that the 'glass ceiling effect' also becomes significant in China. This metaphor was used by

feminists in reference to unseen but unbreachable barriers in the careers of high achieving women (Davies-Netzley 1998). Here, it refers to the phenomenon that Chinese working women, who participate in the same high career as their male counterparts cannot achieve the same high earnings. In the earnings study of Chi and Li (2008), the 'glass ceiling effect' is more found in developed countries, not in developing counties. This study shows that the 'glass ceiling effect' also appears in China. The analysis of gender earnings gap (the sticky floor effect and glass ceiling effect) and its decomposition are further discussed in a later section.

Thirdly, the state and market sector also impacts on the gender earnings gap, but demonstrates opposite outcomes depending on the division of the non-manual and manual social strata. In the upper three social strata, the gender earnings gap is less in the market sector and men tends to earn much more than women in the state sector. However, the situation is reversed for the lower two social strata. For the industrial manual worker and the service industry worker, the state sector has the least gender earnings gap and is more preferable for female employees. The research results from Chen, Démurger and Fournier (2005) also draw the same conclusion. They find that female workers in the state sector receive wage premiums and the discrimination against women in the SOEs is not as significant as in non-state enterprises.

The reason why the gender earnings gap is smaller in the state sector is similar to the reason why the earnings in state sector are better than the market sector in the lower social strata. As discussed earlier, due to the historical socialist egalitarian ideology and institutional inertia, the state sector tends to provide more protection to the vulnerable groups (Lee 2007). In addition, an alternative explanation lies in the larger gender discrimination in market sector. Because of the profit-maximization mechanism under market environment, non-state enterprises value more on the work capability and

business performance, thus ‘gender’ turns out to be an indicator for assuming an employee’s work capability (Wang and Cai 2008).

Fourthly, the earnings of women as a group have their own special distribution. Compared with that of the men, the earnings distribution of women is more scattered. The earnings of the uppermost group of women can be higher than that of men, whereas the earnings of the lowermost group are much lower. For example, for women the highest earning stratum is the entrepreneur, and their hourly earnings are 29.7 in 2007. This figure is 4.4 times higher than that of the female workers in the uncompetitive market sector of the stratum of industrial manual worker. In contrast, the difference between the highest and lowest earning social strata for men is 2.9 times larger.

Additionally, the earnings gap between women in each main social stratum is more varied, which from another aspect, indicates the more uneven earnings distribution in the group of women. Moreover, the earnings deviation increases with a decrease in social class order. The lower the social class, the more deviation in terms of the earnings. The earnings deviation between the three subsectors (the state, competitive and uncompetitive market sector) is largest in the stratum of industrial manual worker, and more in the lower social classes. This phenomenon displays the more polarized situation of women and confirms the previous hypothesis.

To conclude, even though female hourly earnings increase from 2002 to 2007, their rate of increase is much slower than that of men. Therefore, the overall gender earnings gap enlarges. Specific to each social stratum, women lose their earning advantage by 2007, even in social strata where they dominate in 2002. In addition, the gender earnings gap varies among the social strata. The lower social strata have the larger gender earnings gap. Both the absolute and relative low earnings ensure that the earning environment is more worrisome for women in the lower social strata.

Furthermore, the state and market sector also impact on the gender earnings gap. In the upper three social strata, market sectors are more preferable for female employees, whereas, for lower class women, the state sector provides more premiums and protection. Finally, women, as a group, have larger earnings deviation, indicating a more uneven earnings distribution, and this uncertain situation is more significant for lower strata of female workers.

These discussions illustrate in detail social class distribution and the earnings disparities between different social strata. In addition, these discussions also cover the gender comparison of the social stratification, of the earnings, and their changes from 2002 to 2007. The exploration of the gender social stratum distribution confirms the balanced trend between men and women. However, the analysis of gender earnings gives the opposite conclusion. In order to further clarify these issues, especially the gender disparities in social stratification and earnings, the factors that impact on the social stratification and earnings are deliberated. The factors such as region, age and education that impact on the social stratification are discussed first in later paragraphs.

4.3 THE FACTORS IMPACTING ON GENDER SOCIAL STRATIFICATION

4.3.1 Regional Disparities in Social Stratification

Economic development has been unbalanced across different regions of China (Fujita and Hu 2001). Due to the disparities in economic development and industrial structure, occupational classification in different regions is supposed to have changed. According to the National Statistics Bureau of China (NSBC), in 2002, the twelve provinces and municipalities in the sample ranked as follows in terms of GDP per capita[18]: Beijing, Jiangsu,

[18] In this thesis, GDP per capita is used as an index to measure and compare the economic development of regions.

Guangdong, Liaoning, Hubei, Henan, Shanxi, Anhui, Chongqing, Sichuan, Yunnan and Gansu (see Appendix 3[19]). In 2007, the sample added Shanghai and Zhejiang, and at the same time, deleted Beijing, Shanxi, Gansu, Yunnan and Liaoning, forming a set of nine provinces and municipalities. The social stratification of each region and the gender comparisons are demonstrated in table 4.3 and table 4.4, respectively for 2002 and 2007.

Generally, Jiangsu, Guangdong, Shanghai and Zhejiang can be categorized as the eastern coastal regions, in which the economy developed faster than the central and the western regions of China. Hubei, Henan, Anhui and Shanxi can be regarded as the central regions and Sichuan, Chongqing, Yunnan and Gansu fall into the western regions. For all provinces and municipalities in 2002, as shown in table 4.3, the gender ratio gaps are largest in the main stratum of official and manager, and this is especially the case for Jiangsu where the gender ratio is the highest.

For the main strata of professional and clerk, the gender ratios are much similar in most regions except in the western provinces. Different from other areas, Yunnan has more men than women who participate in occupation as a clerk and the gender ratio among the professionals is much higher in Sichuan and Chongqing. As for the lower two main social strata, higher gender ratios are found in the stratum of industrial manual worker and there are much lower gender ratios for the stratum of the service industry worker. Moreover, these findings apply to the most regions.

In order to compare the social structural transition between different regions, the provinces and municipalities, which were resurveyed in 2007, are referred to. They are Jiangsu, Guangdong, Hubei, Henan, Anhui, Chongqing

[19] The Appendix 3 provides the GDP and GDP per capita for provinces or municipalities of China in 2002 and 2007.

Table 4.3 Gender Social Stratification Comparison (Ratio) and Regional Disparity, 2002

Social Stratum	Bei Jing	Jiang Su	Guang Dong	Liao Ning	Hu Bei	He Nan	Shan Xi	An Hui	Chong Qing	Si Chuan	Yun Nan	Gan Su
I Official and Manager	2.7	5.6	2.5	3.6	2.2	3.4	2.7	3.8	2.8	4.6	3.1	4.1
I 1 State Sector	1.5	5.4	2.7	2.9	2.3	2.7	2.3	3.1	2.4	5.1	3.7	3.9
I 2 Competitive Market Sector	9.6	4.4	3.1	7.5	3.8	7.3	5.8	7.8	3.6	9.0	2.2	10.1
I 3 Uncompetitive Market Sector	3.1	8.5	1.9	3.1	1.3	3.4	2.9	2.8	3.2	2.4	2.8	2.4
II Professional	0.9	1.0	0.7	1.0	0.9	0.8	0.8	0.9	1.2	1.3	0.8	0.8
II 1 State Sector	0.7	0.8	0.7	0.7	0.9	0.7	0.8	0.6	0.9	0.9	0.8	0.9
II 2 Competitive Market Sector	1.0	1.4	1.4	1.5	0.9	1.2	1.1	1.6	5.4	1.6	1.3	1.0
II 3 Uncompetitive Market Sector	1.1	1.5	0.5	1.4	1.0	1.0	0.4	1.4	0.9	1.9	0.8	0.5
III Clerk	0.6	0.8	0.7	0.8	0.8	0.9	0.9	0.7	0.7	0.6	1.1	0.6
III 1 State Sector	0.6	0.8	1.2	0.9	1.4	1.2	0.8	1.0	0.7	0.9	1.0	0.7
III 2 Competitive Market Sector	1.0	0.8	0.5	1.2	0.4	0.5	0.8	0.9	0.9	0.2	1.8	0.6
III 3 Uncompetitive Market Sector	0.3	0.7	0.6	0.5	0.6	0.6	1.2	0.5	0.6	0.6	1.0	0.4
IV Industrial Manual Worker	2.4	1.1	1.4	2.1	1.3	1.2	1.5	1.2	1.9	1.4	1.0	1.2
IV 1 State Sector	1.7	1.3	1.7	2.1	1.7	1.7	1.4	1.7	3.6	2.0	0.9	1.6
IV 2 Competitive Market Sector	2.9	1.6	1.3	2.5	1.5	1.3	2.1	1.4	2.4	1.4	1.0	1.4
IV 3 Uncompetitive Market Sector	2.0	0.8	1.3	1.7	1.0	1.0	1.0	0.9	1.0	1.3	1.0	0.8
V Service Industry Worker	0.5	0.5	0.8	0.3	0.5	0.4	0.4	0.3	0.2	0.6	0.5	0.6
V 1 State Sector	0.4	1.5	0.9	0.7	0.6	0.2	0.3	0	0	1.4	0.7	0.3
V 2 Competitive Market Sector	0.5	1.9	0.8	0.1	0.5	0.5	0.5	0.6	0.8	0.5	0.9	0.3
V 3 Uncompetitive Market Sector	0.6	0.4	0.8	0.3	0.5	0.4	0.4	0.3	0.2	0.5	0.4	0.7
Entrepreneur	/	/	2.6	0	1.7	0.4	/	/	0	1.6	1.8	0.4
The Self-employed	2.6	0.8	1.4	0.9	1.0	1.4	1.1	1.3	0.6	0.8	0.7	1.3
Total	1.1	1.3	1.1	1.4	1.2	1.2	1.4	1.4	1.2	1.2	1.1	1.3
Total Male=5,674, Female=4,563	959	842	418	997	913	1034	681	1096	575	856	881	985

Source: Chinese Household Income Project, 2002.

Note: 1. The numbers in the table refer to the ratio of men to women.

2. '/' means the population of women in the sample is zero.

Table 4.4 Gender Social Stratification Comparison (Ratio) and Regional Disparity, 2007

Social Stratum	Shang Hai	Zhe Jiang	Jiang Su	Guang Dong	Hu Bei	An Hui	He Nan	Chong Qing	Si Chuan
I Official and Manager	1.8	2.5	3.2	1.8	3.7	2.1	1.8	1.1	2.3
I 1 State Sector	2.5	2.7	1.8	1.2	2.4	1.8	1.8	0.7	1.9
I 2 Competitive Market Sector	3.2	0.8	/	3.3	/	3.0	6.5	2.8	9.0
I 3 Uncompetitive Market Sector	0.5	3.2	3.2	2.2	4.1	2.2	0.8	1.4	2.4
II Professional	1.2	1.2	1.1	1.1	0.9	1.3	1.1	1.4	1.4
II 1 State Sector	0.9	0.8	1.2	0.7	0.7	1.1	0.9	1.2	1.1
II 2 Competitive Market Sector	1.5	2.6	1.0	1.8	0.9	1.9	1.5	1.4	2.1
II 3 Uncompetitive Market Sector	1.4	1.2	1.2	1.2	1.7	1.2	1.4	1.7	1.8
III Clerk	0.8	0.7	0.9	0.8	0.8	0.9	0.9	0.9	0.7
III 1 State Sector	0.7	0.8	0.8	1.2	0.8	1.1	1.2	1.2	0.8
III 2 Competitive Market Sector	1.0	0.9	1.2	0.7	1.1	0.9	0.8	0.7	0.5
III 3 Uncompetitive Market Sector	0.8	0.6	0.9	0.6	0.6	0.7	0.7	0.7	0.7
IV Industrial Manual Worker	2.6	1.4	1.7	2.0	3.3	1.4	1.3	1.8	1.7
IV 1 State Sector	2.5	2.4	0.7	1.5	3.0	0.7	2.5	2.8	2.5
IV 2 Competitive Market Sector	2.4	2.4	1.9	1.8	3.1	1.6	1.3	2.6	1.4
IV 3 Uncompetitive Market Sector	4.3	0.9	1.6	2.6	4.0	1.5	1.1	1.1	1.8
V Service Industry Worker	0.5	0.6	0.5	0.7	0.6	0.6	0.8	0.7	0.6
V 1 State Sector	1.2	0.8	0.7	0.4	1.3	0.7	0.9	0.7	0.7
V 2 Competitive Market Sector	0.9	0.4	0.6	0.7	0.8	1.0	0.5	1.0	0.8
V 3 Uncompetitive Market Sector	0.4	0.6	0.4	0.7	0.5	0.5	0.8	0.6	0.6
Entrepreneur	2.1	7.0	5.2	2.0	1.1	2.2	2.2	4.0	0.4
The Self-employed	1.9	1.6	1.0	1.4	1.0	0.8	0.9	1.0	0.9
Total	1.4	1.3	1.4	1.3	1.3	1.3	1.2	1.2	1.2
Total Male=4,058 Female= 3,141	1,159	810	791	783	570	805	888	562	831

Source: Chinese Household Income Project, 2007.

Note: 1. The numbers in the table refer to the ratio of men to women.

2. '/' means the population of women in the sample is zero.

and Sichuan. Most gender ratios in the main stratum of official and manager much decrease except the Hubei, which is enlarged in 2007. In addition, Hubei also witnesses a gender ratio expansion in the stratum of industrial manual worker. However, this expansion is also found in other regions due to the industrial structure transformation, just to a lower amount. For most regions, the gender ratios in other strata, such as the professional, clerk and service industry worker, balance out.

To conclude, the supposed disparities in occupational classification in different regions are not identified by the data. There are no clear and significant regional disparities in occupational classification, as well as social stratification and social transformation. The regional disparities can be regarded as the outer and macro level factor, which may impact on one's social stratification. In contrast, some individual and micro level factors, such as age and educational attainment differences, also can impact on one's social stratification. Later sections detail how the social stratification of individuals is impacted by their age and educational attainment, and especially the gender differences of these impacts.

4.3.2 Age Disparities in Social Stratification

Individual's life chances evolve over time and are impacted by the historical events and the state policies. In the history of People's Republic of China (PRC), the cancellation of the university entrance examination and the Cultural Revolution have intensely impacted on individual's destiny through educational opportunity, job mobility and bureaucratic promotions (Zhou 2004). Correspondingly, subsequent events, such as the opening up policy, the comprehensive and in-depth development of the market, the upgrading of industries, the restoration of SOEs and the mass laying off of workers have also impacted and changed an individual's life chances. These events ensured the different age groups confronted different historical opportunities and

choices. Thus, age became a significant factor impacting on an individual's life chances, especially in the massive social transformation period.

Firstly, according to the 'Interim Procedures of the State Council on the Workers Retirement Age'[20], Chinese male employees retire at the age of 60, female employees at 50 and female officials at 55. Because of this regulation, presumably, the average age of female workers is much younger than that of their male counterparts in the Chinese labour market. This phenomenon is confirmed by the data from the CHIP surveys for 2002 and 2007. In each social stratum, the average age of men is older than that of women, as shown in table 4.5.

Furthermore, without doubt and linked to the different retirement ages between civil servants and other employees, the highest average age drops in the social stratum of the official and manager, for both men and women. In addition, if considering the subsectors, the average age in the state sector for each main social stratum is higher than that in the market subsectors. The reason behind is that more new entrants enter into the market sector because of market development and the growth of the private economy. The same explanation can be used to explicate the average age change in the different social strata from 2002 to 2007.

In addition, a trend towards younger entry level age is found for the upper two social strata, of official and manager, and professional. In contrast, the average age is older for the lower social strata, especially that of the

[20] The current legal retire age in China was formed according to the 'Labour Insurance Regulation' enacted in 1951, which stipulates the legal retire age is 60 for men and 50 for women. Later in 1955, the legal retire age for female official is postponed to 55 according to the 'Interim Measures of Retirement for Personnel of State Organs. Later on 24th, May, 1978, the 'Interim Procedures of the State Council on the Workers Retire Age No. 104' was approved in the second meeting of the Fifth Conference of the Standing Committee of National People's Congress which restates the legal retirement age as above—60 for male worker, 50 for rank-and-file female worker, and 55 for female officials.

Table 4.5 Gender Comparison of Age, Education across Social Stratification, 2002 and 2007

Social Stratum	Age				Year of Schooling			
	2002		2007		2002		2007	
	Male	Female	Male	Female	Male	Female	Male	Female
I Official and Manager	45.7	42.6	44.4	39.5	13.1	13.1	13.2	13.6
I 1 State Sector	45.1	42.7	44.6	40.3	13.7	13.6	13.6	13.9
I 2 Competitive Market Sector	46.5	40.2	43.9	34.7	12.7	12.8	12.7	13.8
I 3 Uncompetitive Market Sector	46.5	44.0	44.2	39.3	12.1	12.1	12.9	12.6
II Professional	41.4	38.4	40.3	37.4	13.5	13.2	13.4	13.6
II 1 State Sector	41.8	38.5	41.3	37.7	13.9	13.5	14.0	14.0
II 2 Competitive Market Sector	41.4	39.1	39.1	37.1	13.1	12.8	13.4	13.4
II 3 Uncompetitive Market Sector	40.4	37.5	40.3	37.1	12.8	12.6	12.4	12.9
III Clerk	41.0	39.1	41.7	37.8	12.2	12.2	12.5	12.9
III 1 State Sector	40.4	39.1	41.7	38.6	12.9	12.6	13.0	13.1
III 2 Competitive Market Sector	42.1	38.4	42.1	35.3	11.9	12.1	12.4	13.1
III 3 Uncompetitive Market Sector	41.3	39.6	41.5	38.5	11.3	11.7	11.8	12.5
IV Industrial Manual Worker	41.6	38.9	43.1	39.8	9.9	10.0	10.6	10.5
IV 1 State Sector	42.5	39.9	43.2	38.7	10.2	10.6	10.9	11.7
IV 2 Competitive Market Sector	42.1	38.7	43.0	39.4	10.0	10.2	10.6	10.8
IV 3 Uncompetitive Market Sector	40.6	38.7	43.1	40.7	9.7	9.5	10.4	9.7
V Service Industry Worker	39.4	38.5	40.8	38.7	10.4	10.4	11.2	10.7
V 1 State Sector	44.4	40.7	42.1	37.5	9.8	10.3	12.4	11.8
V 2 Competitive Market Sector	36.3	35.1	38.9	37.8	10.9	11.2	12.0	11.4
V 3 Uncompetitive Market Sector	39.2	38.6	41.1	39.0	10.4	10.3	10.8	10.4
Entrepreneur	42.8	42.5	40.5	35.2	11.2	10.9	11.2	11.3
The Self-employed	40.8	38.7	42.0	40.6	9.3	9.0	10.1	9.2
Total	41.8	38.9	41.7	38.4	11.5	11.4	12.0	11.9

Source: Chinese Household Income Project, 2002 and 2007.

Note: 1. The values in the table are years.

2. In 2002, total N. for the male is 5,674, and for the female is 4,563; In 2007, total N. for the male is 4,058, and for the female is 3,141.

industrial manual worker in 2007. Considering the sample was selected randomly, these changes occur because a larger proportion of new entrants flow over into higher social occupations than ever before. Meanwhile, for the lower occupations, especially that of the industrial manual worker, the capability for absorbing new labour is not as great as before. This is a consequence of the upgrading of industries and the prosperity of the tertiary industry.

Additionally, this upward flow in personnel is more significant for the female new entrants. This is verified by a comparison of age between men and women in different social strata. The age gap between genders increases in accordance with the social class order. The higher the social order, the larger the age gap between men and women. This data analysis result is partly because the original proportion of female workers is less in the upper social strata, so the number of new entrants more easily impacts it. However, combining this with the earlier discussion about the balanced trend of social stratification between the genders, it is not hard to conclude that more female employees than ever before participate in the upper occupational categories.

Moreover, this gender age gap experiences an increase from 2002 to 2007, demonstrating this tendency has accelerated and more new female entrants are emerging in the upper social strata. There are many reasons why an off the scale number of the younger women are entering into higher occupations. For example, the need for higher level personnel is expanding in the related commercial sectors and industries with Chinese economic development. In addition, the educational level of female employees is improving and their human capital has enhanced. More women than ever before are as qualified as men in applying for the higher occupational positions and when they are recruited, the gender ratio balanced. The educational improvement of men and women is discussed in later paragraphs.

4.3.3 Educational Disparities in Social Stratification

The right hand side of table 4.5 shows a comparison of the year of schooling for different social strata, as well as the changes from 2002 to 2007. Firstly, the educational gap between non-manual and manual worker is observed for both years. The average years of schooling is more than 12, for the social strata of official and manager, professional, and clerk. These phenomena indicate that most of individuals finished at least a high school education and have a higher educational certification. In contrast, the educational level of the manual worker is much lower, especially for the industrial manual worker. The lowest educational level emerges in the stratum of industrial manual worker which is due to the increasing difficulty of this stratum in attracting new entrants whose education have much improved.

Educational improvement for new entrants has been persistent. Since 1986, when the policy of nine year compulsory education was enacted, the students have been required to at least complete education up till junior high school. In addition, with the return rate from education increasing after economic reforms (Psacharopoulos 1994) and the growth of household earnings, the ability and willingness to invest extra money on the education for next generation has also heightened more than ever before. The positive effects of family earnings on the educational enrollment has been verified by many studies such as those by Acemoglu and Pischke (2001), Yeung, Linver and Brooks-Gunn (2002). This experience is also replicated in China.

Secondly, female education improves faster than that of males, under the condition that years of schooling increased for both men and women. Since the one child policy was implemented in 1981, the direct result has been that, even though there has been a ‘traditional’ preference for sons, the daughter has become the only target for educational investment in half of the households (Fong 2002; Milwertz 1997). This only daughter monopolized all the family resources, so that daughters have had the similar chances to sons to

acquire an education (Fong 2002; Rosenzweig and Zhang 2009). This has led to a decrease in gender disparities in terms of educational attainment.

In addition, because my research focuses on the non-agricultural population, who underwent the more strict 'one child policy,' the decreased gender gap in education is more significant. In some rural area in China, if the first born baby is a girl, the couple can apply to have the second child (Short and Zhai 1998). This second child competes with the first born for the limited resources in a rural household. If the second child is a son, this 'seize resource' effect is more obvious (ibid). Therefore, the gender educational issues in rural area are more serious than that in cities. The urban data for 2002 and 2007 confirm this point that the gender gap in terms of years of schooling is already slight.

Thirdly, even though the overall gender disparities in education decrease, the gender gaps change in different social strata, from 2002 to 2007. More educated women take part in the upper three occupations, leading to their average years of schooling being even higher than that of men. As shown on the right hand side of the table 4.5, years of schooling for women in the upper three social strata, the official and manager, the professional, and the clerk, turned out to be higher than that of their male counterparts in 2007. This event combines with the age discussion and demonstrates that new female entrants, who are equipped with a higher education, enter into the upper occupations.

A higher level of education provides more help for female employees in entering the higher occupations. However, in contrast to the educated women in the upper social strata, the female workers with less education tend to be restricted to the lower occupations. This phenomenon is confirmed by the enlarged gender educational gap in the lower social strata, such as the industrial manual worker and the service industry worker. These discussions draw the conclusion that younger and more educated women are able to gain

access to higher social strata, especially compared with other women. In order to test this assumption and further study how age and education impact on the social stratification of women, I divide the sample into six groups, according to their age range. The findings are discussed in future paragraphs.

The conditions of social stratification and years of schooling between different age groups are presented in table 4.6 and table 4.7, respectively for 2002 and 2007. Firstly, for both years, the number of female workers aged younger than 35 is larger than that of their male counterparts; the younger the group, the more notable this phenomenon. In contrast, for the groups who are older than 35, male employees catch up in terms of their number and the quantity gap between genders reaches a peak at the age group of 50 to 60, because the retirement ages for men and women are different.

Secondly, as to the gender education, the comparison of years of schooling in different age groups between men and women witnessed the steady and unfaltering educational improvement of women. In both years, the educational gap between genders gradually decreased from the eldest group (50-60) to the youngest group (less than 30), as demonstrated in the bottom of table 4.6 and table 4.7. In 2002, the year of schooling for both men and women in the youngest group was already extremely close. Thereafter in 2007, women caught up and their years of schooling (13.7 years) exceeded their male counterparts by 0.1 years[21]. The educational improvement of women resulted in their progression in occupational classification. Although still had gaps compared with men, their shares in the social stratum of official and manager,

[21] The group of age under 30 may exclude a portion of the population who still pursue their Ph.D. degree. Because in Chinese educational system, the primary school is five or six years, and then three years for junior high school, three years for senior high school, four years for a bachelor degree, three years in general for a master degree, and three or four year to finish the Ph.D. degree. Adding all the schooling year together and presuming one go to school at six years old, without any interruption, he or she will finish the Ph.D. normally at 28 or 29 years old. If one worked one year or two before beginning the master or Ph.D. study, he or she may still in education when the year of 30.

Table 4.6 Gender Comparison of Social Stratification, Education and Earnings between Different Age Groups, 2002

Social Stratum	<=30		30-35		35-40		40-45		45-50		50-60		Total	
	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.
I Official and Manager	2.7	2.7	9.5	2.0	15.6	4.6	15.4	6.2	18.0	6.4	22.9	9.0	15.0	4.8
I 1 State Sector	1.6	1.5	5.8	1.1	10.2	3.2	8.2	4.1	10.1	3.1	11.1	5.5	8.3	2.9
I 2 Competitive Market Sector	0.7	0.5	2.2	0.8	3.7	0.6	3.2	0.9	4.3	1.3	7.1	0.3	3.8	0.8
I 3 Uncompetitive Market Sector	0.4	0.7	1.5	0.1	1.7	0.8	3.9	1.2	3.5	2.0	4.7	3.2	2.8	1.1
II Professional	20.4	22.9	24.0	27.6	22.6	22.3	18.0	19.4	16.8	19.8	19.9	23.0	20.0	22.3
II 1 State Sector	9.0	14.3	11.3	16.1	12.3	12.1	10.1	9.1	9.2	13.0	9.4	17.2	10.2	13.1
II 2 Competitive Market Sector	6.2	2.8	6.2	4.8	5.0	4.7	3.7	4.7	4.6	2.9	5.7	3.5	5.1	4.0
II 3 Uncompetitive Market Sector	5.2	5.8	6.6	6.7	5.3	5.5	4.2	5.5	2.9	3.9	4.8	2.3	4.7	5.2
III Clerk	21.1	24.3	19.8	21.8	18.0	22.7	16.7	22.4	15.2	23.4	16.9	28.5	17.6	23.3
III 1 State Sector	11.3	10.6	12.9	11.0	10.0	9.5	8.1	9.9	6.3	7.8	8.7	15.7	9.2	10.2
III 2 Competitive Market Sector	4.4	5.8	3.3	4.5	2.9	5.2	3.1	5.5	3.6	4.9	4.4	3.2	3.6	5.0
III 3 Uncompetitive Market Sector	5.4	8.0	3.6	6.3	5.1	8.1	5.4	7.0	5.3	10.7	3.8	9.6	4.8	8.1
IV Industrial Manual Worker	33.4	17.7	30.9	25.7	29.7	27.3	35.1	26.2	35.8	23.3	29.4	10.8	32.4	23.2
IV 1 State Sector	5.0	2.0	4.8	3.6	3.9	3.8	5.5	3.7	6.4	3.8	5.5	2.3	5.2	3.3
IV 2 Competitive Market Sector	16.2	7.6	13.2	11.4	13.7	10.9	16.8	12.2	19.7	7.9	15.2	4.9	16.0	9.7
IV 3 Uncompetitive Market Sector	12.2	8.1	12.9	10.8	12.1	12.5	12.9	10.3	9.7	11.6	8.7	3.5	11.2	10.2
V Service Industry Worker	17.3	28.4	9.7	18.1	8.8	18.2	10.3	21.7	9.4	22.4	7.4	25.9	10.1	21.9
V 1 State Sector	0.7	1.2	0.7	1.6	0.4	1.4	1.0	1.8	0.7	1.4	1.3	2.9	0.8	1.6
V 2 Competitive Market Sector	2.2	3.2	1.5	2.0	0.7	1.8	0.9	1.0	0.9	1.2	0.3	0.9	1.0	1.8
V 3 Uncompetitive Market Sector	14.5	24.0	7.5	14.5	7.7	14.9	8.4	18.8	7.9	19.8	5.9	22.1	8.4	18.6
Entrepreneur	0.4	0.1	0.7	0.1	0.7	0.4	0.1	0.1	0.8	0.8	0.7	0	0.6	0.3
The Self-employed	4.7	3.9	5.5	4.8	4.7	4.5	4.5	4.1	4.2	4.0	2.8	2.9	4.3	4.2
Total N.	745	814	729	758	1,040	991	925	887	1,158	769	1,077	344	5,674	4,563
Hourly Earnings (¥)	4.8	4.3	5.7	5.2	6.3	5.3	6.4	5.5	6.4	5.8	7.1	6.3	6.2	5.3
Year of Schooling	12.7	12.6	12.4	12.0	12.1	11.4	11.2	10.8	10.7	10.5	10.9	10.8	11.5	11.4

Source: Chinese Household Income Project, 2002

Note: 1. The values in the table of social stratification are percentage (%) in each age group.

2. The current unit is Chinese Yuan.

Table 4.7 Gender Comparison of Social Stratification, Education and Earnings between Different Age Groups, 2007

Social Stratum	<=30		30-35		35-40		40-45		45-50		50-60		Total	
	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.
I Official and Manager	4.2	4.3	9.2	4.2	8.5	4.2	12.4	5.3	9.7	4.4	11.7	6.0	9.4	4.6
I 1 State Sector	1.9	2.2	5.2	2.3	3.9	3.1	7.8	3.9	5.4	3.7	6.1	3.4	5.1	3.0
I 2 Competitive Market Sector	1.2	1.0	1.9	0.2	2.5	0.4	2.8	0.7	2.1	0	2.7	0.3	2.2	0.5
I 3 Uncompetitive Market Sector	1.2	1.1	2.3	1.7	2.2	0.7	2.2	0.9	2.4	0.7	3.0	2.4	2.2	1.2
II Professional	25.9	22.9	29.6	24.1	28.4	22.0	22.7	15.1	18.4	13.5	18.7	21.5	23.5	20.1
II 1 State Sector	8.2	11.3	10.2	11.1	13.5	13.3	10.6	7.8	7.8	6.3	8.0	12.1	9.6	10.4
II 2 Competitive Market Sector	10.6	5.8	11.2	7.3	9.6	5.7	6.3	3.4	5.9	4.0	5.8	5.0	8.0	5.3
II 3 Uncompetitive Market Sector	7.0	5.8	8.3	5.8	5.4	2.9	5.8	3.9	4.7	3.3	5.0	4.4	5.9	4.4
III Clerk	23.6	30.5	21.0	24.1	17.9	22.5	18.9	23.1	21.7	27.9	22.5	24.2	21.1	25.6
III 1 State Sector	9.2	9.8	9.2	7.7	6.3	8.8	8.7	9.0	10.6	11.4	8.3	10.4	8.7	9.4
III 2 Competitive Market Sector	5.9	10.3	6.5	5.9	4.8	5.2	3.8	4.6	4.9	5.1	6.9	3.0	5.6	6.2
III 3 Uncompetitive Market Sector	8.5	10.3	5.2	10.5	6.8	8.5	6.3	9.5	6.3	11.4	7.3	10.7	6.9	10.1
IV Industrial Manual Worker	13.1	6.5	16.5	9.2	16.1	11.8	18.3	13.1	22.9	14.7	20.0	6.7	17.9	10.3
IV 1 State Sector	1.0	0.8	1.9	0.6	2.2	2.3	1.8	0.5	1.4	1.6	2.3	0.3	1.8	1.1
IV 2 Competitive Market Sector	7.9	3.7	10.0	5.4	8.0	5.5	10.9	6.8	11.6	8.1	11.8	3.0	10.1	5.4
IV 3 Uncompetitive Market Sector	4.2	1.9	4.6	3.3	5.9	4.0	5.5	5.8	9.9	4.9	5.9	3.4	5.9	3.8
V Service Industry Worker	28.2	30.9	13.7	30.8	17.5	31.7	17.6	35.4	18.4	34.0	20.2	31.5	19.6	32.4
V 1 State Sector	2.9	3.7	1.2	4.0	2.8	2.4	1.8	3.1	1.7	2.8	3.1	3.0	2.4	3.2
V 2 Competitive Market Sector	5.8	4.7	3.7	4.0	2.3	6.2	2.2	4.3	2.4	3.3	2.8	4.7	3.2	4.6
V 3 Uncompetitive Market Sector	19.5	22.5	8.7	22.8	12.4	23.0	13.3	27.9	14.1	27.9	14.2	23.8	14.0	24.5
Entrepreneur	1.0	1.1	2.3	1.2	4.0	1.0	1.8	0.9	1.6	0.5	1.1	0	1.9	0.9
The Self-employed	4.2	3.9	7.7	6.3	7.6	6.9	8.3	7.1	7.3	5.1	5.8	10.1	6.7	6.2
Total N.	696	725	520	522	647	578	652	588	576	430	967	298	4,058	3,141
Hourly Earnings (¥)	15.0	12.4	17.2	13.6	17.3	12.4	15.8	11.0	15.1	10.0	15.0	11.8	15.8	12.0
Year of Schooling	13.5	13.7	13.4	12.8	12.5	11.7	11.8	10.9	11.1	10.7	10.5	10.0	12.0	11.9

Source: Chinese Household Income Project, 2007.

Note: 1. The values in the table of social stratification are percentage (%) in each age group.

2. The current unit is Chinese Yuan.

and professional, has increased. In addition, this phenomenon was more significant for the younger age groups.

Thirdly, as to the occupational classification improvement for women, the youngest group has the best circumstances, and the gender gap of occupational classification enlarged with age growth. For example, in 2002 and 2007, as shown in table 4.6 and table 4.7, women who are younger than 30, even had the advantage of a higher occupational classification. At least the same percentage of females was in the official and manager stratum as their male counterparts. In addition, they constituted a higher proportion in the strata of professional and clerk. However, a comparison of the gender ratios between the group whose ages are younger than 30 years old and the group aged between 30 to 35 years old revels that the percentage of female officials and managers dropped from an equal percentage to almost half that of men in both years. The situation for the female professional and clerk were not optimistic either, their advantageous position also diminished.

The gender occupation gaps enlarged with age growth, until the group of age 50-60 which the gender ratio slightly balanced, especially for the upper social strata. However, it should be noted that many female workers in the 50-60 age group were missed because of the different retirement age for men and women. For the rank-and-file female workers, it is 50 and for the female officials, it is 55. In contrast, for male workers, the retirement age is 60. Thus, the group of 50-60 excluded most of the rank-and-file female workers, but reserved those who participated in the occupation, such as official, manager and professional in state sectors. This led to an exaggeration of the female proportion in the upper social strata. In reality, their proportions were not high as much as the data demonstrated.

To conclude, a larger proportion of new entrants flowed over into the higher social occupations and the market sectors than before. This was due to the fact that economic development, market expansion and industries

upgrading need more high-end personnel. Furthermore, this upward flow in recruits was more significant for the female new entrants and revealed an accelerated tendency from 2002 to 2007. New female entrants entered into the upper occupations by virtue of their improved educational attainment. In contrast, for those female workers who are less educated, they tended to be restricted to the lower occupations.

Although the education and occupational classification improved for women, they did not lead to a concurrent earnings improvement. The table 4.6 and table 4.7 also demonstrated the hourly earnings of each age group in 2002 and 2007. The overall earnings gap between genders has increased from 2002 to 2007. For the younger women whose education and occupation circumstances were better than their male counterparts, the gender earnings gap still enlarged, let alone the elder women groups. The gender earnings gap augmented with an increase in age.

Why earnings situation of women deteriorated even when their educational attainment improved? If women earned less when they had the same human resources as men, then there existed gender discrimination. If there is gender discrimination, what is the extent? Do all women meet the same extent? How the individual characteristics impact on the gender earnings? In later passage, I will use Unconditional Quantile Regression (UQR) to illustrate how gender hourly earnings were impacted and how the gender discrimination changes in different earnings groups.

4.4 FACTORS IMPACING ON GENDER EARNINGS DISTRIBUTION[22]

[22] Part of the contents contained in this Section appeared in the author's article—Tang, Yao and Wenjin Long (2013):'Gender Earnings Disparity and Discrimination in Urban China: Unconditional Quantile Regression' in African Journal of Science, Technology, Innovation and Development, 5 (3): 202-212
http://www.tandfonline.com/doi/abs/10.1080/20421338.2013.796743

4.4.1 An Unconditional Quantile Regression Model and the Impact Variables

The UQR model was developed by Firpo, Fortin and Lemieux (2009) in their studies of earnings polarization in the U.S. labour market. This method provides a regression model to evaluate the impact of changes in the distribution of explanatory variables (such as year of schooling, occupation) at each quantile of the marginal distribution of the dependent variable (such as earnings). In addition, the advantage of UQR is that it can generate Oaxaca-Blinder decomposition for quantiles instead of the mean (Firpo, Fortin and Lemieux 2009).

The gender earnings decomposition procedure of UQR consists of two steps: the first step resembles DiNardo, Fortin, and Lemieux (1996) research which divides the overall gender earnings gap into a 'composition effect' and a 'structure effect' using a reweighing method. The 'composition effect' referred to the explained component that can be attributed to gender pension differences in productivity characteristics. The 'structure effect' is the unexplained component or gender discrimination due to the different return rate to the characteristics of workers. Thus, the gender discrimination at different quantiles can be detected. If the ν(Y) represents the earnings distribution of Y, the overall gender earnings differences can be decomposed as in equation 3.1:

$$\nu(Y_m) - \nu\left(Y_f\right) = [\nu(Y_m) - \nu(Y_c)] + [\nu(Y_c) - \nu\left(Y_f\right)] \qquad (3.1)$$

In this equation, Y_m and Y_f represent earnings of male and female workers respectively, Y_c is a counterfactual earnings expression which can be obtained by reweighting observations of the female (DiNardo, Fortin and Lemieux 1996; Firpo, Fortin and Lemieux 2007). The counterfactual earnings demonstrates what women would earn if they receive the same returns to their characteristics as men. Thus, the earnings gap between men and women can

be written as a sum of the 'composition effect' $\nu(Y_m) - \nu(Y_c)$, plus the 'structure effect' $\nu(Y_c) - \nu(Y_f)$. The reweighting factor is defined as:

$$\psi_i = [1 - p\,(X_i)]p/p\,(X_i\,)(1 - p) \tag{3.2}$$

Here $p(X)$ is 'the probability of a worker being a male given individual attributes X' and p denotes the proportion of males in the population. In practice, $p(X)$, which can be regarded as the propensity score, is derived from a logit/probit regression. Therefore, the reweighted data $\psi_i Y_c$ can be thought of as realization of the counterfactual earnings distribution of women (Chi and Li 2008).

The second step is to further decompose the 'composition effect' and 'structure effect' into the contribution of each individual covariate. In this procedure, the Recentered Influence Function (RIF) is used to represent the influence of an individual observation on the quantile of earnings. Its function can be written as $E\,[\,RIF\,(Y; q_\tau)\mid X\,]$. By taking iterated expectations, the marginal effects of covariates on the quanitle of earnings are estimated. The RIF assumes a linear specification as the OLS regression (Firpo, Fortin and Lemieux 2007):

$$E\,[\,RIF\,(Y; q_\tau)\mid X\,] = X\beta \tag{3.3}$$

Here the coefficient β represents the marginal effects of the explanatory variables X at the earnings quantile q_τ. For both year 2002 and 2007, the RIF estimates the contribution of explanatory variables for male and female at quantiles of earnings, as well as the counterfactual earning structure of females:

$$\widehat{RIF}\,(\,Y_k\,;\,\hat{q}_\tau\,) \;=\; X_k\hat{\beta}_k\,, k = m, f, c \tag{3.4}$$

Here the subscripts m, f, c represent male, female, and counterfactual earning structure for women, respectively, $\widehat{RIF}(Y_k; \hat{q}_\tau)$ denotes the RIF estimate for the τ^{th} quantile and the $\hat{\beta}$ represents the estimate of the quantile partial effect. Using the RIF regression from equation 3.4, the decomposition of gender earnings gap at different quantiles can be given as follows:

$$\hat{q}_\tau(Y_m) - \hat{q}_\tau(Y_f) = \left[\left(\overline{X}_m\hat{\beta}_m - \overline{X}_f\hat{\beta}_c\right) + \hat{R}_\tau^c\right] + \left[\overline{X}_f\left(\hat{\beta}_c - \hat{\beta}_f\right) + \hat{R}_\tau^S\right] \quad (3.5)$$

$\hat{q}_\tau(Y_m) - \hat{q}_\tau(Y_f)$ represents the gender earnings difference at the τ^{th} quantile. $\overline{X}$ represents the vector of covariate averages. $\hat{\beta}_c$ is from the counterfactual distribution which assumes the male returns to personal characteristics for women. Thus, $\bar{X}_m\hat{\beta}_m - \bar{X}_f\hat{\beta}_c$ represents the 'composition effect,' which is caused by the pension disparities between genders. $\bar{X}_f\left(\hat{\beta}_c - \hat{\beta}_f\right)$ represents the 'structure effect' which is caused by gender discrimination and $\hat{R}_\tau^S$ and $\hat{R}_\tau^S$ are the errors of these effects.

Next, I give a discussion of the kind of covariate or variables that will be used to explain the earnings differences at different quantiles. Occupation, ownership and industry, as discussed in earlier chapters and sections, impact on the earnings distribution. For example, the earnings of the manager and official, and entrepreneur tend to be higher. The non-manual employees in the foreign and joint venture enterprises earn more than other types of ownership. Earnings in the monopoly industries are better than that of low-end and traditional industries. Moreover, age and education also impact on individual earnings, especially for women. A conclusion drawn in earlier paragraphs is that younger and higher educated women tend to earn more than other women.

Additionally, the region, marital status and whether the household has a little child etc. also should be put into consideration. Taking the regional differences as an example, the earnings gap between the eastern provinces, the central regions and the western provinces is obvious and enlarges from 2002 to 2007. As shown in table 4.8, hourly earnings increases much faster in the

eastern coastal areas which enlarge the original earnings gap with central and western provinces. The hourly earnings in Jiangsu almost triples and in Guangdong, earnings more than double, from a basis of already high earnings.

In addition, the earnings gap between genders differs depending on the different level of economic development in the regions. As mentioned in earlier paragraphs, in accordance with economic development, the regions are ranked, eastern, central and western. The western areas, whose economy is least developed, have the least gender earnings disparity. In contrast, for the eastern regions, the gender earnings gap is much larger. For instance, Shanghai, which has the highest GDP per capita in 2007, has the largest earnings gap between genders. Moreover, the gender earnings gap of eastern areas enlarges much faster than that of the central and western regions from 2002 to 2007. Therefore, the regional disparity are considered and put into the UQR.

Table 4.8 Gender Earnings Comparison and Regional Disparity, 2002 and 2007

Region	2002			Region	2007		
	Total	Male	Female		Total	Male	Female
Yunnan	5.74	5.91	5.56				
Sichuan	4.58	4.85	4.24	**Sichuan**	10.94	12.19	9.43
Gansu	4.63	4.94	4.22				
Chongqing	6.00	6.63	5.22	**Chongqing**	10.45	10.92	9.88
Hubei	5.19	5.52	4.79	**Hubei**	11.91	13.1	10.31
Shanxi	4.55	4.90	4.07				
Henan	4.15	4.52	3.69	**Henan**	10.19	10.8	9.47
Anhui	5.13	5.69	4.34	**Anhui**	11.09	12.03	9.84
Jiangsu	5.82	6.22	5.30	**Jiangsu**	14.47	16.6	11.6
Guangdong	9.25	10.01	8.41	**Guangdong**	19.94	22.49	16.58
				Zhejiang	15.78	17.78	13.21
				Shanghai	18.32	20.80	14.86

Source: Chinese Household Income Project, 2002 and 2007.

Note: 1. In 2002, total N. is 10,105, and in 2007, it is 7,091.

2. The currency unit of ‘earnings’ in the table is Chinese Yuan.

As for the impact of marital status, its effect on the earnings of men and women is supposed to be different. Padavic and Reskin (2002) indicate that married men tend to have higher earnings than unmarried men, and single and married women, because of the traditional division of labour in household. Men are the principal bread-earners, whereas tasks, such as taking care of family members and housework, belong to women. Therefore, when men and women participate in jobs, the motivation of men for putting more effort into work is more taken for granted and more easily accepted by employers and these factors lead to the higher payments of men (Pollmann-Schult 2011).

In contrast, marital status has negative effect on the earnings of women. The majority of female workers spend more time on housekeeping and other household chores than their male counterparts after they get married, particularly when the couple has a child (Du and Dong 2010; Lundberg and Rose 2000; Schneider 2011; Waldfogel 1998). In addition, the discrimination against employees who are mothers is another factor leading to the lower payment of women (Mandel and Semyonov 2005; Zhang, Hannum and Wang 2008). Having a young child is thought to have negative effect on the earnings of women, whereas men seem to experience little effect (Clark and Corcoran 1986; Waldfogel 1998). In China, children usually go to school at six years old, so a child whose age is younger than six is regarded as young child.

In sum, log earnings per hour will be used for males and females respectively as a function of the following variables:

I. Age ^{2};
II. Years of Schooling;
III. Regions (eastern region, central region and western region);
IV. Marital status (1 for married, 0 for other);
V. Whether they have young child (1 for have child under 6 years old, 0 for not);
VI. Occupation (manager and official, professional, clerk, industry

manual worker, service industry worker, entrepreneur and self-employed);

VII. Ownership (government and public institute, state owned enterprise, collectively owned enterprise, foreign and joint venture enterprise, private enterprise and individual enterprise);

VIII. Industry (monopoly industry, high tech industry and low-end industry).

4.4.2 The Gender Earnings Gap and Discrimination at Different Quantiles

In this section, the decomposition outcomes of earnings gap between genders are discussed. Table 4.9 shows, the 'earnings gap between male and female workers,' the 'explained earnings gap' and the 'unexplained earnings gap' at different quantiles (10^{th}, 20^{th}, 30^{th}, 40^{th}, 50^{th}, 60^{th}, 70^{th}, 80^{th} and 90^{th}) for 2002 and 2007. In addition, the 'unexplained ratio' is presented to represent the ratio value of the unexplained part of the gender earnings difference in the total gender earnings gap. The comparison of the gender earnings gap at each quantile between 2002 and 2007 suggests that the total gender earnings gap is increasing, especially for the groups of higher earnings. In 2002, the largest earning gap between genders emerges at the bottom (10^{th}, 0.2689), while the higher earnings group encounters the least gender earnings gap (70^{th}, 0.1334). The gender earnings gap at the 80^{th} (0.1361) and 90^{th} (0.1350) is also not as significant as that in the lower earnings groups. In contrast, in 2007, although there are obvious gender earnings gaps in the bottom earnings group, it reaches its peak in the higher earnings group (80^{th}, 0.2826). As supposed in earlier passages, the 'glass ceiling effect' is notable in China.

In addition, not only does the total gender earnings gap enlarge, but the unexplained gap also increases from 2002 to 2007, which is highlighted by the unexplained ratio. This finding is in accordance with the conclusions

Table 4.9 Gender Earnings Gap and Decomposition by UQR, 2002 and 2007

2002	10th	20th	30th	40th	50th	60th	70th	80th	90th
Gender Earnings Gap	0.2689	0.2556	0.2376	0.2349	0.1926	0.1566	0.1334	0.1361	0.1350
Explained Gap	0.1375	0.1328	0.1211	0.1140	0.1094	0.0982	0.0924	0.0934	0.0932
Unexplained Gap	0.1314	0.1228	0.1165	0.1209	0.0832	0.0584	0.0410	0.0427	0.0418
Unexplained Ratio	48.9%	48.0%	49.0%	51.5%	43.2%	37.3%	30.7%	31.4%	31.0%
2007	**10th**	**20th**	**30th**	**40th**	**50th**	**60th**	**70th**	**80th**	**90th**
Gender Earnings Gap	0.2899	0.2693	0.2113	0.2380	0.3015	0.2755	0.2493	0.2826	0.2612
Explained Gap	0.0971	0.0633	0.0663	0.0658	0.0647	0.0749	0.0756	0.0670	0.0617
Unexplained Gap	0.1928	0.2060	0.1450	0.1722	0.2368	0.2006	0.1737	0.2156	0.1995
Unexplained Ratio	66.5%	76.5%	68.6%	72.4%	78.5%	72.8%	69.7%	76.3%	76.4%

Source: Chinese Household Income Project, 2002 and 2007.

Note: In 2002, total N. is 9,833 (Male=5,480, Female=4,353), and in 2007, total N. is 7,123 (Male=4,016, Female=3,107).

from Démurger, Fournier and Chen (2007), which confirm that the Chinese economic transition has brought about gender discriminatory behaviours and a degree change in various labour market segments. Moreover, the unexplained gender earnings gap is more significant in higher earnings group in 2007. This can be linked to the findings from earlier sections of this chapter, which state that although education and occupation have improved for female workers, the earnings gaps in comparison with men is enlarging. This enlarging gender earnings gap is to a large extent due to the gender discrimination. In 2007, the overall unexplained ratios are above 65% and in 80th and 90th they are more than 75%.

In sum, the increase of both the total and the unexplained gender earnings gap indicates the deteriorating circumstances for female workers in the earning environment, particularly for those women with higher earnings. Although they earn higher than other women, they bear a greater gender earnings gap, as well as a larger extent of gender discrimination. The previous discussions show that disparities in region, age and education etc. are known to impact on social stratification. How do these factors impact on the gender earnings gap and gender discrimination? How does the impact of personal characteristics change in different earnings groups? Later sections discuss these in detail.

4.4.3 Gender Disparities in the Return Rate at Different Quantiles

The coefficients of explanatory variables, such as years of schooling, age, region, occupation, ownership and marital status, at different quantile of earnings (10^{th}, 20^{th}, 30^{th}, 40^{th}, 50^{th}, 60^{th}, 70^{th}, 80^{th} and 90^{th}) for men and women are estimated by UQR. The coefficients can be interpreted as the marginal effects of these explanatory variables on hourly earnings. The estimation results are shown in table 4.10 and table 4.11 for 2002 and 2007 respectively (table 4.10(a) and table 4.11(a) for men, and table 4.10(b) and table 4.11(b) for women). At the same time, the results from OLS regression are also

Table 4.10(a) Results of Return Rate from UQR Estimation, 2002 for the Male

Male	10th	20th	30th	40th	50th	60th	70th	80th	90th	OLS
Constant	-3.362***	-2.602***	-2.045***	-1.207***	-0.643***	-0.208	0.173	0.380*	0.698**	-1.198***
Year of Schooling	0.042***	0.047***	0.054***	0.048***	0.047***	0.041***	0.041***	0.046***	0.046***	0.046***
age	0.030***	0.044***	0.051***	0.064***	0.083***	0.095***	0.109***	0.101***	0.113***	0.066***
Marriage	0.076	0.120	0.122	0.075	0.015	0.034	0.039*	0.010*	0.018*	0.064*
Child	0.077	0.037	0.017	0.048	0.051	0.036	0.044	0.041*	0.010	0.052*
Eastern Region	0.386***	0.333***	0.306***	0.279***	0.289***	0.291***	0.315***	0.383***	0.514***	0.362***
Central Region	0.069	-0.004	-0.059*	-0.104***	-0.108***	-0.095***	-0.081***	-0.071**	-0.042	-0.050*
Official & Manager	0.189***	0.193***	0.219***	0.261***	0.254***	0.211***	0.234***	0.277***	0.350***	0.226***
Professional	0.179***	0.161***	0.165***	0.127***	0.106***	0.153***	0.176***	0.185***	0.234***	0.167***
Clerk	0.210***	0.110**	0.090*	0.022	0.001	0.026	0.023	0.024	0.059	0.067**
Service Industry Worker	-0.458***	-0.311***	-0.254***	-0.146**	-0.108**	-0.064*	-0.029	-0.014	0.003	-0.178***
Entrepreneur	0.013	0.171	0.365*	0.321*	0.256*	0.233*	0.354*	0.303	0.683*	0.323**
Self-employed	-0.238	-0.076	-0.042	-0.006	0.029	0.048	0.087*	0.093	0.117	0.022
Public Administration	0.858***	0.698***	0.617***	0.473***	0.372***	0.270***	0.251***	0.110*	-0.044	0.413***
State Owned	0.814***	0.631***	0.515***	0.375***	0.258***	0.165***	0.169***	0.087*	0.011	0.359***
Collective Owned	0.304*	0.204*	0.009	-0.077	-0.056	-0.074*	-0.06	-0.094*	-0.166**	0.023
Foreign & Joint Venture	0.902***	0.793***	0.731***	0.595***	0.447***	0.391***	0.432***	0.495***	0.390**	0.599***
Private	0.659***	0.412***	0.299***	0.234***	0.157***	0.089*	0.102**	0.071	0.069	0.261***
Monopoly Industry	0.202***	0.240***	0.228***	0.229***	0.240***	0.261***	0.231***	0.234***	0.246***	0.222***
High tech Industry	0.203**	0.128**	0.023	0.030	0.051	0.034	0.016	0.026	0.010	0.071**
Adjusted R^2	0.153	0.220	0.242	0.241	0.242	0.227	0.207	0.168	0.125	0.328

Source: Chinese Household Income Project, 2002.

Notes: 1. The dependent variable is the logarithm of hourly earnings.

2. Child means the effect of having a young child in family;

3. Eastern region includes: Jiangsu, Shanghai, Zhejiang and Guangdong; central region includes: Hubei, Henan and Anhui; western region: Chongqing, Sichuan.

4. * p<0.05; ** p<0.01; *** p<0.001;

Table 4.10(b) Results of Return Rate from UQR Estimation, 2002 for the Female

Male	10th	20th	30th	40th	50th	60th	70th	80th	90th	OLS
Constant	-2.836***	-2.435***	-1.452***	-1.537***	-1.384***	-0.833***	-0.156	0.415	0.819**	-1.219***
Year of Schooling	0.060***	0.063***	0.073***	0.066***	0.065***	0.057***	0.049***	0.044***	0.036***	0.054***
age	0.023*	0.025	0.036***	0.041**	0.053***	0.057***	0.067***	0.066***	0.079***	0.058***
Marriage	0.064	0.103	0.094*	0.073	-0.016	0.018	0.02	-0.006	0.028	0.035
Child	-0.085	-0.068	-0.088*	-0.05	0.006	0.024	0.03	0.063	0.011	-0.011
Eastern Region	0.373***	0.255***	0.215***	0.211***	0.239***	0.298***	0.329***	0.391***	0.421***	0.302***
Central Region	-0.086	-0.159***	-0.202***	-0.221***	-0.229***	-0.204***	-0.152***	-0.125***	-0.081**	-0.152***
Official & Manager	0.199**	0.343***	0.369***	0.432***	0.423***	0.390***	0.378***	0.426***	0.493***	0.374***
Professional	0.186***	0.315***	0.319***	0.332***	0.302***	0.274***	0.216***	0.198***	0.259***	0.258***
Clerk	0.197***	0.284***	0.230***	0.212***	0.203***	0.153***	0.133***	0.094*	0.118*	0.170***
Service Industry Worker	-0.206*	-0.133*	-0.107	-0.093*	-0.099*	-0.093*	-0.065	-0.092*	-0.056	-0.114***
Entrepreneur	0.069	0.183	0.462	0.270	0.130	0.025	0.401***	0.353***	0.278**	0.053
Self-employed	-0.380*	-0.281*	-0.165	-0.025	-0.087	-0.058	-0.026	-0.021	0.004	-0.119*
Public Administration	0.742***	0.630***	0.547***	0.475***	0.322***	0.299***	0.183***	0.068	-0.009	0.392***
State Owned	0.744***	0.643***	0.491***	0.388***	0.235***	0.160***	0.085*	0.061	0.011	0.350***
Collective Owned	0.524***	0.303**	0.089	-0.003	-0.106	-0.109*	-0.104*	-0.074	-0.069	0.089*
Foreign & Joint Venture	0.782***	0.707***	0.681***	0.646***	0.464***	0.440***	0.375***	0.326**	0.376**	0.548***
Private	0.647***	0.524***	0.389***	0.222***	0.126*	0.109*	0.061	0.055	0.077	0.284***
Monopoly Industry	0.084	0.177***	0.214***	0.287***	0.332***	0.305***	0.267***	0.251***	0.194***	0.220***
High tech Industry	0.125*	0.142**	0.102*	0.141**	0.066	0.045	0.033	0.012	0.019	0.080**
Adjusted R^2	0.141	0.219	0.248	0.274	0.302	0.293	0.245	0.194	0.129	0.353

Source: Chinese Household Income Project, 2002.

Notes: 1. The dependent variable is the logarithm of hourly earnings.
2. Child means the effect of having a young child in family;
3. Eastern region includes: Jiangsu, Shanghai, Zhejiang and Guangdong; central region includes: Hubei, Henan and Anhui; western region: Chongqing, Sichuan.
4. * p<0.05; ** p<0.01; *** p<0.001;

Table 4.11(a) Results of Return Rate from UQR Estimation, 2007 for the Male

Male	10th	20th	30th	40th	50th	60th	70th	80th	90th	OLS
Constant	-0.774*	0.153	-0.39	-0.478*	-0.231	0.002	0.13	0.537*	1.187***	0.098*
Year of Schooling	0.052***	0.048***	0.059***	0.061***	0.061***	0.061***	0.061***	0.059***	0.057***	0.055***
age	0.01	0.035**	0.038*	0.045***	0.048***	0.050***	0.049***	0.051***	0.053**	0.038***
Marriage	0.087	0.161**	0.169**	0.160**	0.127*	0.119**	0.101*	0.115*	0.121*	0.118**
Child	0.049	0.033	0.063	0.097*	0.091*	0.080*	0.07	0.083	0.074	0.070*
Eastern Region	0.433***	0.402***	0.507***	0.522***	0.515***	0.518***	0.499***	0.550***	0.604***	0.493***
Central Region	-0.072	-0.072	0.035	0.036	0.056	0.01	0.019	0.006	0.013	0.013
Official & Manager	0.235***	0.293***	0.410***	0.509***	0.524***	0.552***	0.558***	0.521***	0.555***	0.516***
Professional	0.130*	0.191***	0.251***	0.274***	0.273***	0.286***	0.290***	0.285***	0.172***	0.229***
Clerk	0.107	0.113*	0.172***	0.219***	0.196***	0.176***	0.172***	0.135**	0.061	0.141***
Service Industry Worker	-0.104	-0.038	0.024	0.051	0.099*	0.103*	0.086*	0.064	0.098*	0.042
Entrepreneur	0.398***	0.586***	0.697***	0.744***	0.748***	0.847***	0.850***	0.878***	0.892**	0.712***
Self-employed	0.244*	0.419***	0.462***	0.514***	0.489***	0.513***	0.479***	0.396***	0.329***	0.425***
Public Administration	0.548***	0.501***	0.384***	0.299***	0.250***	0.183***	0.123**	0.074	0.067	0.296***
State Owned	0.661***	0.576***	0.424***	0.344***	0.267***	0.235***	0.194***	0.111*	0.047	0.343***
Collective Owned	0.557***	0.391***	0.224**	0.115	0.095	0.083	0.038	-0.021	-0.076	0.177***
Foreign & Joint Venture	0.551***	0.515***	0.410***	0.371***	0.398***	0.418***	0.408***	0.336***	0.500***	0.482***
Private	0.450***	0.309***	0.168**	0.099*	0.132**	0.072	0.089*	0.001	-0.053	0.189***
Monopoly Industry	0.285***	0.339***	0.374***	0.378***	0.393***	0.429***	0.439***	0.458***	0.448**	0.235***
High tech Industry	0.168**	0.218***	0.210***	0.162***	0.120***	0.119***	0.098**	0.089*	0.058	0.129***
Adjusted R^2	0.144	0.183	0.214	0.229	0.250	0.246	0.223	0.186	0.119	0.339

Source: Chinese Household Income Project, 2007.

Notes: 1. The dependent variable is the logarithm of hourly earnings in 2007 at 2002 price.
2. Child means the effect of having a young child in family;
3. Eastern region includes: Jiangsu, Shanghai, Zhejiang and Guangdong; central region includes: Hubei, Henan and Anhui; western region: Chongqing, Sichuan.
4. * p<0.05; ** p<0.01; *** p<0.001;

Table 4.11(b) Results of Return Rate from UQR Estimation, 2007 for the Female

Male	10th	20th	30th	40th	50th	60th	70th	80th	90th	OLS
Constant	0.386	0.810**	0.871***	0.375	0.491*	0.369	0.545*	0.495	0.806*	0.492**
Year of Schooling	0.059***	0.067***	0.068***	0.072***	0.058***	0.049***	0.046***	0.042***	0.052***	0.058***
age	-0.002	-0.015	-0.011	0.01	0.01	0.019	0.018	0.031*	0.048**	0.017*
Marriage	0.039	0.096	0.098*	0.110*	0.104**	0.083	0.090*	0.109*	0.098	0.079**
Child	-0.025	-0.028	-0.008	-0.016	-0.002	0.023*	0.025*	0.051*	0.045	-0.023*
Eastern Region	0.429***	0.405***	0.380***	0.412***	0.398***	0.377***	0.367***	0.331***	0.305***	0.396***
Central Region	-0.139*	-0.117**	-0.069	-0.02	0.017	0.063	0.036	0.066	0.059	0.002
Official & Manager	0.214*	0.269***	0.331***	0.460***	0.524***	0.513***	0.572***	0.584***	0.641***	0.546***
Professional	0.180*	0.243***	0.324***	0.500***	0.502***	0.491***	0.524***	0.350***	0.222**	0.340***
Clerk	0.128	0.131*	0.203***	0.326***	0.301***	0.251***	0.239***	0.223***	0.091	0.191***
Service Industry Worker	-0.089	-0.053	-0.026	0.116***	0.061	0.063	0.076	0.125*	0.064	0.028
Entrepreneur	0.502***	0.669***	0.746***	0.940***	1.110***	1.295***	1.551***	1.204**	1.592**	1.102***
Self-employed	-0.121	0.044	0.210*	0.492***	0.441***	0.421***	0.466***	0.516***	0.438***	0.349***
Public Administration	0.330***	0.274***	0.211***	0.223***	0.215***	0.138**	0.134*	0.112*	0.074	0.209***
State Owned	0.362***	0.370***	0.286***	0.291***	0.213***	0.173**	0.181**	0.161**	0.102	0.263***
Collective Owned	0.149	0.229**	0.168**	0.135	0.074	0.029	0.063	0.138*	-0.001	0.147**
Foreign & Joint Venture	0.230***	0.263***	0.269***	0.408***	0.413***	0.487***	0.473***	0.549***	0.611***	0.455***
Private	0.171*	0.101	0.104*	0.110*	0.068	0.041	0.033	0.005	0.018	0.117**
Monopoly Industry	0.100*	0.122***	0.171***	0.257***	0.265***	0.288***	0.304***	0.311***	0.302***	0.228***
High tech Industry	0.073	0.073	0.082*	0.171***	0.135**	0.108**	0.099*	0.148***	0.094*	0.095***
Adjusted R^2	0.153	0.211	0.231	0.240	0.241	0.240	0.230	0.162	0.116	0.327

Source: Chinese Household Income Project, 2007.

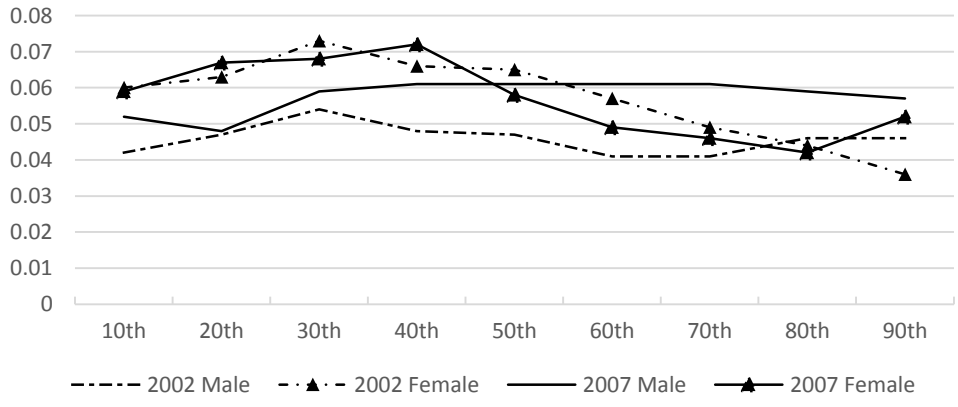
Notes: 1. The dependent variable is the logarithm of hourly earnings in 2007 at 2002 price.
2. Child means the effect of having a young child in family;
3. Eastern region includes: Jiangsu, Shanghai, Zhejiang and Guangdong; central region includes: Hubei, Henan and Anhui; western region: Chongqing, Sichuan.
4. * p<0.05; ** p<0.01; *** p<0.001;

estimated and demonstrated in the tables to make a comparison. Moreover, in order to make the comparison between the genders and different years clearer, I also graph the coefficients as shown in figure 4.1 to figure 4.8.

Firstly, coefficients between ‘years of schooling’ and ‘earnings’ are detected as increasing by OLS for both men and women from 2002 to 2007. The return on education is supposed to increase with the market development of China. This conclusion is accordance with the Zhang, Zhao, Park and Song (2005), who use the data from the same project, but for the years 1995 and 2002. In addition, it is known that education plays a more important role in impacting on earnings of women (Byron and Manaloto 1990; Wu and Xie 2003). The comparison in educational return rates between men and women in 2002 and 2007 verifies this argument that the female return rate on education is higher than that of male.

The estimation of UQR elaborates a more detailed picture of how the educational return rate changes at different quantiles. In both years, the return of education is more significant for female workers whose earnings are lower, and the return decreases with the earnings growth. Even though the educational returns for women are higher than that of men and they increase from 2002 to 2007, the rate of increase is faster for men, especially for the male with higher earnings, as demonstrated in figure 4.1. Thus, in the higher

Figure 4.1 The Comparison of Return Rate of 'Schooling' between Genders at Differnt Quatiles, 2002 and 2007

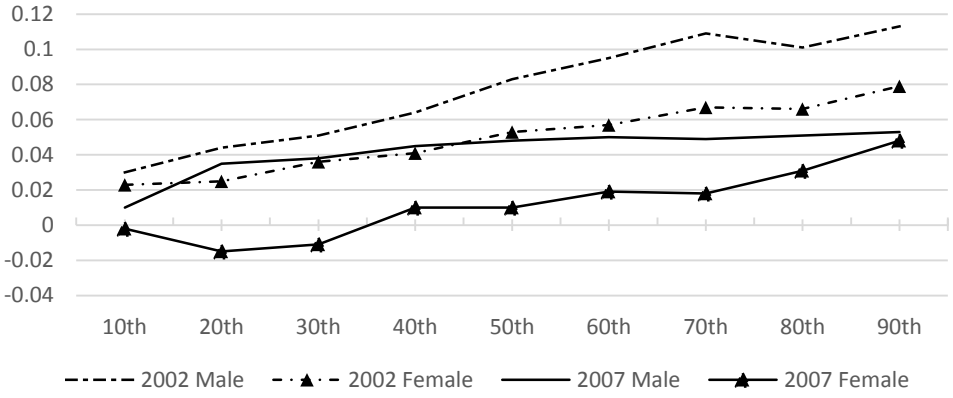


Source: Chinese Household Income Project, 2002 and 2007.

earnings group, the educational return rate for the male exceeds that of the female. This partly explains why the phenomenon occurs as discussed in earlier sections: that the earnings gap between men and women much enlarged in the higher earnings group from 2002 to 2007.

In addition, the results from an estimation of earnings at quantiles demonstrate that the returns of age increase with an earnings increase, as shown in figure 4.2. The explanation given by Chi, Li and Yu (2011) is that the work experience (age) is more valuable in high-earnings and high-skilled jobs. In contrast, it is not greatly valued in low-earnings jobs, which involve manual labour and low skills. This statement is more prominent for male workers as their coefficients between 'age' and 'earnings' are much higher than that of women. Moreover, in 2007, the return of age (work experience) is even minus for women at the 10^{th}, 20^{th} and 30^{th} quantile. An increasing in age, far from helping women with lower earnings to earn more, can constitute a negative effect.

Figure 4.2 The Comparison of Return Rate of 'Age' between Genders at Different Quantiles, 2002 and 2007

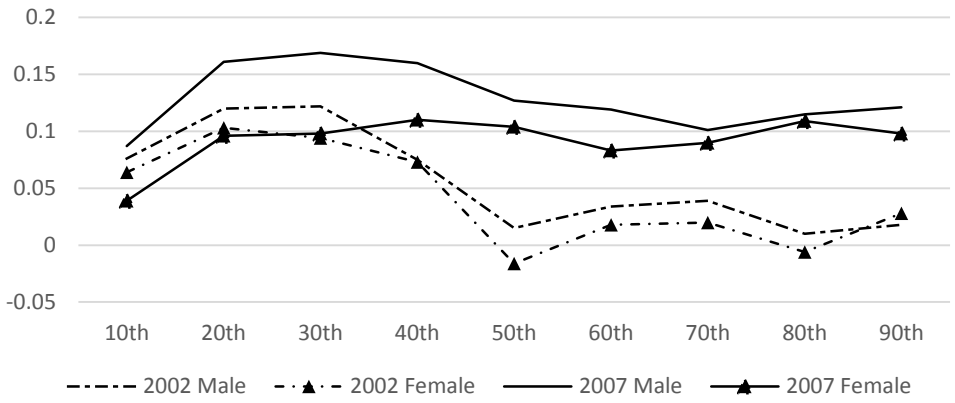


Source: Chinese Household Income Project, 2002 and 2007.

Thirdly, as supposed, the household factors, such as marital and child, impact differently on the earnings of women and men, even though a plausible more egalitarian gender role in housework and child-rearing is accepted currently in China. As for the impact of marital status on the earnings,

following previous expectations, the return is higher for men than for women in both 2002 and 2007. In addition, this positive impact of marriage strengthens for male workers from 2002 to 2007, whereas it recedes for women. Thus, the gender gap in terms of marriage impact on earnings enlarges and the return from marriage for women is much less than that for men, as shown in figure 4.3.

Figure 4.3 The Comparison of Return Rate of 'Marriage' between Genders at Different Quantiles, 2002 and 2007



Source: Chinese Household Income Project, 2002 and 2007.

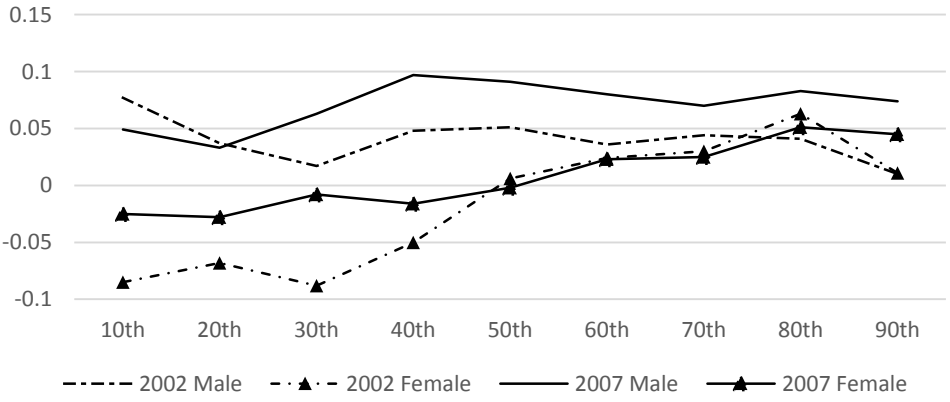
Similar statements can be drawn regarding the returns from having a young child. In contrast to many British mothers who give birth to more than one child and prefer a job of reduced hours after they become mothers (Warren 2003; Goos and Manning 2007), most Chinese mothers in the urban are restricted by the 'one child policy'[23]. Their careers are not continually interrupted by instances of pregnancy. However, having a young child still impact the earnings of mothers in China, because they spend more time than their partners in taking care of the young child (Lorber 2005). The minus coefficient between 'young child' and 'earnings' for women indicates that

[23] The 'one child policy' is revised and replaced by the new family planning policy which was passed through in the Third Plenary Session of the 18th Central Committee of CCP in Nov., 2013. The latest national family planning policy regulated that the Chinese couples with one spouse being an only child would be permitted to have two children.

having a young child negatively impacts on a mother's earrings. In contrast, for a father, there is no such negative impact.

Moreover, having a young child seriously reduces a mother's earnings in 2007 (the return rate estimated by OLS is even lower in 2007, compared with that in 2002). In a more competitive market environment, the time and attention of married women and mothers is pulled away from work to family and this tends to more severely damage their career promotion, subsequently their higher earnings opportunities (Koenker and Hallock 2001). This negative impact is particularly significant for mothers who have lower and middle earnings as shown in table 4.10b and table 4.11b. The reason for this is because women with lower earnings tend to have lower career drive and ambition to fulfil their competency in work. Their choice to spend more time and effort within household rather than in job, decreases their earnings (Zhu and Zhang 2012).

Figure 4.4 The Comparison of Return Rate of 'Child' between Genders at Different Quantiles, 2002 and 2007

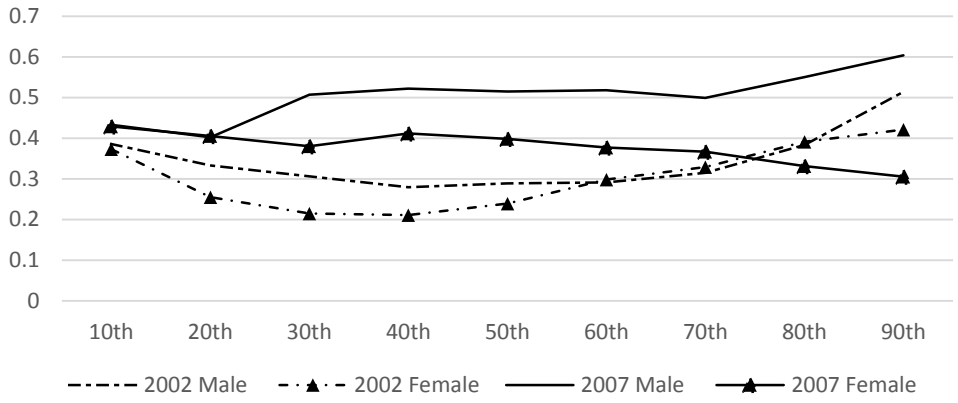


Source: Chinese Household Income Project, 2002 and 2007.

Fourthly, as for the impact of regional disparity on earnings, employees in the eastern region has much higher earnings for both 2002 and 2007. In addition, the contribution of regional disparity to earnings is more significant for both men and women of higher and lower earnings, as shown in figure 4.5. This is because the coastal eastern provinces opened up earliest

to the outside and are more economically developed. More people of higher earnings emerged in eastern China than other regions. At the same time, because of the overall higher earnings standard in these regions, even the lowest earnings are acceptable and are higher (the commodity prices and living costs in the eastern coastal regions are also higher than that of the central and western provinces). In contrast, the contribution of regional disparity to earnings is less significant for the population of low-middle earnings (e.g. at 30th and 40th quantile).

Figure 4.5 The Comparison of Return Rate of 'Region' between Genders at Different Quantiles, 2002 and 2007



Source: Chinese Household Income Project, 2002 and 2007.

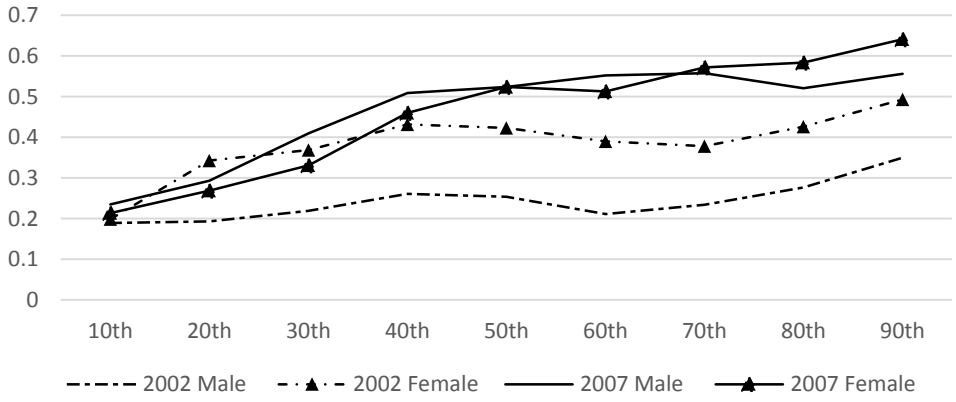
Note: The return rates demonstrated in the figure are the return rates of being in 'eastern region' compared to that of 'western region.' The return rates of being in 'central region' compared to 'western region' are only listed in the tables, but are not graphed.

However, in 2007, the regional disparities impact differently on the earnings of women. Being in an eastern region continues to contribute more to earnings at the 80th and 90th quantiles for men, while this contributes to the lower half of the quantiles for women. According to Tang and Long (2013), in the 'polarisation of labour market,' the males of the higher earnings group are the biggest winners, not only at the cost of a decline in the earnings of men of middle-earnings, but also at the expense of high-earnings women. Men who are in the eastern developed regions have a higher possibility of receiving

extremely high earnings. However, for women, this story has changed. The contribution of being in an economically developed region to higher earnings is much less for women in 2007

Fifthly, the estimation of occupation, ownership and industry is much in accordance with the previous hypothesis. After considering the earnings distribution at different quantiles, the earnings gap between the strata of employee (official and manager, professional, clerk, industrial manual worker and service industry worker) and the stratum of entrepreneur is much larger at 80^{th} and 90^{th} quantile, as shown in figure 4.6. This estimation indicates that participating in occupation as an entrepreneur can help edge an individual into the top earnings group. In addition, the coefficients between occupation and earnings in 2007 are much larger than that in 2002, indicating the earnings disparity is enlarging between different occupations.

Figure 4.6 The Comparison of Return Rate of 'Occupation' between Genders at Different Quantiles, 2002 and 2007



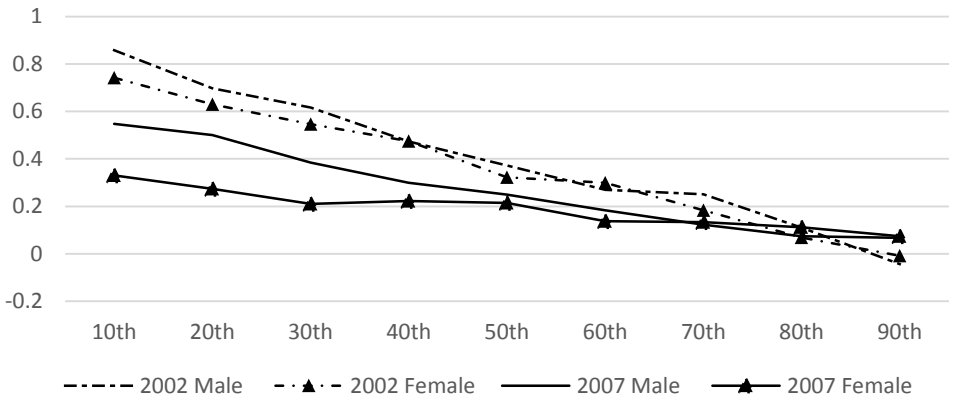
Source: Chinese Household Income Project, 2002 and 2007.

Note: The return rates demonstrated in the figure are the return rates of participating in the occupation of 'official and manager' compared to 'industrial manual labour.' The return rates of other occupations, such as 'professional,' and 'clerk' etc. are compared to 'industrial manual labour,' and are only listed in the tables, but are not graphed.

As for the impact of ownership on the earnings at different quantiles, it is found that the impact of ownership is more significant for those with lower

earnings in both 2002 and 2007, as shown in figure 4.7. Compared to the occupation of ‘manual labour, participating an occupation of ‘official and manager’ is much rewarding for those of lower earnings. In contrast, the opposite statement is drawn regarding the impact of industry, at least to men in 2007. The kinds of industry are important for those men and women with higher earnings. This estimation demonstrates that choosing an appropriate ownership and industry is more essential in achieving better earnings. Moreover, the foreign and joint ownership and the monopoly industries are much better off.

Figure 4.7 The Comparison of Return Rate of 'Ownership' between Genders at Different Quantiles, 2002 and 2007



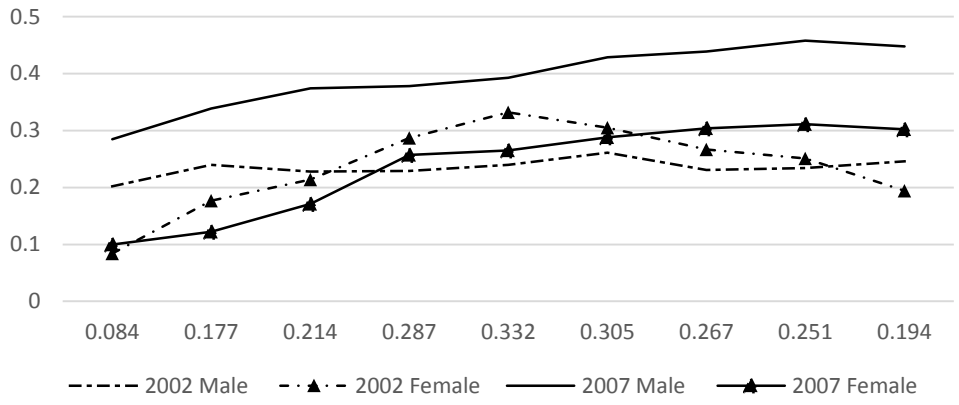
Source: Chinese Household Income Project, 2002 and 2007.

Note: The return rates demonstrated in the figure are the return rates of being in the ownership category of ‘public administration’ compared to that of the ownership of ‘individual’ category. The return rates of other types of ownership, such as ‘collective owned,’ and ‘foreign and joint venture’ etc. compared to ‘individual,’ are only listed in the tables, but are not graphed.

In short, the factors, such as years of schooling, age, region, marital status and whether they have a young child, are estimated for men and women at different quantile of earnings. Educational returns increase from 2002 to 2007 for both genders, but the rate of increase of female workers with higher earnings is not as fast as their male counterparts. The estimation of returns from ‘age’ indicates work experience decreases for both men and women from 2002 to 2007. Furthermore, woman’s age is much less rewarding, especially

for women with lower earnings. The household factors, such as marital and young child, impact differently on women and men in terms of earnings. For female workers, the returns from marriage are much less and the impact of having a young child is even negative.

Figure 4.8 The Comparison of Return Rate of 'Industry' between Genders at Different Quantiles, 2002 and 2007



Source: Chinese Household Income Project, 2002 and 2007.

Note: The return rates demonstrated in the figure are the return rates of being in the 'monopoly industry' compared to an 'uncompetitive industry.' The return rates of 'competitive industry' compared to the 'uncompetitive industry' are only listed in the tables, but are not graphed.

As for the regional impact, residing in eastern region contributes more to higher and lower earnings in 2002. In 2007, regional disparities continue to impact upon men to a large extent at the 80th and 90th quantiles, while it does not contribute as much as it in 2002 to the women of higher half earnings. The estimation of occupation demonstrates that the earnings gap is much larger at 90th quantile between the entrepreneur and the employee occupations. Participating in occupations, such as entrepreneur helps realize top earnings. In addition, the earnings disparities between different occupations are much enlarged in 2007. Occupation plays a more important role in impacting on earnings, as well as ownership and industry. The latter two factors also become more significant in 2007. The foreign and joint ownership and the monopoly industry are better help in achieving much higher earnings.

4.5 CONCLUSIONS

Based on the 'social class schema' built in the third chapter, the shares of each social stratum and the transformation of the social structure have been discussed in this chapter, as well as the gender distribution, comparisons and changes. The analysis of the transformation of social structure demonstrates labour migrated from the industrial manual worker market to the service industry worker market. This social change, as a result of the post-industrialization procedures, has left the majority of work force no longer engaged in manufacturing industries (Cai, Park and Zhao 2008).

With this giant labour migration, the proportion of the other social strata has also changed. The social strata, such as the professional and clerk expanded corresponding to the heavy demand for high-end personnel. Moreover, the proportion of the private entrepreneur and the self-employed have also increased with prosperity of the private economy and market development. In addition, the market sector in each social stratum extended as the direct outcome of market development. However, the state sector still has an obviously dominant position in the upper three social strata, whereas the proportion of the market sector is bigger in the lower two.

With the transformation in the social stratum, men and women encountered different experiences. Gender comparisons and changes from 2002 to 2007, in most social strata, reveal that the gender ratio gaps have decreased to a more even distribution between men and women. However, the circumstances for female workers are still not optimistic as suggested by the 2007 data. On the one hand, women have a much lower proportion in the top strata, such as official and manager, or entrepreneur. On the other hand, a large number of women occupy lower level social classes. Job segregation is still serious for female workers.

The earning distribution, which is the most important component of social stratification, has also been covered in this chapter. The circumstances of earning distribution, the comparisons of different social strata, and the gender earnings comparisons in each social stratum have been illustrated. To begin with, the earning capacity of the upper social classes increases more than that of the lower classes, which causes a polarization of earnings among different social strata. Moreover, the enlarged gap is not only impacting on the main social strata, but also the inner social strata. The earnings increase rate of the uncompetitive market sector cannot catch up with the other two subsectors and the competitive market sector performs the best. This has led to a change in their earning order.

With changes in the earning distribution of different social strata, gender earnings and distribution also changes. Although female hourly earnings increase from 2002 to 2007, their rate of increase was much more sluggish than that of men. In 2007, the gender earnings gap is obviously enlarged. Additionally, the state and market sector also impacts on the gender earnings gap. In the upper three social strata, the market sector is more preferable for female employees, whereas, for lower class women, the state sector provides more premiums and protection. But considering the small proportion of the state sector in the lower social strata, these protection and premiums were slim.

In exploring the factors that impact on gender social stratification, the factors, such as region, age and education were considered. Although there is no clear and significant relationship between the regional disparities and social stratification, the impact of age and education on social differentiation is identified. A trend towards younger entry level age is found for the upper social strata. Moreover, this upward flow in personnel is more significant for the female new entrants. The younger female employees in the higher occupations are with improvement of education and enhancement of human

capital. However, the less educated female workers tend to be restricted to the lower occupations.

Education and occupation have improved for women, but this did not lead to a concurrent improvement in their earnings. In order to explore the reasons why earnings of women deteriorated, UQR was taken to decompose the gender earnings and to illustrate the impact. Results of estimation demonstrate that the earnings loss caused by gender discrimination has increased, particularly for those women with higher earnings. In 2007, they encountered a greater gender earnings gap, as well as larger extent of gender discrimination. In addition, compared with men, female workers experience a lower increase in returns from their education, but larger decrease in returns from their age. Moreover, household factors, such as marital status and having a young child have a more negative impact on women than to men.

Other factors, such as region also impact on earnings for both men and women. Because of the unbalanced nature of economic development in China, people residing in the eastern regions have higher earnings (commodity prices and living costs are also higher). This phenomenon is more significant for those of lower and higher earnings in 2002. At the same time, the discussion of factors also includes occupation, ownership and industry and found that these factors play more significant roles in determining earnings in 2007. The discussion demonstrates that participating in certain occupations results in a greater possibility of realizing higher earnings, especially in the state and joint ownership enterprises and the monopoly industries.

UNIVERSITY OF NOTTINGHAM

CHAPTER 5

THE 'SOCIAL CLASS INDEX' FOR INDIVIDUALS AND MARRIED COUPLES

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‘SOCIAL CLASS INDEX’ FOR INDIVIDUALS AND FOR MARRIED COUPLES

Based on the ‘social class schema’ built in the third chapter, the last chapter explained the transformation of the social structure, the earnings distribution and made gender comparisons. The gender comparison of social stratification reported that women tended to cluster in a narrow range of the lower level social strata. Even though most social strata demonstrate an evenly distributed trend in terms of male and female shares from 2002 to 2007, the problems, such as occupational segregation and lower level strata of female workers are still severe. In addition, the earnings gap between the genders integrally enlarged. The gender earnings gap is evident in the lower earnings group in both years, and it had much enlarged by the stratum of official and manager in 2007. This change demonstrates that along with the ‘sticky floor effect,’ the ‘glass ceiling effect’ has become significant in ‘current’ China.

In exploring the factors that impacted on gender social stratification and earning, indicators, such as region, age and education, were considered. It was found that younger workers meet more opportunities to be recruited in the higher occupations, particularly for women who are equipped with an improved education. In contrast, the less educated female workers tend to be restricted to the lower occupations. However, the improvement of education and occupation for women have not led to a concurrent enhancement in earnings because gender discrimination has much increased. In addition, a lower educational return for the women of higher earnings is another reason for the enlarged gender earnings disparities. Moreover, the factor of age is much less rewarding for women than that of men and household indicators, such as marital status and having a young child, impact differently on men and

women. Women have less of a return from marriage, and the impact of having a young child is even negative. For men, the household indicators are higher and positive. Furthermore, the impact of region, occupation, ownership and industry are also elaborated upon.

These analyses are valuable and contribute many useful outcomes and conclusions. These discussions provide a detailed picture of the social structure, the earnings distribution and the comparisons between the genders. At the same time, these analyses try to explore the causes of gender disparities in social stratification and earnings. However, similar to other social class measurements which have advantages as well as limitations; this social stratification analysis is no exception. Later sections discuss the benefits of the method which creates a Chinese ‘social class schema’ based on occupation, ownership and industry, and particularly its limitations. Moreover, the most important thing is how to deal with these limitations and take the analysis of gender social stratification further. This is the focus of this chapter.

5.1 TWO ISSUES OF SOCIAL CLASS SCHEMA MEASUREMENT

Constructing the ‘social class schema’ aims to cluster those with similar circumstances into the same social stratum and meanwhile demarcate them from others. A social stratification analysis, based on the ‘social class schema,’ as mentioned above, has many advantages. The main value of this approach is that it can extract a resemblance for each social stratum and title them. Thus, the social structure and the make-up of the social class are clarified. This is also convenient for the study of their similarities and tendencies.

However, the method of ‘social class schema’ can be limited to some extent. On the one hand, the ‘social class schema’ is constructed on an individual’s occupational classification, which is based on his/her capacity in the productive sphere (Marshall, Newby, Rose and Vogler 2012). From earlier

discussion of the 'gender and class' debate, it is known that the impact of the household should be studied. On the other hand, the population with similar circumstances is allocated into certain social stratum, but the subtle differences within the stratum are not differentiated. In following paragraphs, I will discuss these aspects in detail.

5.1.1 The Subtle Differences within Each Social Stratum

The method of 'social class schema' is limited in its capacity to explain subtle differences within each social stratum. Even if individuals are allocated to the same social stratum, there are differences between them. For example, in the 'social class schema' that has been constructed, individuals were arranged in the same social stratum because they were in the same occupation, ownership and industry. They still confront disparities in other social aspects, such as disparities in earnings, educational level, welfare condition and job stability. These specific disparities in the same social stratum cannot be detected by using an analysis based on the 'social class schema.'

Occasionally, in order to demarcate these disparities and satisfy the particular research questions, the 'social class schema' has to be sub-classified. For example, in my 'social class schema,' with the purpose of expressing the Chinese dualist system of state and market, and the divisions within the domestic market, each occupational stratum is sub-divided into three sectors. In fact, these subdivisions can be endless until the subdivision is between each person, because variances between individuals can constantly be identified for these subsubdivisions.

In addition, the 'social class schema' is constructed mainly utilising a few of key variables. Still taking my 'social class schema' as an example, it is constructed mainly on the occupational classification which considers employment relations and conditions. At the same time, the variables of ownership and industry are used to subdivide each occupational stratum to

express Chinese institutional characteristics. Furthermore, the disparities in terms of earnings and other social aspects caused by types of ownership and industry are delineated, yet the specific differences between individuals are hardly quantified. Moreover, these disparities among different social strata is detailed and discussed based on this schema, instead of directly integrating it.

In order to depict the subtle differences in the same social stratum and to represent the specific circumstance of each observation, the Principal Component Analysis (PCA) is applied to create a comprehensive 'Social Class Index' (SCI) for each observation. Same method is used for creating Global Competitiveness Index (GCI) for 'benchmarking country's strengths and weaknesses in economic growth' (Porter, Delgado, Ketels and Stern 2008, p43). The function of this index is similar to the indexes such as the 'Corruption Perception Index' that shows the level of corruption of countries (Lambsdorff 2007), and the 'Comprehensive Assessment Index,' which expresses the teaching and research capability of universities. (The creation and analysis of the 'SCI' is illustrated in detail later in this chapter.)

According to this 'SCI,' the subtle differences and the rank of each observation can be achieved. It is a synthetizing procedure of combining these variables by PCA to create one value. Furthermore, this index is supposed to comprehensively reflect an individual's social classification. This is because the 'SCI,' not only includes occupation, ownership and industry, but also involves other aspects concerned with social stratification, such as earnings, educational level, job stability and social security situation. These social aspects are hard to utilize directly when creating a 'social class schema.'

Now the method of PCA and the created 'SCI' solves the difficulty of expressing the subtle difference in the same social class. There is still the question of how to study the impact of marriage and family on individual's social stratification. The following passages illustrate the essentiality of the

household perspective in a social stratification study and how to use the PCA to study this issue.

5.1.2 The Impact of the Household: Shared Resources and Activities

The 'social class schema' is constructed on an individual's occupational classification, which is based on his/her capacity in the productive sphere (Marshall, Newby, Rose and Vogler 2012). The individual perspective is necessary, because gender disparities and inequalities can be clarified in this way. However, studies merely from an individual perspective may neglect that one's social stratification is not independent, unaffected and mainly relies on one's position in the labour market. Actually, an entirely independent social class which neglects the impact of the household hardly exists. As Purcell, MacArthur and Samblanet (2010) suggest, the constituted family reshapes an individual's social position through household integration and redistribution.

From the discussion of chapter four, it is known that women encounter gender discrimination and have earnings gap comparing with men in the labour market, but the story does not end. Individual earnings can be redistributed within the household after marriage. It is known that marital status and childcare cut an earning capacity of women in the productive sphere, but women gain the right to dispose of the joint household earnings as wives and mothers, although their bargaining power alters in different households (Song 2008). Additionally, the redistribution effect in the household not only impacts on individuals, but also on the overall social structure. In the case of exogamous marriages, the social gaps narrow in terms of genders and different social strata. Conversely, in endogamous marriages, the social gaps in different family units and social strata can even expand.

The discussion in the introductory chapter over whether the family (household head) or individual should be regarded as a unit highlights the

impact of marriage on the social class of couples, particularly on that of women. (Erikson and Goldthorpe 1992; Goldthorpe 1983; Heath and Britten 1984; Sorensen 1994). In the debate over class and gender in the 1980s (Abbott 1987; Acker 1973; Goldthorpe 1983; Stanworth 1984a), orthodox class analysis stipulated that social class should be based on the household as a unit.

This is because, for a long time, a high proportion of women were not in the labour market, or passed in and out frequently, taking part-time jobs or working less hours after they got married and gave a birth (Marshall, Roberts, Burgoyne, Swift and Routh 1995). The 'loose attachment to the labour market' of traditional married women (Erikson 1984, p500), and their economic reliance on their husband made Davis and Moore (1945), Barber and Merton (1957) and other previous stratification theorists, assume that class position of women was represented by that of their husbands.

However, with the increasing participation of women in paid work, this thinking was untenable and diminished gradually to be replaced by the method of examining developments from the individual perspective (Heath and Britten 1984; Sorensen 1994; Stanworth 1984b). At the same time, the impact of marital status on social stratification should not be denied. Those who defended the opinion that family or household should be regarded as a unit in research on class stratification found that the family's impact on wife and husband was different.

Goldthorpe and his colleagues implemented research based on a population of eight different industrial nations, between 1973 and 1987, and found out that subjective social stratification of women was more influenced by their husband's class position than their own (Erikson and Goldthorpe 1992). In contrast, the social situation for the husband was completely unaffected by his wife's work position. Their social position stays the same no matter whether the wife is a housewife, a secretary, a professor or an

unskilled worker. A similar conclusion can be found in the studies by Zipp and Plutzer (1996) and Baxter (1994). Moreover, they also draw the conclusion that the oppression of women is over emphasized if using an individual approach for class analysis.

Other different opinions have been voiced and have enlightened on the methods suitable for a study of gender social stratification. Firstly, a woman's social position cannot be presumed to be totally dependent on her husband's. Stanworth (1984a) re-analyzed Goldthorpe's argument using the same data and drew a different conclusion from Goldthorpe. She found there was dissimilarity in terms of social stratification between wife and husbands. In addition, Abbott and Sapsford (1986) using a large British data set, disagreed with Goldthorpe's opinion, and proposed that a wife's class was determined at least in part by her own characteristics, rather than being totally dependent on her husband's. Moreover, Hayes and Jones (1992) used Australian data to verify the same conclusion that married women did not necessarily principally derive their class status from their spouses.

Secondly, a woman's social position has been increasingly dependent on her own characteristics, especially in the case of working women. For example, Davis and Robinson (1988) subdivided women as a group into two, housewives and working women. They pointed out that housewives probably took their husbands' social class position as their own, but working women gave equal weight to their own, as well as to their husband's characteristics. Furthermore, from the 1970s to the 1980s in the United States, social stratification of women experienced a shift from a 'borrowing model' towards a 'sharing model' (ibid). Currently, thirty years later, this transformation is expected to move towards a more 'independent model,' which is highly reliant on a woman's own personal characteristics. At the same time, the work of women is having more of an influence on the everyday lives of their families, so the husband can be affected by his wife in terms of the class classification aspects (Leiulfsrud and Woodward 1987).

Thirdly, a husband may impact on his wife's social stratification, but not on her social status. Researchers who regard gender as an essential for social class analysis insist that an individual's status has an independent trait that cannot be shared. Acker (1988) suggested that social status gained by an individual is different from that achieved through an association with another person. Alternatively, from a perspective of social status, the social status of unwaged housewife is different from that of her husband, because her social status is attained through her husbands, not achieved by herself.

Weber also observed the differences between 'social class' and 'social status.' Social stratification in a Weberian sense comprised two distinct but related dimensions, which can by an analogy be taken to be the individual and the household perspective (Dale, Gilbert and Arber 1985). On the one hand, social stratification based upon relationships in the labour market can be measured at the level of the individual. On the other hand, social stratification represented by patterns of consumption and living expenses is measured at the level of the family. The direct relationship with the labour market, which is allocated to one's social status and is connected with his/her occupational class position, is rarely shared. In contrast, the relationship with household, which is connected with household joint earnings, consumption and living expenses, is usually shared. This research applied these principles that an individual's social status is independent and household joint earnings and consumption are shared when discussing the impact of the household in later paragraphs.

In all, the individual and household perspectives are both essential in the study of social stratification. To combine both perspectives is more preferable, rather than completely adopting one and abandoning the other. Then the question becomes how to combine the two perspectives together, and how to observe the impact of the household on a couples' social stratification? The mentioned measurement for creating a 'SCI' for each observation inspires

how to determine the impact of the household and marriage. By changing a set of variables, which not only consider the unshared 'occupational classification,' but also the redistribution and exchange in the family, a new 'SCI' is synthesized. After comparing the two indices, the impact from marriage on a couple's social stratification, and the changes in their social class positions can be demonstrated. How to create these two 'SCI' is discussed in detail in later section of this chapter. The following paragraphs firstly illustrate the procedure to create the individual's 'SCI.'

5.2 THE CONSTRUCTION OF THE 'SOCIAL CLASS INDEX' FROM AN INDIVIDUAL PERSPECTIVE

The PCA is used to create the 'SCI.' This method is used for evaluating a country's global competitiveness by creating a single and fully integrated index (Porter, Delgado, Ketels and Stern, 2008). The PCA is able to convert a set of correlated variables into a set of principal components, which represent the connotation of the original variables. The number of the principal components is normally less than the number of original variables and these principal components are linearly uncorrelated with each other. These uncorrelated components can be used to represent the different dimensions of these variables. The first principal component explains the maximum amount of variance of the observed variables and can be calculated through the linear combination of these variables. The second principal component describes the maximum amount of the remaining variance and so on until all variance is explained.

Each principal component represents the different dimensions of the set of variables, especially those whose eigenvalue is more than 1. Then each component value, which can be automatically calculated by the 'predict' syntax, multiplies by the corresponding coefficient to calculate the final integrated value. In this study, this value is the 'SCI.' This procedure of calculation is discussed in detail in a later section. The premise of the PCA

method is that indicators are highly correlated and related to the underlying phenomenon that is being measured (Porter, Delgado, Ketels and Stern, 2008). Here, I firstly illustrate the indicator choosing procedure and the relationship between these indicators.

5.2.1 The Indicator Choosing Procedure

This section deliberates on the kinds of occupational characteristics and aspects of social stratification which are combined, and how to create the 'SCI' for each observation. Weber observed the differences between class and social status, and discussed many aspects of social stratification—performance in the market, for example, authority, property and particular skills (Babbie 2013). Later, in order to satisfy the feasibility of empirical class analysis, researchers tried to develop a definite way of detecting discrepancies, such as the methods constructed by John Goldthorpe and his associates (Erikson, Goldthorpe and Portocarero 1979; Goldthorpe 2007).

The aim of Goldthorpe's social classification schema was to differentiate positions in the labour market, especially the relations between employers and employees. These relationships can be classified into two main categories 'labour contract' and 'service relationship' (Goldthorpe 1980). Correspondingly, a range of occupational characteristics, such as the conditions of employment, career prospects and employee's autonomy are identified through many specific variables (Goldthorpe 2000). In addition, according to the Pierre Bourdieu's class analysis of elaborating a class model linked not exclusively to employment inequalities, but to the interplay between economic, social and cultural capital (Devine 2010; Savage, Warde and Devine 2005). The social and cultural indicators such as education attainment, forms of leisure participation, housing location and condition, and the social network are studied (Bennett, Savage, Silva, Warde, Gayo-Cal and Wright 2009; Dorling 2011; Wilkinson and Pickett 2011).

These analyses of social class are a good reference for my research, especially for the process of selecting variables to reflect the characteristics of social class. For example, Goldthorpe discussed the degree of occupational security, which is substituted for a discussion of labour contract status in my study. The 'permanent labour contract' is deemed more stable than the 'odd labour status.' However, realistic issues, such as the limitations of the data sets are also taken into account. Although the Chinese Household Income Project (CHIP) of 2007 provides much information concerning occupation and work situation, as well as demographic information, it still lacks some specific information, such as the information concerning an employee's autonomy and social networks.

Basic Doctrines of Selecting Variables

Some basic doctrines are applied to the process of selecting variables to give a better picture of social stratification. Firstly, variables, such as occupation, ownership and industry, are included. They are the fundamental components of creating a 'social class schema.' In addition, from the results of Unconditional Quantile Regression (UQR) in last chapter, the occupation plays a more essential role in impacting on earnings disparity, as well as ownership and industry. Therefore, the variables of occupation, ownership and industry are selected in the PCA.

Secondly, economic aspects, an essential part of class analysis, are added to the PCA. Discrepancies in economic situation of employees are manifestations and outcomes of disparities in their different occupations, ownerships, and industries. At the same time, because of 'socio-economic closeness,' economic circumstances also play an important role in determining the quality of other social aspects (Erikson, Goldthorpe and Hallsten 2012). Information about an individual's earnings strongly reflects their financial and economic situation. Following the logic of the earlier chapters, which used

hourly earnings to analyze economic disparities of different social strata, hourly earnings is unchanged and selected in synthesizing the 'SCI.'

Thirdly, in addition to considering earnings disparities, social security circumstances, especially the social insurance inequality are included. The Chinese social security system consists of social insurance, social welfare, social assistance etc. (Hussain 1994). Social insurance system, which is the core of the social security system, includes pension, medical, unemployment, injury and maternity insurance. As discussed in earlier chapters, China's social insurance system does not cover entirety of society, but a selected proportion of the population. At the same time, the amount guaranteed is also different among the persons and these social insurance projects are affiliated to different government departments. In addition, the historical urban-rural and ownership segment of social security has not been completely eradicated, and currently is related to the financial situation of enterprises and the economic position of employment units. All these characteristics make the Chinese social security system, especially the social insurance system a fragmented and unequal one (Saunders and Shang, 2001).

Generally, the urban public sectors provide better social insurance for their employees, particularly in the monopoly industries. This is because the social insurance system was first designed as a guarantor for the laid off workers in the state owned enterprises (SOEs). Progressively, the cover has expanded to the employees of other kind's ownership enterprises. After social insurance reform in the 1990s, the cost transferred from the SOEs to the state, which in reality is shared by the government, employers and employees.[24] The cost percentage shared among the government, employers and employees differs according to the employment unit. For the purposes of cost saving, some employers in small and medium sized private enterprises are reluctant

[24] The medical, pension and unemployment insurance are share by the enterprise and the employees, whereas the injury and maternity insurance are completely taken by the enterprises.

to join the social insurance schema. This results in many employees who work in the informal sector being in an unprotected situation.

Social insurance disparities among employees denote their advantaged or disadvantaged positions in the labour market. At the same time, the disparities are also related to life quality. Therefore, the circumstances of an individual's social insurance are incorporated into the PCA. The data set provides information regarding social insurance and housing funds. However, the exact level of social insurance and housing funds is not specified. In this analysis, I compare the employees who have insurance and those who have responsibility for paying the insurance.

Fourthly, information on educational level is also included in the variable set. Educational attainment is an important aspect of social stratification. Education, symbolizing the level of culture capital, is a starting point for understanding vocational choice and career promotion. In addition, educational attainment combined with occupation and career level determines economic and social prospects (Bukodi, 2009). The correlation of educational attainment with employment opportunity, occupational prospects, and earning circumstances demonstrates that education is an important branch of social stratification. Furthermore, in many studies, educational disparities have been used to explain earnings discrepancies. Therefore, the variable, years of schooling, which represents the level of education, is applied to the PCA.

The Final Selected Variables and Evaluations

After the overall considerations as discussed above, the final set concerning different aspects of occupation characteristics is achieved, as shown below:

I. Occupation[25] (7 for official; 6 for professional; 5 for clerk; 4 for

[25] The 'occupation' is conceived as quasi-metric variables here. In addition, according to the

industrial manual worker; 3 for service industry worker; 2 for owner of enterprise; 1 for self-employed);

II. Ownership[26] (5 for state owned; 4 for collective owned; 3 for foreign enterprise; 2 for private enterprise; 1 for self-employed);

III. Industry[27] (5 for state monopoly industry; 4 for semi-state monopoly industry; 3 for competitive market sector industry; 2 for semi-competitive market sector industry;1 for uncompetitive market sector industry);

IV. Job Stability (5 for permanent worker; 4 for long-contract worker; 3 for short-contract worker; 2 for temporary worker; 1 for domestic helper);

V. Unemployment Insurance (5 for paid by employer; 4 for paid by both employer and employee self; 3 for paid by employee self; 2 for no insurance; 1 for do not know the insurance);

VI. Pension Insurance (5 for paid by employer; 4 for paid by both employer and employee self; 3 for paid by employee self; 2 for no insurance; 1 for do not know the insurance);

VII. Injury Insurance (5 for paid by employer; 4 for paid by both employer and employee self; 3 for paid by employee self; 2 for no insurance; 1 for do not know the insurance);

VIII. Medical Insurance (5 for paid by employer; 4 for paid by both employer and employee self; 3 for paid by employee self; 2 for no insurance; 1 for do not know the insurance);

IX. Housing Funds (5 for paid by employer; 4 for paid by both employer and employee self; 3 for paid by employee self; 2 for no insurance; 1 for do not know the insurance);

X. Years of schooling;

XI. Hourly earnings;

---

occupational classification discussed in the third chapter, there is a rank among the stratification of employee, but no rank when they mixed. However, after checking the data, I found the entrepreneurs appear more in the non-state ownerships and uncompetitive industries. Many entrepreneurs even do not have much education and training. Considering these factors, I assign 2 for entrepreneur and 1 for self-employed in accordance with other selected variables.

[26] The 'ownership' is conceived as quasi-metric variables here.

[27] The 'industry' is conceived as quasi-metric variables here.

5.2.2 The Dimension and Structure of Indicators

The PCA result is impacted by the size of the variables. The larger the size of variable, the more weight arranged onto it. Therefore, in order to eliminate the different impact of the size of the variables, the natural logarithm forms are first employed for the variables of 'year of schooling' and 'earnings.' Afterward, each variable is standardized to a Z score (zero mean and unit variance of one). Before taking the PCA, the Cronbach's α (alpha) reliability coefficient is applied to check the internal consistency of the variables. As shown in table 5.1, the alpha value is 0.8878, which is higher than the requested and acceptable figure 0.7. This result demonstrates that the internal consistency of the job aspects concerned with the social stratification is preferable.

Table 5.1 Internal Consistency of Variables

Test scale = mean (Standardized items)	
Average inter item covariance:	.4183926
Number of items in the scale:	11
Scale reliability coefficient:	0.8878

Source: Chinese Household Income Project, 2007.

Note: The standardized 11 items are respectively the occupation, ownership, industry, job stability, unemployment insurance, pension insurance, injury insurance, medical insurance, house fund, year of school and hourly earnings.

Before synthesizing the final 'SCI,' the underlying structure of these variables is first determined by a Factor Analysis (FA). The outcomes from the FA and the 'promax oblique rotation' are shown in table 5.2 and 5.3. Firstly, the top three factors' eigenvalues are higher than 1.0 and together explain approximately 70% of the cumulative variance of all 11 variables. The three factors, whose eigenvalues are higher than 1, indicate that there are three main dimensions or aspects among these 11 variables. In order to clarify the

relationship between these variables and which dimensions they belong to, both varimax orthogonal and promax oblique rotation is applied. The grouping outcomes from the two rotations are similar. Due to the factor loadings, and as shown in table 5.3, the results from the promax oblique rotation are more prominent.

Table 5.2 Outcomes from Factor Analysis

Factor Analysis/Correlation Method: Principal-Component Factors Rotation: (un-rotated)			Number of obs. = 6777 Retained Factors = 3 Number of Parameter = 30	
Component	**Eigenvalue**	**Difference**	**Proportion**	**Cumulative**
Factor 1	4.48402	2.71296	0.4076	0.4076
Factor 2	1.98106	1.01556	0.1801	0.5877
Factor 3	1.23355	0.56296	0.1121	0.6999
Factor 4	0.69455	0.07312	0.0631	0.7630
Factor 5	0.58745	0.03581	0.0534	0.8164
Factor 6	0.53369	0.02353	0.0485	0.8649
Factor 7	0.43785	0.02475	0.0398	0.9047
Factor 8	0.34132	0.01512	0.0310	0.9358
Factor 9	0.28427	0.01344	0.0258	0.9616
Factor 10	0.21476	0.00727	0.0195	0.9811
Factor 11	0.20747	.	0.0189	1

LR Test: Independent vs. Saturated: Chi2(55) = 240.49 Prob.>Chi2 = 0.0000

Source: Chinese Household Income Project, 2007

The resultant groupings of variables are quite consistent with the conceptualization. Firstly, variables, such as occupation, ownership and industry, as well as job stability, load much higher on the first factor. The factor loading of each item is weighted as shown in table 5.3. These variables are concerned with information about 'job characteristics.' In this respect, the results verify the legitimacy of using occupation, ownership and industry to create 'social class schema' because of their close relationship in the Chinese labour market.

Table 5.3 Outcomes from Oblique Promax Rotation

Factor Analysis/Correlation Method: Principal-Component Factors Rotation: Oblique Promax (Kaiser off)	Number of Obs. Retained Factors Number of Parameter	= 6777 = 3 = 30

Factor	Variance	Proportion
Factor1	3.47753	0.3161
Factor2	3.40714	0.3097
Factor3	2.23969	0.2036

LR Test: Independent vs. Saturated: Chi2(55) =240.49 Prob.>Chi2 = 0.0000

Source: Chinese Household Income Project, 2007

Rotated Factor Loadings (Pattern matrix) and Unique Variances

Variable	Factor1	Factor2	Factor3	Uniqueness
Occupation	0.7713	-0.0577	0.1273	0.3402
Ownership	0.8852	0.0006	-0.1624	0.3162
Industry	0.6691	-0.1757	0.2004	0.4309
Job Stability	0.7821	0.1688	-0.0698	0.3029
Pension Insurance	-0.0132	0.8284	-0.1159	0.3613
Injury Insurance	-0.0798	0.8009	0.1296	0.3401
Unemployment Insurance	-0.0228	0.8448	0.0507	0.2765
Medical Insurance	-0.0543	0.8384	-0.0679	0.4154
Housing Funds	0.3106	0.4989	0.1867	0.4537
Hourly Earnings	0.0799	0.1001	0.8104	0.3455
Year of Schooling	0.0286	-0.0476	0.7845	0.3836

Factor Rotation Matrix

	Factor1	Factor2	Factor3
Factor1	0.4508	-0.5831	0.3580
Factor2	0.8391	0.8124	0.5936
Factor3	-0.3043	0.0061	0.7207

Source: Chinese Household Income Project, 2007

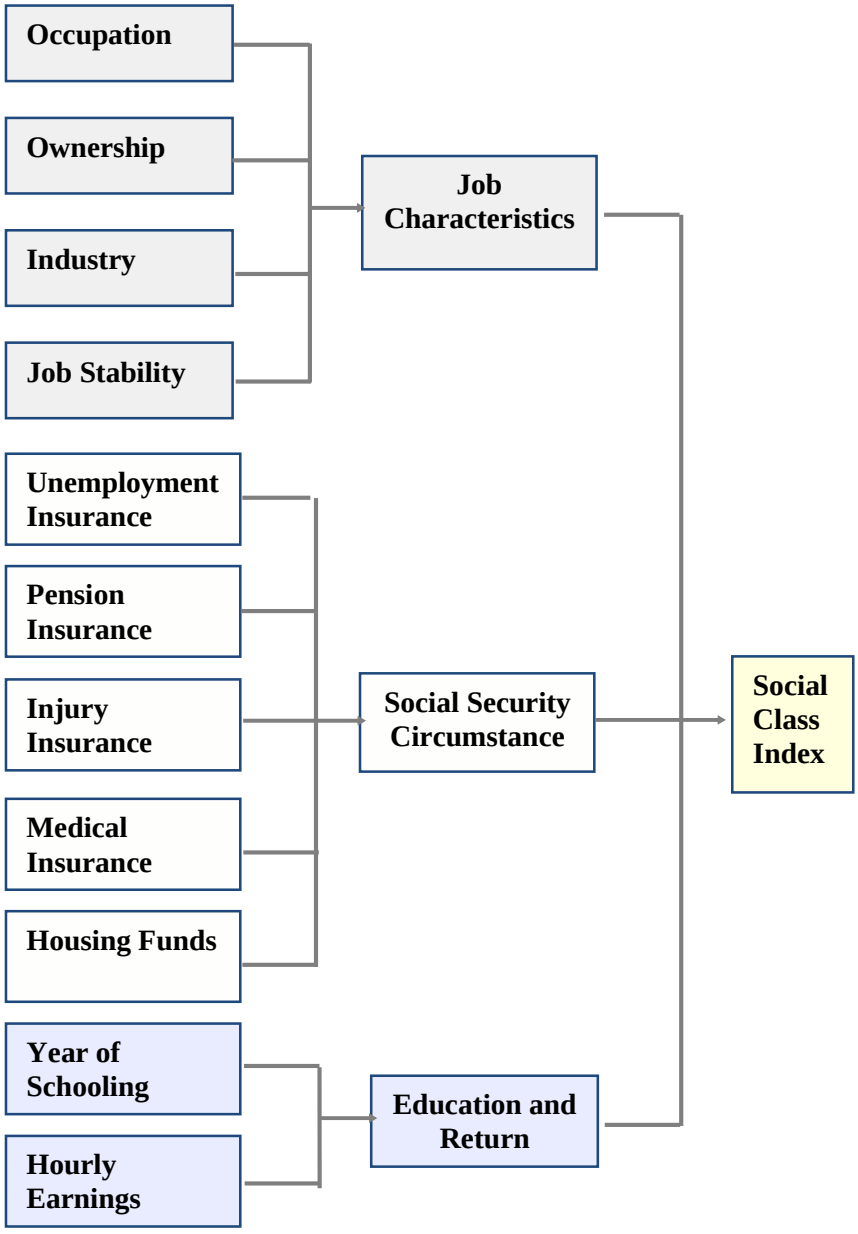
Secondly, variables, such as pension, injury, unemployment, medical insurance, and housing funds load much higher on the second factor, reflecting the information concerned with ‘social security circumstances.’ In addition, another point worth mentioning is that the factor loadings of housing funds have positive factor loadings on the first factor, which is concerned with ‘job characteristics.’ This occurrence is different with other ‘insurance circumstance’ related variables, such as pension, injury, unemployment and medical insurance. These variables have much more minor and negative loadings on the first factor.

The reason behind this lies in the fact that the population covered by housing funds is not as large as the other forms of social insurance. The other five forms of social insurances are required legally, while housing funds is not obligatory. In reality, even the required social insurance does not cover the employees completely, let alone in the housing funds. Furthermore, the population, who benefits from the household funding system, is mainly concentrated in certain employment units, such as the government, public institutions and large scale SOEs. These features adhere to the occupation, ownership and industry situation, which represent certain significance as ‘job characteristics.’ Therefore, it is not hard to understand why the ‘house fund’ has a relatively high loading on the first factor—the ‘job characteristic’ factor.

Thirdly, variables such as hourly earnings and years of schooling have much higher loadings on the third factor, which associates with the occupation requirement and its return. Years of schooling represented the educational level or certification that a certain occupation needed. The hourly earnings reflect the returns from education through occupational position. Earnings and education drop in the same dimension in the set of variables. This is related to circumstances in the labour market, which have been verified by many researchers using disparities in schooling to explain the earnings gaps. The circumstances of education and earnings reflect the disparities in the labour market from another perspective which is different from the ‘job

characteristics' and 'social security circumstance.' The relationships between different indicators and the 'SCI' are demonstrated in figure 5.1.

Figure 5.1 Relationship between Indicators and 'Social Class Index'



In addition, in the LR test of the independent vs. saturated, the low probability (p=0.000) demonstrates that no-factor model is too simple. This result implies that a uni-factor or multi-factor model exists to explain the relationship and combination of these variables. Therefore, in order to

determine whether the three factors model, which was extracted from the FA, is the perfect-fit model, the maximum-likelihood factoring is taken to check this. The maximum-likelihood factoring provides a formal hypothesis test that helps to determine the appropriate number of factors. The p value from the maximum-likelihood three factors model for these variables is larger than 0.05. This phenomenon demonstrates that this three factor’s model is not significantly worse than a perfect-fit model. Therefore, these three dimensions are accepted. As this part of the discussion focuses on the dimensions that the variables belong to and the structure of the variables, the validation results from the maximum-likelihood factoring are omitted here.

In sum, the selected eleven variables are grouped into three dimensions after the factor analysis. The variables, for instance, occupation, ownership, industry and job stability have much higher loadings on the first factor, which is related to the dimensions of ‘job characteristics.’ Variables such as the pension, injury, medical, unemployment insurance and housing funds have much higher loadings on the second factor forming the ‘social security circumstance’ dimension. Hourly earnings and years of schooling have a much higher loading on the third factor, which is concerned with the dimensions of educational requirement and return.

These variables illustrate certain aspects of social stratification comprehensively and many perspectives on the position and circumstances of employees in the labour market. Furthermore, the factor analysis verifies the closeness of the variables of occupation, ownership and industry, and certifies that it is appropriate to combine them together to reflect job characteristics in the Chinese labour market. After the discussion of their relationship and structure, later paragraphs deliberate on how to utilize these variables to create a ‘SCI.’ This ‘SCI’ is supposed to quantify the observation’s social stratification from multiple dimensions.

5.2.3 The Calculation Procedure of 'Social Class Index'

The first set of outcomes from the PCA is almost the same to the first portion from the FA. Only the 'factor' is changed into the 'component' and the number of the decimal places is different, as shown in table 5.4. The second part as shown in table 5.5, demonstrates the factor scores of variables, which is used to calculate the value of the principal components. As mentioned in earlier paragraphs, each principal component represents the different dimensions of the set of variables and can be automatically calculated by the 'predict' syntax. For example, the first principal component (f1), which is related to 'job characteristics,' is calculated by multiplying the factor score with the corresponding variable value, and then adding the products together. With similar steps, the components from f2 to f11 are calculated.

Table 5.4 Outcomes from Principal Components Analysis

Principal components/correlation			Number of obs. = 6777 Number of comp. = 3 Trace = 12 Rho = 0.6999	
Rotation: (unrotated=principal)				
Component	**Eigenvalue**	**Difference**	**Proportion**	**Cumulative**
Component 1	4.48402	2.712961	0.4076	0.4076
Component 2	1.98106	1.015558	0.1801	0.5877
Component 3	1.23355	0.562957	0.1121	0.6999
Component 4	0.694549	0.0731236	0.0631	0.7630
Component 5	0.587453	0.0358099	0.0534	0.8164
Component 6	0.533692	0.0235261	0.0485	0.8649
Component 7	0.437845	0.024753	0.0398	0.9047
Component 8	0.341322	0.0151225	0.0310	0.9358
Component 9	0.284269	0.013438	0.0258	0.9616
Component 10	0.214762	0.007267	0.0195	0.9811
Component 11	0.207473	.	0.0189	1

Source: Chinese Household Income Project, 2007

Table 5.5 Scoring Coefficients from Principal Component Analysis

Variable	Comp.1	Comp.2	Comp.3	Comp.4	Comp.5	Comp.6	Comp.7	Comp.8	Comp.9	Comp.10	Comp.11	Unexp.
Occupation	0.3381	0.3572	-0.2688	0.1140	-0.1757	-0.1205	0.3077	-0.2271	-0.1968	0.0057	0.6652	0
Ownership	0.3266	0.2672	-0.2570	-0.1343	-0.0026	-0.1058	-0.3082	0.6560	0.4394	-0.0276	0.0865	0
Industry	0.2549	0.3391	0.0749	-0.3342	0.4930	0.6365	0.1897	-0.0925	-0.0069	0.0012	-0.1000	0
Job Stability	0.3627	0.2446	-0.3266	0.0637	-0.2195	-0.2180	0.1526	-0.1573	-0.1587	-0.0036	-0.7273	0
Pension Insurance	0.2749	-0.4185	-0.1443	0.3443	0.3188	0.0796	0.1586	0.4637	-0.4794	0.1782	0.0079	0
Injury Insurance	0.3089	-0.3813	0.1235	-0.2458	-0.3393	0.1084	0.2907	-0.0579	0.3482	0.5894	0.0135	0
Unemployment Insurance	0.3270	-0.4118	0.0359	-0.0836	-0.2313	0.1852	0.1329	-0.0100	0.1001	-0.7738	0.0275	0
Medical Insurance	0.3134	-0.2147	-0.0935	0.2966	0.5236	-0.2395	-0.2298	-0.4610	0.4012	0.0159	0.0297	0
Housing Funds	0.3387	-0.0861	0.1290	-0.3137	-0.1480	0.0350	-0.7000	-0.1764	-0.4482	0.1082	0.0772	0
Hourly Earnings	0.2207	0.1219	0.6564	-0.2139	0.2112	-0.5625	0.2466	0.1431	-0.0971	-0.0884	-0.0151	0
Year of Schooling	0.2070	0.2602	0.5058	0.6596	-0.2587	0.3071	-0.1418	0.0460	0.1029	0.0384	-0.0549	0

Source: Chinese Household Income Project, 2007

Note: 'Comp.' refers to 'Component' and 'Unexp.' refers to 'Unexplained.'

The results from the PCA and the FA both demonstrate that the top three factors represent the three dimensions of this set of variables. Each observation's three dimensions — 'job characteristics,' 'social security circumstance' and 'certification and return' —can be valued automatically and ranked following these values respectively. These three components explain approximately 70% of the combined variance of all 11 variables. If only these three principal components are used, there would be a loss of 30% of the information of other dimensions. In order to comprehensively represent the circumstances of social stratification by creating a 'SCI,' all the related information needs to be used, even the last component with little contribution in explaining the variance. The formula for all the components used in calculating the 'chief factors fraction' (F) is as shown in the equation 4.1.

$$\mathbf{F} = \frac{\boldsymbol{\lambda_1}}{\sum_{i=1}^{11} \boldsymbol{\lambda i}}\ \mathbf{f_1} + \frac{\boldsymbol{\lambda_1}}{\sum_{i=1}^{11} \boldsymbol{\lambda i}} \mathbf{f_2} + \cdots + \frac{\boldsymbol{\lambda_1}}{\sum_{i=1}^{11} \boldsymbol{\lambda i}} \mathbf{f_{11}} \tag{4.1}$$

The coefficient in front of the component can be regarded as the weight of this component. The outcomes from the PCA give the coefficients, which is the proportion of each component as shown in table 5.4. Therefore, the final value F can be written as in equation 4.2. The value of F is regarded as representing the 'SCI' for each observation after it has been transferred and the maximum is made 100 and the minimum 0. As a synthesized index, it reflects comprehensively the socio-economic aspects of social class. This 'SCI' not only encompasses information on occupation, ownership and industry, but also consists of more inclusive information, such as job stability, social security circumstances, earnings and educational level. Now that each observation has been given a 'SCI,' disparities even in the same social stratum are revealed. In later paragraphs, I will illustrate this 'SCI,' its distribution, the comparisons among different social strata, and gender comparisons.

$$\mathbf{F = 0.4076f_1 + 0.1801f_2 + 0.1121f_3 + 0.0631f_4 + \cdots + 0.0189f_{11}} \tag{4.2}$$

5.3 THE DISTRIBUTION OF THE INDIVIDUAL 'SOCIAL CLASS INDEX'

5.3.1 The Social Class Structure and the 'Social Class Index' Distribution

This section of this chapter comprises a comparison of the 'SCI' among the different social strata. The outcome from the distribution of the 'SCI' is comparable to the discussion of hourly earnings distribution among the social strata. However, these two discussions have entirely different meanings, because the 'SCI' includes many aspects of social stratification, while earnings are one essential aspect of it.

Moreover, most importantly the comparison of the 'SCI' provides a clear picture verifying the social stratification based on the 'social class schema.' As shown in table 5.6, the average 'SCI' decreases according to the order of the main social strata. The official and manager stratum has the highest 'SCI' and the self-employed has the lowest[28]. The comparison of the 'SCI' between the subsectors of the main social strata (the state sector, competitive market sector and uncompetitive market sector) also follows the 'social class schema.' The state sector is dominant, closely followed by the competitive market sector, and the uncompetitive market sector falls last.

[28] It needs some explanation for the 'SCI' of the entrepreneur stratum, which ranked the last, but one. According to the occupational classification, the employer and employee have been differentiated first. There is a rank among the stratification of employee, but no rank when they mixed. Therefore, the entrepreneur was assigned very low value for the occupation when it put into the PCA. In addition, the entrepreneurs appear more in the non-state ownerships and uncompetitive industries, which also have lower value comparing with the state ownership and monopoly industries when putting into the PCA. Furthermore, many entrepreneurs, particularly the first rich, acquire wealth by the virtue of utilizing the imperfect legal system, social network or their diligent work. Most of them don't have much education advantage. In addition, because most entrepreneurs affiliated to the market sector, their social insurances were paid by themselves. Therefore, the comprehensive 'SCI' is not very high, although they have extremely high earnings as discussed in last chapter.

Table 5.6 Comparison of 'Social Class Index' between Social Strata

	Male	N.	Female	N.	Total	M/F
I Official and Manager	78.6	355	78.9	138	78.7	0.996
I 1 State Sector	83.5	185	82.1	92	83.2	1.012
I 2 Competitive Market Sector	78.6	85	80.8	14	79	0.966
I 3 Uncompetitive Market Sector	67.7	85	67.7	32	67.6	1.007
II Professional	75.9	922	76.9	615	76.3	0.987
II 1 State Sector	82.4	361	81.2	315	82.3	1.002
II 2 Competitive Market Sector	76.3	331	76.2	162	76.3	1.001
II 3 Uncompetitive Market Sector	65.4	230	65.8	138	65.6	0.994
III Clerk	72.4	816	70.8	769	71.6	1.023
III 1 State Sector	79.4	335	77.6	276	78.5	1.023
III 2 Competitive Market Sector	74.1	221	73.5	190	73.8	1.008
III 3 Uncompetitive Market Sector	62.2	260	62.9	303	62.6	0.989
IV Industrial Manual Worker	66.2	683	64.2	303	65.6	1.031
IV 1 State Sector	75.9	64	75	31	75.6	1.012
IV 2 Competitive Market Sector	69.8	394	67.6	163	69.1	1.033
IV 3 Uncompetitive Market Sector	57.1	225	56.1	109	56.8	1.018
V Service Industry Worker	55.8	731	52.5	929	54	1.063
V 1 State Sector	72.9	88	69	92	70.9	1.057
V 2 Competitive Market Sector	66	126	61.8	138	63.8	1.068
V 3 Uncompetitive Market Sector	50.5	517	48.6	699	49.4	1.039
Entrepreneur	46.6	40	45.6	9	46.4	1.022
The Self-employed	31.6	280	27.1	187	29.7	1.166
Total N.	66.2	3827	62.9	2950	64.8	1.052

Source: Chinese Household Income Project, 2007.

Note: The M/F is the comparison of numerical value of 'Social Class Index' between genders.

The ‘SCI’ comparison between different social strata also demonstrates a specific sequence. This complements the discussion in earlier chapters, which only discussed the order of the main social strata and the subsectors in each stratum. Also as shown in table 5.6, the average ‘SCI’ in the state sector of the professional stratum is higher than that of the competitive market sector of the official and manager stratum. The average index of the state sector of the clerk stratum is higher than that of uncompetitive sector of the official and manager stratum. There are many similar examples of cross-class position exchange. Therefore, the specific sequence of each social class can be observed according to their average ‘SCI.’

Indeed, one of the advantages of the ‘SCI’ is its ability to express subtle differences among individuals and determine his/her exact rank in the sample. In addition, as this ‘SCI’ includes much information concerned with social stratification, the ‘SCI’ in the same social stratum based on the schema is very diverse. Therefore, the social groups constructed on the ‘SCI’ are very different from the social strata in the ‘social class schema.’ (In order to differentiate from the social strata of the class schema, the groups based on the ‘SCI’ will be named social groups). For example, the top 10% social group according to the ‘SCI’ constitutes not only the official and manager stratum, but also the professional and clerk, and even the manual and service industry workers when theoretically their educational level, earning level and social security is high enough. The query then becomes how the social strata, which come from the constructed ‘social class schema,’ are distributed in the social groups, or vice visa.

With the intention of clarifying the composition of these social groups and making a comparison with the ‘social class schema,’ the sample is divided evenly into ten groups (decile 1 to decile 10), according to the individual’s ‘SCI’ from the top to the bottom. As the ‘SCI’ has high and low significance, these ten groups constructed on the ‘SCI,’ from the top to the bottom, are also equipped with sequence connotation. The first group (the top 10% group or

the decile 1) is supposed to have a higher comprehensive social class position, and the social conditions decreases successively from the top 10% group to the bottom 10% group. Table 5.7 demonstrates the cross-tabulation of the social class distribution from the social class schema and the ten social groups. Even though each of the ten social groups mixed officials, professionals, clerks and manual and service industry workers, their percentages are very different.

The different percentages and the changes in the pattern of the social strata among these ten groups once more verify the acceptability and legitimacy of the constructed ‘social class schema.’ The percentage of the main social strata of the official and professional displays a very clear decreasing trend from the top 10% group (decile 1) to the bottom 10% group (decile 10). In contrast, the main social stratum of the service industry worker witnesses an increasing tendency from the top group to the bottom group. As for the other main social strata, such as the clerk and the industrial manual worker, the highest percentage drops in the middle groups. This is also in accordance with the ‘social class schema.’ Their only difference is that the highest percentage of the clerks lay in the social group of decile 3, whereas this drops in decile 5 for the industrial manual workers. In addition, the distribution of the subsectors in the social groups also reflects the previous assumption. The distribution of the competitive market sector in the higher social groups is not as much as in the state sector, but much better than in the uncompetitive market sector.

In sum, the ‘SCI’ not only includes a comprehensive account of social stratification, but also has the capability to demonstrate an individual’s exact rank in the sample. In addition, the comparison of the ‘SCI’ between the different social strata verifies the legitimacy of the created ‘social class schema.’ The reliability of the ‘social class schema’ constructed on occupation, ownership and industry is demonstrated by the fact that the index decreases following the order of the main social strata from the stratum of official and

Table 5.7 Cross Table of the Social Classes and the Social Groups

Social Stratification	Decile 1	Decile 2	Decile 3	Decile 4	Decile 5	Decile 6	Decile 7	Decile 8	Decile 9	Decile 10	Total N.
I Official and Manager	151	105	70	59	35	34	25	9	4	1	493
I 1 State Sector	125	73	37	22	10	6	4	0	0	0	277
I 2 Competitive Market Sector	24	27	20	13	7	4	4	0	0	0	99
I 3 Uncompetitive Market Sector	2	5	13	24	18	24	17	9	4	1	117
II Professional	349	295	246	187	145	128	91	58	31	7	1537
II 1 State Sector	273	166	112	62	25	21	13	4	0	0	676
II 2 Competitive Market Sector	72	106	103	76	51	42	28	12	3	0	493
II 3 Uncompetitive Market Sector	4	23	31	49	69	65	50	42	28	7	368
III Clerk	153	218	240	225	212	173	166	133	56	9	1585
III 1 State Sector	124	146	125	86	70	34	17	8	1	0	611
III 2 Competitive Market Sector	28	61	91	87	67	26	28	20	3	0	411
III 3 Uncompetitive Market Sector	1	11	24	52	75	113	121	105	52	9	563
IV Industrial Manual Worker	7	38	80	139	192	165	134	129	92	10	986
IV 1 State Sector	6	24	23	16	9	7	5	5	0	0	95
IV 2 Competitive Market Sector	1	14	54	110	146	111	73	37	11	0	557
IV 3 Uncompetitive Market Sector	0	0	3	13	37	47	56	87	81	10	334
V Service Industry Worker	16	22	42	68	93	177	256	325	395	266	1660
V 1 State Sector	14	15	19	30	24	32	24	17	4	1	180
V 2 Competitive Market Sector	2	7	21	26	29	45	54	44	33	3	264
V 3 Uncompetitive Market Sector	0	0	2	12	40	100	178	264	358	262	1216
Entrepreneur	0	0	0	0	1	1	5	11	17	14	49
The Self-employed	0	0	0	0	0	0	1	13	83	370	467
Total N.	676	678	678	678	678	678	678	678	678	678	6777

Source: Chinese Household Income Project, 2007.

Note: The values in the table of social groups are number of observations in each social stratum.

manager to the service industry worker. At the same time, the index also abides by the order of the subsectors from the state sector to the uncompetitive market sector.

Furthermore, the average 'SCI' of the social strata reveals their relative position, and complements the discussion of the schema in earlier chapters. Finally, although the social groups constructed on the index had different meanings from the class schema, the different percentage of the social strata in the social groups and its change pattern is noticeable. The higher social strata are more easily found in the top social groups and their percentage decreases from the top to the bottom social group. This evidence once again confirms the acceptability and legitimacy of the constructed 'social class schema.'

After discussing the 'SCI' between different social strata, later paragraphs deliberate on gender comparisons, as well as the 'SCI' comparison between married couple. As mentioned, marriage and household redistribution and exchange impact on the individual's social stratification and then the overall social structure. The comparison of a couple's 'SCI' paves the way and provides a point of reference for future discussions in the new created 'SCI,' which considers household redistribution and exchange.

5.3.2 A Gender Comparison of the 'Social Class Index' among Social Class Strata

The outcomes of the gender comparison of the 'SCI' in each social stratum also can be found in table 5.6. Firstly, for the lower main social strata, such as the industrial manual worker and the service industry worker, the average 'SCI' of women is lower than that of men, no matter the subsectors. This phenomenon indicates that women engaging in lower occupations tend to have an inferior comprehensive social stratification than that of men.

In contrast, the average values of the ‘SCI’ for female workers are higher in the upper two main social strata, the official and manager, and the professional. This occurrence is caused by the higher female ‘SCI’ in the market sector in these two strata. In addition, for the clerk stratum in the market sector, the average female ‘SCI’ is also higher than that of men. Taking on non-manual work in the market sector helps women achieve a higher comprehensive social position. However, an important percentage should also be taken into consideration, that of the proportion of female employees, who are officials and managers. They constitute only one third of men.

Secondly, the gender gap of the ‘SCI’ enlarges following the social order. The lower social strata, such as that of the manual strata, have a larger gender gap in terms of ‘SCI.’ The reasons for the large gender gaps in the lower social strata are various. To begin with, the earnings gap between the genders, as discussed in the last chapter, was obvious in the lower social strata. In addition, female employees in non-manual labour occupations have a higher average in years of schooling; whereas less educated women tend to be restricted to the lower occupational strata. Alternatively, the women in the lower social strata do not have any educational advantage. With less education, lower earnings and occupation, it is not hard to comprehend why the comprehensive social position of women in the lower strata is inferior even to that of men.

Thirdly, after evenly dividing the sample into ten social groups according to the ‘SCI’ from the top to the bottom, the gender observations in the social strata and the social groups are compared. The result of the comparison is demonstrated in table 5.8. Generally, for both men and women, those who come from the higher social strata of the class schema tend to have a higher position in the social groups. However, the differentiation by social group has its own characteristics. For example, the gender ratio in social groups is not as extreme as in the class schema. This indicates that the ‘social

Table 5.8 Gender Comparison between Social Strata and the Social Groups

Social Stratification	Decile 1		Decile 2		Decile 3		Decile 4		Decile 5		Decile 6		Decile 7		Decile 8		Decile 9		Decile 10		Total N.	
	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.
I Official&M.	110	41	72	33	48	22	48	11	24	11	26	8	15	10	8	1	3	1	1	0	355	138
I 1	90	35	44	29	20	17	17	5	7	3	4	2	3	1	0	0	0	0	0	0	185	92
I 2	19	5	24	3	17	3	12	1	5	2	4	0	4	0	0	0	0	0	0	0	85	14
I 3	1	1	4	1	11	2	19	5	12	6	18	6	8	9	8	1	3	1	1	0	85	32
II Professional	205	143	174	121	146	100	115	73	87	58	74	54	57	34	36	22	23	8	5	2	922	615
II 1	150	122	88	78	58	54	31	32	14	11	12	9	4	9	4	0	0	0	0	0	361	315
II 2	52	20	71	35	67	36	52	24	30	21	27	15	22	6	7	5	3	0	0	0	331	162
II 3	3	1	15	8	21	10	32	17	43	26	35	30	31	19	25	17	20	8	5	2	230	138
III Clerk	99	54	121	97	129	111	114	110	101	112	84	89	62	104	66	66	34	23	6	3	816	769
III 1	82	42	79	67	69	56	45	40	32	39	14	20	8	9	5	3	1	0	0	0	335	276
III 2	16	12	36	25	49	42	44	43	37	30	13	13	13	15	11	9	2	1	0	0	221	190
III 3	1	0	6	5	11	13	25	27	32	43	57	56	41	80	50	54	31	22	6	3	260	303
IV Industrial.	6	1	28	10	67	13	100	39	134	57	110	56	90	44	83	46	59	32	6	5	683	303
IV 1	5	1	15	9	19	4	10	6	4	5	5	2	2	3	4	1	0	0	0	0	64	31
IV 2	1	0	13	1	46	8	80	30	106	39	71	41	48	25	22	15	7	4	0	0	394	163
IV 3	0	0	0	0	2	1	10	3	24	13	34	13	40	16	57	30	52	28	6	5	225	109
V Service Ind.	11	5	13	9	23	19	39	29	53	40	85	91	114	142	140	186	153	242	100	166	731	929
V 1	10	4	8	7	12	7	16	14	13	11	13	19	9	15	4	13	3	1	0	1	88	92
V 2	1	1	5	2	9	12	17	9	17	12	27	18	21	33	20	24	8	25	1	2	126	138
V 3	0	0	0	0	2	0	6	6	23	17	45	54	84	94	116	149	142	216	99	163	517	699
Entrepreneur	0	0	0	0	0	0	0	0	1	0	0	1	4	1	10	1	14	3	11	3	40	9
Self-employed	0	0	0	0	0	0	0	0	0	0	0	0	0	1	10	3	59	24	211	159	280	187
Total N.	431	244	408	270	413	265	416	262	400	278	379	299	342	336	353	325	345	333	340	338	3827	2950

Source: Chinese Household Income Project, 2007.

Note: The values from decile 1 to decile 10 are the number of the observations.

class schema' explains more of the gender occupational segregation, whereas the classification of social groups illustrates more of the comprehensive social factors.

In addition, even though the gender ratio in social groups is not that extreme, the gender gap still exists. The gender ratio in social groups is more unbalanced than the natural gender ratio in the overall labour market[29]. More men than women are found in the upper half social groups, from the decile 1 to decile 5. At the same time, women tend to be highly concentrated in the lower half of the social groups, especially the social group of decile 10, which have the highest female share.

I have discussed the gender comparisons of 'SCI' between different social strata and social groups. In addition, a comparison between couples was also the focus, especially after considering the impact of marriage and household exchange. The procedure of creating an individual 'SCI' suggests a way of measuring the 'SCI' for married couples. Some features, which relate to household sharing activities, were added in the study. At the same time, other aspects, which derive from occupation concerning social status, stayed the same. Thus, not only the independence of an individual' social status was considered, but also the household exchange and redistribution impact was reflected. Later paragraphs illustrate in detail how these two perspectives can be combined together.

5.4 THE RECONSTRUCTION OF THE 'SOCIAL CLASS INDEX' CONSIDERING THE IMPACT OF THE HOUSEHOLD

As discussed in the earlier paragraphs, both the individual and household perspectives are useful. Studies from an individual perspective are necessary, because women are invisible and become a black box if the

[29] The natural gender ratio here refers to the gender ratio in the overall labour market in the data set of CHIP, 2007, which is approximately 1.2.

household is regarded as a unit and a husband’s social status is used to represent his wife’s. However, only using an individual approach in class analysis can exaggerate the gender social gap in social distribution. After all, husbands and wives share many joint resources and activities during the marriage.

Additionally, the household also impacts on the overall social structure. When the social position of married couples changes, the whole social structure would be reconstructed. The unmarried individual’s position changes following the altered position of the married ones. The social gaps between families narrow or expand dependent on exogamous or endogamous marriages. In order to observe these issues, a vital task is to determine the impact of marriage, especially household redistribution on couples, then on the whole population.

The PCA is a good way to create a comprehensive index to represent many aspects of social stratification. The measure of creating an individual ‘SCI’ inspires the way to determine the impact of the household and marriage. Household redistribution and exchange can be viewed as an essential dimension to be synthesized into the PCA. Therefore, through changing and replacing the original set of variables, a new ‘SCI’ is created. This new index is different from the already created one, which only considered individual characteristics. Moreover, this index also includes information on household shared resources and activities. The comparison between these two indices indicates the impact of marriage status on the social class of couples.

For the convenience of presentation and discussion, the already created social class index is called the ‘Direct Social Class Index’ (DSCI) or ‘Direct Index,’ and the one, which is going to be discussed, containing the content of shared activities and redistribution in the household is named the ‘Indirect Social Class Index’ (ISCI) or ‘Indirect Index.’ Then the question becomes how

to represent the impact of the household redistribution and what variables should be added or used in the PCA for constructing the 'Indirect Index.'

5.4.1 Factor Changes and Continuities: The Reasons for Selection

Before discussing what variables are selected, one issue must be discussed. It is known from earlier discussion of creating 'SCI,' each variable should be standardized first, before putting it into the PCA. The standardized value is sensitive to the population to which it belongs and changes with the different groups. Therefore, in order to guarantee the comparability of these two 'Social Class Indices,' the group or the population of the sample should be the same. There are 6777 observations for creating the 'Direct Social Class Index.' The same group is used for forming the 'Indirect Index.' In addition, as the study is concerned with the impact of the household on the social stratification of married couples, the subgroup of married couples is emphasized. These couples are strictly matched in the data to make sure they are the same in the two PCA procedures. In these 6777 observations, there were 2173 married couples (4346 cases), accounting for approximately 66% of the population.

Now the variable selection for creating the 'Indirect Social Class Index' is elaborated upon. In the first place, the individual's position in the labour market or the social status is still the foundation of social class analysis, so the variables related to occupation characteristics remain the same. As discussed in earlier paragraphs, the social status achieved directly by the individual is different from the one attained through attachment with others. The social status drawn from individual's own position in the labour market has an overwhelming impact, which cannot be shared even between couples. Consequently, one's occupation and concerned characteristics are still the primary element in determining his/her social stratum even after they are married.

For the married couples, the spouse may impact on his/her partner in terms of certain ideas, ideology, consumption tastes and life style. However, the partner’s occupation status is hardly impacted, as well as their formal interaction with collages, their experiences and activities in work place etc. In short, the spouse scarcely impacts on their partner’s occupational classification. In addition, from a theoretical perspective, even if a partner’s occupation is impacted upon, this impact is ultimately reversed by his/her own occupation and then his/her social stratification. This returns us to the old approach to occupational study.

From the methodological perspective, the impact of a spouse cannot be measured through the replacement and substitution of occupation. That means the variables of occupation and related characteristics of the individual cannot be changed. An attempt to add a new variable of spouse’s occupation into the variable set is tried. However, adding a spouse’s occupation characteristics into PCA leads to a loss the observations who are single because their partner’s information is missing. This is not desirable because the research purpose is studying the impact of the household on the overall social structure, not only couples. In this sense, the individual perspective persists in the occupational classification. Marriage or impact of the household cannot destabilize its foundation. Therefore, variables, such as occupation, ownership, industry, job stability, educational level and social security circumstances, are not changed and are reused to synthesize the ‘Indirect Index.’ These variables are directly concerned with an individual’s occupational position and cannot be shared between couples.

In the second place, the impact of the family on a married couple’s social stratification is mainly expressed through shared properties, earnings etc. economic resources and daily consumption. To begin with, economic resources are divided, which is different from occupation status, which is hardly shared. Economic resource sharing between couples is even guaranteed by law. During marriage a husband and wife legally and equally claim a joint

share in the household. Next, the sharing of household economic resources between the couples, especially earnings, is visible and a daily occurrence. This sharing is basis for other forms of interaction, and an essential component of household exchange and redistribution. This tradition in earnings sharing can even be traced back to the period before women went to work and men were regarded as the bread-winner. By the virtue of their division of labour, husband and wife contributed to the family. Wives did the housework and took care of the family members, and husbands earned the salary to satisfy the essential supplies for the whole household. Since women have participated in paid work, their earnings have become another contribution to the family.

Consequently, the sharing of economic resources is an important impact of the household. Thus, each partner’s individual earnings should be considered integrated in the household account after they are married. The data do not provide the total amount of household property, but detailed information about the kinds of household earnings in 2007 is available. This shared total household earnings, replaced individual earnings, to present one’s economic situation. Furthermore, household earnings are not only shared between couples, but also family members if they had a child. So the variable of shared household earnings refers to the total household earnings divided by the number of household members. For a single adult, there is no such married family impact, so their individual earnings are still utilised. While for the married couples, individual earnings are replaced by shared household earnings to synthesize the ‘Indirect Social Class Index.’

Thirdly, another three new variables are added, the consumption of food, clothes and culture and entertainment. As discussed in the above paragraphs, household consumption as shared by couples is an obvious and everyday occurrence. Together with household earnings, this joint consumption behaviour constructs a basis for other interactions in the family. Household earnings determine the quality and quantity of household consumption. Consumption in turn represents household earnings

circumstances. In addition, consumption reflects information about family’s living standards and lifestyle through the expenditure portfolio of consumer products. An analysis of repeated everyday joint consumption and engagement in leisure entertainment activities reveals the impact of the household on individuals. The data sets provide rich information on household consumption, for example, the consumption of food, clothing, residence, transportation and communication, household facilities, and culture and entertainment.

All these consumption categories are firstly put into the PCA. However, excluding consumption of food, clothes, and culture and entertainment, the dimensions of the other variables are not ideal. After a rotation, consumption on residence, transportation and communication and household facilities does not load on the same dimension as ‘consumption circumstance.’ At the same time, they load small on the other two main dimensions, ‘job characteristics’ and ‘social security circumstances.’ The explanation, for instance, for consumption on residence, is that it is more related to the observation’s age, rather than consumption itself having social stratification significance.

It is known that the house prices in China have kept rapidly increasing since 2002. Currently, the price of a flat in many cities is much beyond the purchasing power of the new generation, especially for migrants. Compared with seniors, the young generation, particularly those born after the 1980s, are forced to pay a mortgage loan or rent because they missed the opportunity to own a flat when they reached marriage age. The young generation have residence expenditures, while the senior population does not. The same explanation can also be applied to household facilities. Therefore, these variables are not in the same dimension as consumption on food, clothes, and culture and entertainment, which represent routine social class consumption. Eventually, only the variables of consumption on food, clothes, and culture and entertainment are selected to input into the PCA.

In sum, the variables, which are concerned with the occupational classification, which are hard for couples to share, remain the same. These variables include occupation, ownership, industry, job stability, educational level and social security circumstances. In contrast, the variables that can be shared with spouse, such as the individual earnings, are replaced by shared household earnings. In addition, another three new variables, consumption on food, clothes, and culture and entertainment, are added in. Following the same steps as when creating the 'Direct Index,' each observation is given a new index—the 'Indirect Index'—with the new variable set.

Household earnings and consumption convey household redistribution and exchange. Its change, compared with the 'Direct Index,' expresses the impact from the household. As the comparison of these two indexes is the focus of this chapter, the discussion of the structure of the new variable set and inner relations is not detailed. Now that the two social class indexes have been created, the following paragraphs compare these two indices and perceive how the household factors impacts on the social stratification of couples, genders and the whole population.

5.4.2 The Impact of the Household: Changes in the 'Social Class Index' and Gender Distribution

In this section, the change in an individual's social class position is first discussed. According to the direct and indirect 'SCI' created by the PCA for each observation, their exact places in the sample are also ranked. The change outcomes of social position are shown in table 5.9. From a comparison, excepting only two observation ranks, which have not been impacted upon, the entire sample's social positions readjusted. Among them, approximately 49% of the sample witnessed their social rank rising. In contrast, 51% decreased. The question then occurs as to whose 'SCI' declines, and whose

Table 5.9 Comparison of Changes in Social Class Rank

Comp.	Decreased		Risen		Same		Median of Risen Range		Median of Decreased Range	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Decile 1	76.1	63.9	23.7	36.1	0.23	0	144	140	365	351
Decile 2	65.0	57.4	35.1	42.6	0	0	361	429	783	614
Decile 3	57.6	55.9	42.4	44.2	0	0	542	602	1021	782
Decile 4	58.9	48.5	41.1	51.5	0	0	773	918	867	858
Decile 5	53.8	43.5	46.3	56.5	0	0	862	928	673	815
Decile 6	49.9	38.5	49.9	61.5	0.26	0	915	1133	685	567
Decile 7	50.0	39.9	50.0	60.1	0	0	891	889	583	533
Decile 8	53.0	42.5	47.0	57.5	0	0	641	660	517	477
Decile 9	49.9	41.4	50.1	58.6	0	0	701	509	372	329
Decile10	33.2	34.9	66.8	65.1	0	0	353	301	146	174
Total N.	2123	1350	1702	1600	2	0	2123	1350	1702	1600

Source: Chinese Household Income Project, 2007.

Note: 1. The social groups are divided based on the 'Direct Social Class Index.'

2. The value of 'Decreased,' 'Risen' and 'Same' from top 10% to bottom 10% is the percentage of the observations.

3. The range is the median value of each social group.

4. There are together 3,827 cases for male, and 2,950 for female; among them, there are 2,173 couples.

index improves after considering the impact of the family? In addition, how has the range of their social class positions changed?

In order to answer this question, the comparison between different social groups is referred to. Still as in table 5.9, the upper social group tend to lower their social ranks after readjusting the ‘Direct Index.’ Especially for the social groups of the top 10% (decile 1), the proportion of the sample whose index decreased is threefold that of the proportion of the sample whose index increased. On the contrary, the lower social groups, especially the bottom 10% (decile 10), experience an increasing tendency relative to their social position. This phenomenon demonstrates that the household exchange and redistribution have an altering impact on the different social groups. It tends to decline the upper social groups’ individual social class position and enhance the social class position of those who come from lower social groups. Household exchange and redistribution bridges the social gap between individuals of different social groups through reconstructing the social structure.

As for the range of social position changes, the maximum (from the bottom to top) and minimum (from the top to bottom) can take place theoretically. However, in reality, such extreme examples are rare. In addition, the range of improvement and retrogression is diverse for different social groups. Therefore, who are those who improved or retrogressed the most and the least in their social position after considering household redistribution? The comparison between different groups is completed to answer this inquiry. As shown in table 5.9, the top 10% social group had the smallest range in enhanced social class. This is because they belong to the top group, whose already high social position has less room for improvement. For the same reason, the bottom 10% social group show the least decline in range.

In contrast to the smallest change in range in the top 10% and bottom 10% social groups, the greatest range in change happens in the middle social groups, from the social group of decile 3 to decile 7. Their median change range, as shown in table 5.9, is even large enough to step out of their original social

groups. Moreover, there was a direction difference of change in the middle social groups. The lower middle social groups (decile 6 and decile 7), encounter a greater range in terms of enhanced social position. In contrast, the upper middle social groups (decile 3 and decile 4), meet a larger range in decline of social position. The larger range of the enhanced social position in the lower middle social groups and the larger range of the declined social position in upper middle social groups restructures the original middle social groups and relieves the original social gaps.

In sum, the 'Indirect Index' reconstructs the social structure, and changes the individual's social position in the sample. From the outcomes of the comparison of the two social ranks, the upper social groups are inclined to lower their social ranks, although the change range is not as large as the middle social groups (decile 3 to decile 7). In contrast, the lower social groups tend to enhance their social positions. In addition, the lower middle social groups encounter greater range in terms of their enhanced social position, whereas the upper middle groups meet a larger range in terms of their declined social position. These social position adjustments and changes relieve the social gaps between individuals from various social groups. After comparing social position changes between different social groups, the next passages highlights gender social stratification changes within this new 'SCI' and ranks.

As discussed, the impact of the household declines the social gap between different social groups. Can the same statement be concluded for the gender social stratification gaps? The comparison between two social class ranks answers this question. As shown in table 5.9, 55.5% of men decline their social class ranks after taking into consideration the impact of family redistribution, whereas there is 45.8% decline for women. For those who increase their social class ranks, the situation happens in reverse. More women (54.2%) witness their social class ranks increase, which is almost 10% higher than that of men. In addition, this increasing tendency is more significant for the middle and even lowers social groups, such as the decile 6, decile 7 and bottom 10%. A larger proportion of women in these social groups increases

their social class position after taking into consideration the impact of the household.

The relieved gender social gap is more clearly observed from the change in distribution of the gender population in the social groups. As shown in table 5.10, the gender ratio of the ‘Indirect Index’ proves a significant balancing tendency between men and women in all social groups. The proportion of women augments in the upper half of the social groups. Even though men still have the advantage in the upper social groups, the gender ratio gap decreases. In contrast, for the lower half of the social groups, the proportion of women declines, while that of men increases. This change relieves the original gender proportion gap in the social groups. It should be mentioned here that a declination in social class rank does not imply an individual’s realistic life situation deteriorates. The changes of their relative location in the sample are caused by the different measurements.

In addition, the range of social class position change is different for men and women. Table 5.9 also demonstrates gender comparisons in range in different social groups. For those who upgrade their social positions, women have a tendency to improve much more than men. Especially for the social group of decile 6, women constitute a larger proportion and have a larger range of enhancement in their social positions. In contrast, for those who retrogress, women are inclined to descend to a less extent in comparison to men. The more improvement and less retreatment in social rank for women demonstrates the positive impact of the household shared activities on their social stratification. All the evidence from a comparison of the two ranks, the balanced gender ratio in the social groups and the unbalanced change in range of the social ranks between men and women prove that household exchange and redistribution relieves the original social gap between genders.

This conclusion proves the necessity of the study of the impact of the household on gender social stratification. At the same time, it also confirms the conclusion that if we only use the individual perspective, and do not consider

Table 5.10 Gender Distribution Change in Social Groups

Comparison	Direct Index			Indirect Index		
	Male	Female	M/F	Male	Female	M/F
Decile1 (Top 10%)	11.3	8.3	1.36	10.4	9.4	1.11
Decile2 (T10%-T20%)	10.7	9.2	1.17	10.0	10.0	1.01
Decile3 (T20%-T30%)	10.8	9.0	1.20	10.4	9.5	1.10
Decile4 (T30%-T40%)	10.9	8.9	1.22	10.6	9.3	1.14
Decile5 (T40%-T50%)	10.5	9.4	1.11	10.4	9.5	1.10
Decile6 (T50%-T60%)	9.9	10.1	0.98	9.8	10.3	0.95
Decile7 (T60%-T70%)	8.9	11.4	0.78	10.2	9.7	1.06
Decile8 (T70%-T80%)	9.2	11.0	0.84	9.6	10.5	0.92
Decile9 (T80%-T90%)	9.0	11.3	0.80	9.2	11.1	0.83
Decile10 (Bottom 10%)	8.9	11.5	0.77	9.3	10.9	0.86
Total	3,827	2,950	1.30	3,827	2,950	1.30

Source: Chinese Household Income Project, 2007.

Note: The value from decile 1 to decile 10 is the percentage of the observations.

the impact of the household on married couples, the gender gaps could be artificially enlarged. The readjusted 'Indirect Index' combines the individual and household viewpoints together and provides a more comprehensive assessment. Marital status and childcare, cutting an earning capacity of women and their career prospect, pull down their social stratification in the productive sphere, but the joint household earnings and consumption reconstruct this classification. The analysis of gender comparisons and issues based on the 'Indirect Index' and its ranks makes up for the shortcoming of the studies only from the individual or the household perceptive. After discussing the reconstructed social groups and gender issues, the reason why marriage can relieve the social gaps between different social groups and genders need to be pondered and a explored next.

5.5 MARITAL CHOICES AND ITS IMPACT ON SOCIAL STRATIFICATION

5.5.1 Marital Choice: A Comparison of the 'Direct Social Class Index' between Couples

In order to clarify how marriage plays a part in relieving the social gaps between genders and different social groups, the discussion should begin with the model of marital choice in terms of the spouses' social stratification. After strictly matching the information on married couples in the same household, the comparison of the 'Direct Index' between couples demonstrates that a husband usually has a higher 'SCI' than his spouse before they get married. As shown in table 5.11, 62% of husbands had a higher social position than their wives, which is twice that of the proportion of wives, whose 'SCI' is higher than their husbands. The gender social gap between husband and wife in the productive domain confronts a restructure after they are married, because of the household exchange and redistribution.

Table 5.11 Comparison of Direct and Indirect 'Social Class Index' Between Couples

Direct Social Class Index	Male	Female	Total
Higher than Partner	62.0%	34.9%	48.4%
Equal as Partner	3.1%	3.1%	3.1%
Total	2,173	2,173	4,346
Indirect Social Class Index	**Male**	**Female**	**Total**
Higher than Partner	53.7%	35.3%	44.5%
Equal as Partner	11.0%	11.0%	11.0%
Total	2,173	2,173	4,346

Source: Chinese Household Income Project, 2007.

Actually, exogamy (marriage across social groups) relieves the original gender social gaps between husband and wife, no matter whether the husband's social position is higher, or lower than his wife's. This is because their social gaps are averaged through household shared economic resources and consumption when the related variables are put into the PCA. This average result is represented in such a way that a husband's 'Direct Index' decreases if

it was higher at the beginning. It could also improve if it was lower than his wife originally. The improvement in a husband’s social position, even if the portion is not as much as that of wives, is another form of gender social gap decline.

A husband’s enhanced social position after household redistribution reduces the original social gaps with his wife who has a higher ‘SCI.’ Correspondingly, a wife meets an improvement in her social position if hers is lower than her husband counterpart. As the proportion of wives whose social positions are lower than husbands at the beginning, is larger, the enhanced effect from the household is more broadly felt by wives. Therefore, as long as there is a difference between couples in the productive sphere, the impact of the household is going to average it and the opposite result to the original distribution of husbands and wives is achieved and the gender social gaps decrease.

From the discussion in the above paragraphs, it is known that household shared economic resources, such as the earnings and consumption, have an averaging impact, which reduces the gender social gaps between couples. In addition, because the social positions of wives are lower than their husbands in the productive domain, more women’s social class positions improved after considering the average impact of the household. Then the question becomes what is the range of the social gaps between couples? The household averaging impacts indeed reduced the social gaps between couples and the gender social gaps. However, if the social gaps between couples mainly happen in the same social group level, the social gaps between different households can be enlarged due to this high possibility of endogamy. If most men from the higher social groups marry women also from the higher social groups, even though the household averaging impacts reduce their gender social gaps, the social gaps between different social groups can expand.

In order to provide a specific picture of Chinese marriage matching and the social gaps between couples, the comparison of their belonging to social

groups is delivered in table 5.12(a). On the one hand, the highest proposition of marriage happens in the same social groups. However, excepting the social group of the top 10% and bottom 10%, the proportion of endogamy is less than half, and the total percentage of exogamy is larger than the proportion of endogamy. Cross social group marriage decreases the original social gaps between different households, and then the different social groups. In addition, closer to the middle social group, this exogamy is more significant. The explanation is similar with the clarification of the impact of the household on the overall social groups that population in the middle social group had more chances for mobility. While, the mobility of the top 10% and bottom 10% social group, is relatively slim. Upward marriage cross social group for the top is hard because they cannot rise higher, and the same applies in the opposite direction downward for the social group at the bottom.

On the other hand, compared with men, women engage in more cross marriage, especially upward marriage, by marrying those whose social strata are higher than themselves. Still as shown in table 5.12(a), the cases in the upper right hand—for women who married higher than their own social groups—are much more than the lower left hand. The men coming from the lower half of the social groups scarcely marry the women in the upper half of the social groups. On the contrary, these percentages are much higher for women in the lower half of the social groups. Women marry men in higher social groups and this not only decreases the social gaps between couples, but also decreases the gaps between different households and social groups, and together changes the original social structure. Therefore, marriage, especially cross class marriage, objectively plays a role in reallocation and redistribution of the social resources and bridges the social gaps between different families and social groups. Later passages depict the change in 'SCI' and the social position of couples in detail.

5.5.2 The Impact of the Household: A Comparison of the 'Indirect Social Class Index' between Couples

Table 5.12(a) Comparison of Affiliated Social Groups between Couples, by Direct Social Class Index

Husband \ Wife	Decile 1	Decile 2	Decile 3	Decile 4	Decile 5	Decile 6	Decile 7	Decile 8	Decile 9	Decile 10	Total
Decile1	120	46	22	25	15	23	15	10	6	2	284
Decile2	28	63	47	24	16	17	26	13	11	8	253
Decile3	17	22	59	28	26	31	19	20	7	4	233
Decile4	8	20	30	41	36	26	30	16	22	12	241
Decile5	8	8	17	33	47	36	32	23	22	14	240
Decile6	4	8	6	16	24	36	48	26	17	14	199
Decile7	2	7	7	8	20	22	42	33	23	13	177
Decile8	0	3	4	5	14	15	27	41	36	20	165
Decile9	2	2	2	8	8	8	17	28	66	45	186
Decile10	1	6	1	1	4	3	6	16	29	128	195
Total	190	185	195	189	210	217	262	226	239	260	2,173

Table 5.12(b) Comparison of Affiliated Social Groups between Couples, by Indirect Social Class Index

Husband \ Wife	Decile 1	Decile 2	Decile 3	Decile 4	Decile 5	Decile 6	Decile 7	Decile 8	Decile 9	Decile 10	Total
Decile1	149	52	15	7	7	9	7	3	1	0	250
Decile2	22	103	38	18	12	6	8	9	8	0	224
Decile3	8	29	74	52	19	10	8	15	13	3	231
Decile4	5	12	33	64	44	31	15	15	12	3	234
Decile5	4	4	14	34	76	43	29	21	20	7	252
Decile6	1	8	10	11	31	70	42	24	11	13	221
Decile7	5	4	6	8	13	24	70	40	23	13	206
Decile8	2	4	7	10	12	14	24	69	35	17	194
Decile9	2	1	3	6	5	13	9	27	79	33	178
Decile10	0	0	0	1	2	4	4	9	27	136	183
Total	198	217	200	211	221	224	216	232	229	225	2,173

Source: Chinese Household Income Project, 2007.

Note: The value in the table is the number of the observations.

As mentioned in the above paragraphs, the social gaps between couples decrease because of the averaging impact of the household. The outcomes from couples of their direct and indirect 'SCI' is compared to demonstrate how household shared earnings and consumption reconstruct social stratification between husbands and wives. The 'Direct Index' comparison between couples is deliberated in the discussion on marital choice. 62% of husbands chose wives whose social positions are lower than themselves before marriage. This number is twice the proportion of wives who marry downward. In addition, 3.1% couples had the same 'SCI' and are in the same social position in the whole sample. The circumstances of couples using the 'Direct Index,' as references, are listed to compare with the circumstances of couples using the 'Indirect Index.'

As shown in table 5.11, after considering the impact of the family, the proportion of the males whose social position is still higher than that of his spouse decreases almost ten percent, from 62% to 53.7%. Correspondingly, the proportion of the female group whose 'SCI' is higher than that of her husband increase slightly to 35.3%. This is because the marriage has an averaging effect, but it hardly fundamentally reverses the stereotypical household situation in which husbands usually have a higher social position than their wives. However, from the comparisons between couples in terms of their direct and indirect 'SCI,' the social gaps between couples have much decreased. Especially for the group whose 'SCI' is equal to their spouse, its proportion has increased from 3% to 11%.

The decrease in social gap between couples is more phenomenal from the comparison between couples' affiliated social groups, which divided according to their direct and indirect 'SCI.' Table 5.12(b) provided these comparisons. The range of the social gaps between couples before marriage is discussed in explaining how marital matching, exogamy decreases the social gaps between different social groups. Social gap bridging between couples relieves and reconstructs their social positions in the population, then leads to a readjustment in unmarried social positions and the overall social structure.

The range of social gaps between husbands and wives is much decreased. A higher proportion of couples fall in the same social groups. In addition, the gaps between couples, especially those gaps that cross multiple social groups, is much reduced.

Another idea, which should be mentioned about the impact of the household on couples, is that wives tend to enhance their social positions more than their husbands counterparts. That the wife’s percentage increases in the upper half of social groups and decreases in the lower half of social groups demonstrates the positive impact of household shared activities on the social stratification of wives. In contrast, the proportion of the husband in the upper half of social groups confronts a reduction. Wives experience lower earnings and lower occupational stratification in the labour market, while the family and household redistribution compensate for some of their loss. Marital status and childcare can take up time and capability of wives for their higher earnings and prosperous career in the productive domain, whereas the sharing joint household earnings with their husbands rewards them a little bit.

In sum, the household evening up impact has more possibility to improve social positions of wives, since they experience an inferior position in the productive sphere. Thus, the original gender social gaps are relieved following the reduction of social disparities between husbands and wives. Meanwhile, the social gaps between different social groups are reduced through cross class marriage. Therefore, marital status reconstructs the social positions of couples, and leads to a social position readjustment for the unmarried and overall social structure. Marital status can have a negative impact on women in the labour market, which is reflected in their lower earnings and lower occupational stratification, while the sharing of household economic resources and consumption with their husbands reconstruct this classification to some extent.

5.6 CONCLUSIONS

In this chapter, a new method has been developed to study gender social stratification. At the beginning, the advantages and disadvantages of social stratification based on a ‘social class schema’ were discussed. The approach using occupational classification had many values, while at the same time it can be limited to some extent. On the one hand, it is hard to scrutinise the subtle differences in the same social stratum. On the other hand, it looks into the productive sphere from an individual perspective without taking into consideration the impact of the household reshaping on the overall social structure.

In order to solve these challenges and also to supplement the analysis of social stratification and the gender issues discussion from an individual perspective in the previous chapters, the method of PCA was applied. The PCA created a single and comprehensive ‘SCI’ for each observation, which combines many aspects and components of social stratification, such as occupation, ownership, industry, job stability, education level, social security circumstance and earnings. This ‘SCI,’ even in the same social stratum, can express subtle differences between individuals. In addition, from the results of FA, the relationship between these variables is clear. It confirms the legitimacy of using occupation, ownership and industry to construct the ‘social class schema,’ because these variables are in the same dimension, together presenting the aspects of ‘job characteristics.’

The ‘SCI’ decrease following the order of the main social strata and the order of the subsectors. Additionally, the average ‘SCI’ reveals the relative position of each social stratum. From a comparison of the social schema and the social groups based on the ‘SCI,’ the higher social strata were more easily found in the top social groups and their percentage decreases from the top to the bottom social group. These pieces of evidence once again verify the legitimacy of the created ‘social class schema.’ As for the gender comparisons, women in the market sector of the non-manual social strata tend to have higher social positions than men. Moreover, for the lower social groups, the comprehensive social position of women is even inferior to that of men as they

have a tendency to have a lower occupational stratification, lower educational level and lower earnings etc.

The method to create the ‘SCI’ enlightens how to study the impact of the household on individuals. In order to reflect the household redistribution sphere, a changed variable set was put into the PCA to create the ‘ISCI.’ Some features, which relate to occupational status that are hardly shared with spouses, such as occupation, ownership, industry, job stability, years of schooling and social security circumstances, remain the same. Other aspects, which included information on household shared resources and activities, such as consumption on food, clothing, and culture and entertainment, are added in. In addition, individual’s earnings are replaced by shared household earnings to express household exchange and redistribution. Therefore, after creating the ‘Indirect Index’ with a new variable set, and through comparing this index with the original one, the impact of marital status on the social stratification has been achieved.

The household shared economic resources and consumption has an averaging impact leading to the social gap decreasing between couples. This evening up impact is more capable of improving social positions of wives, as they are inferior in the productive sphere. Thus, the original gender social gaps are relieved following the reduction of the social disparities between husbands and wives. At the same time, with cross class marriage, the social gaps between different social groups abridge. Marital status has a negative impact on women in the labour market, but it has a positive effect in household redistribution. This study based on the comprehensive ‘Indirect Index,’ which combined the productive and redistribution spheres together makes up the issues caused by study of either from one sphere.

CHAPTER 6

CONCLUSIONS

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CONCLUSIONS

This chapter summarises the statistic findings and theoretical contributions of this study. Based on the findings, policy implications are drawn. In the end, suggestions for further study are explicated based on the theoretical and methodological limitations of this study.

6.1 SOCIAL CLASS SCHEMA IN URBAN CHINA

In order to observe the transformations of Chinese social structure and gender issues in terms of social stratification, a proper 'social class schema' should be first created. In addition, appropriate indicators have to be determined to construct this schema to guarantee it reflecting the characteristics of contemporary China. At the same time, these indicators have to be feasible for repeating operationalization (Babbie 2013). The classical measure—the occupational classification—was chose to construct this schema. Occupation, as the most important indicator of social stratification, brings similar employees into the same occupation through a self-selection mechanism of choosing an employment. Additionally, occupation implicates status, prestige, ability to command and authority relations, also conveys information about earnings capability and qualifications (Smelser and Lipset 2005). Furthermore, social interaction and contact in working place, formal and informal ties and bonds within co-worker groups tend to reinforce tastes, ideas and ways of thinking.

The traces of occupational divisions can be found in the many western class analysis theories (Marx and Engels 1906; Weber 1978). This also has been the case in China, where the history of occupation as classification can be traced back to early Chinese thoughts. However, the occupational classification was

replaced by a ‘political identity system’ which labelled individuals according to their family background, political attitude and ideological during the Maoist period. In a relatively egalitarian and simply-structured society, the institutional divisions, such as the urban and rural division, the state and collective ownership division, and the identity division between the cadre and the rank-and-file worker played a leading role in determining individual’ social-economic status.

After Chinese economic reform and development, occupational classification gradually took on a modern meaning and emerged as the tool of social classification in China. In order to classify and aggregate the occupations into several occupational groups to express their advantaged and disadvantaged positions in the labour market, the Standard Occupational Classification (SOC) system (2010) was utilised. In addition, the 10-social class schema of Chinese Academy of Social Science (CASS) and 11-social class schema of Goldthorpe were compared and borrowed from the view of occupational classification. Additionally, the feasibility of the occupational categories used in data sets of Chinese Household Income Project (CHIP) has to be considered. A schema of occupational classification was preliminary constructed with seven strata: official and manager, professional, clerk, industrial manual worker, service industry worker, entrepreneur and self-employed.

However, the disparities between circumstances in the same occupational categories can be detected by CHIP data in 2002 and 2007, and sometimes are even very significant. These disparities were in a large extent due to Chinese dualist institution of state and market which can be detected in ownership type and level of the openness between industry and market (Zhou, Tuma and Moen 1995). Therefore, according to state and market dualism and the competitiveness and position in the market, each occupational stratum was subdivided into three subsectors: state sector, competitive market sector and the uncompetitive market sector. At last, a ‘social class schema’ of 17 social strata was created. Based on this schema, with the data sets from CHIP 2002 and 2007,

the social structure and its transformation can be illustrated, as well as the gender comparison and changes.

6.2 SOCIAL STRUCTURE TRANSFORMATION AND GENDER ISSUES

The analysis outcomes, based on this schema and the data sets from CHIP 2002 and 2007, found that the proportion of the official and manager stratum decreased from 2002 to 2007. At the same time, following the modernization of the economy and the adjustment and upgrading of industries in China, the service worker stratum replaced the manual worker stratum to become the primary employer in 2007. This expansion was also found in other social strata. The strata, such as the professional and the clerk expanded, with economic growth, to satisfy the need for higher-level personnel. Moreover, the proportion of the private entrepreneur and the self-employed strata also increased with the prosperity of the private economy and market development. For the same reason, the overall market sectors enlarged in the subsectors of the strata, especially in the lower two (industrial manual worker and service industry worker). However, the state sector still had an obviously dominant position in the upper three main social strata (official and manager, professional and clerk).

Most importantly, these analyses shed light on the gender disparities in terms of social stratification and their changes. The gender division of labour is the most universal and basic division of labour (Crompton 1989; Ferree and Hall 1996). This has been verified once again by Chinese data. The gender discussion reported that women tended to cluster in a narrow range of the lower-level social strata. Compared to men, the aggregation of the female strata was more severe and the levels of their strata were even lower. In addition, for the top social strata, such as the official and manager, or the private entrepreneur, the circumstances of female employees were also pessimistic. In both years, 2002 and 2007, their proportion accounted for only half of the male population. However, the changes in the gender ratios were slightly optimistic.

From 2002 to 2007, most social strata demonstrated an evenly distributed trend in terms of male and female shares.

In exploring the factors that impacted on gender social stratification, the factors, such as region, age and educational level were considered. Although there is no remarkable relationship between the regional disparities and social stratification, the impact of age and educational attainment on social differentiation have been identified. A phenomenon that younger trend in the upper social strata was detected. Moreover, this upward flow in recruits was more significant for the female new entrants. This is verified by a comparison of age between men and women in different social strata. The age gap between genders increases in accordance with the social class order. Those younger female employees engaged in the higher occupation were found more equipped with higher education achievement. In contrast, the less educated female workers tended to be restricted to the lower occupations.

The enlarging earnings gaps among different social groups in China have aroused much attention among the researchers not only in China but all over the world (Whyte 2010). In this study, the analysis of earnings distribution confirmed this view and contributed some new findings. This research verified that the average earnings increase caused by Chinese economic development was much unbalanced among different social strata. Although the hourly earnings massively increased, and at least doubled more than twice from 2002 to 2007, the earning polarization was obvious. Moreover, this unbalanced increase rate of earnings not only enlarged the gaps between the different main social strata, but also the gaps between the different subsectors. The increase rate of earnings in the uncompetitive market sector could not catch up with the other two subsectors and this led to a change in their earning order.

By 2007, the earnings of the competitive market sector in the upper three social strata were highest, whereas the state sector was still preferable and provided more premiums for the lower social classes. Connecting this, with the

smaller proportion and the shrinking trend of the state sector in the lower strata, employment protection for the lower strata withered. In addition, the hourly earnings of the entrepreneur and the self-employed increased extremely fast. In 2007, the entrepreneur stratum ranked almost the highest reflecting their social status and social relation change.

Furthermore, different from the decreased ratio gaps between men and women in each social stratum, the gender earnings gap enlarged in almost all social strata. Some social strata, in which women dominated in 2002, were losing out by 2007. For example, the gender earnings gap in the social stratum of official and manager much enlarged in 2007. At the same time, the gender earnings gap is still apparent in the lower earnings group in both years. The strata of the manual worker and the service worker witnessed the large gender earnings gap, which meanwhile accumulated the most female workers. This occurrence revealed that both the 'sticky floor effect' and the 'glass ceiling effect' for Chinese women are significant 'currently.'

Apart from occupation, the state and market sector impacted on the gender earnings gap. In the market sector of the upper three social strata, the gender earnings gaps were less, whereas for the lower social strata, the state sector provided some protection for women. In order to further explore what impacted on gender earnings and explain why women's earnings deteriorated, Unconditional Quantile Regression (UQR) was taken to decompose earnings disparity. The analysis outcomes indicated that the earnings loss caused by gender discrimination has increased, particularly for those women of higher earnings, account for around 70%. In addition, for female workers of higher earnings, relatively lower educational return was detected. Similarly, woman's age is much less rewarding than that of men and the household factors, such as marital and young child, impacted differently on women and men. For female workers, the return of marriage is less and impact of having a young child is even negative.

As for the regional impact, people who reside in the eastern regions tend to have higher earnings, even though the commodity prices and living costs in developed regions are also higher. In addition, the regional disparities contribute more to those of higher and lower earnings in 2002. In 2007, the regional impact is still obvious for men of higher and lower earnings and for women of lower earnings. However, for women of higher earnings, being in eastern regions does not contribute as much as it in 2002. The estimation of the impact of occupation on earnings demonstrated that the earnings gap was largest at 90^{th} quantile between entrepreneur and the employee occupations. In addition, occupation played a more important role to impact on earnings, as well as ownership and industry. The foreign and joint ownership, and the monopoly industry helped achieving much higher earnings.

6.3 SOCIAL CLASS INDEX FOR INDIVIDUAL AND MARRIED COUPLES

In order to scrutinise the subtle differences in the same social stratum and to observe the redistribution impact in household, the principal component analysis (PCA) was applied to study gender social stratification. The method of PCA created a single and comprehensive 'Social Class Index' (SCI) for each observation, which united many aspects and components of the social stratification, such as occupation, ownership, industry, job stability, educational attainment, social security circumstance and earnings.

In addition, the estimation outcomes indicated that the selected eleven variables were grouped into three dimensions. The variables of occupation, ownership, industry, and job stability are related to the dimensions of 'job characteristics.' Variables of the pension, injury, medical, unemployment insurance and housing funds have much higher loadings on the 'social security circumstance' dimension. Hourly earnings and years of schooling are related with the dimensions of educational requirement and return. The closeness of the variables of occupation, ownership and industry verified the acceptance of

the method combining them together to reflect job characteristics in the Chinese labour market.

Moreover, the 'SCI' decreased following the order of the main social strata and the order of the subsectors. Additionally, the average 'SCI' revealed the relative position of each social stratum. From the comparison of the social schema and the social groups based on the 'SCI,' the higher social strata were more easily found in the top social groups and their percentage decreased from the top to the bottom. These pieces of evidence once again verified the legitimacy of the created 'social class schema.' As for the gender comparison, women in the market sector of the non-manual social strata tended to have higher 'SCI' than that of men. In contrast, for the lower social groups, women's comprehensive social position was even inferior to men because women in a lower occupational stratification tend to have lower educational attainment and lower earnings.

The way to study the individual's 'SCI' enlightened how to study the impact of the household on them. In order to reflect the household redistribution sphere, a changed variable set was put into the PCA to create the 'Indirect Social Class Index' or 'Indirect Index.' Some features, which related to occupation status that hardly shared with spouses, such as the occupation, ownership, industry, job stability, years of schooling and social security circumstance, remained the same. Other aspects, which included information on household shared resources and activities, such as the consumption on food, clothing, and culture and entertainment, were added in. In addition, the individual's earnings were replaced by the shared household earnings to express the impact of the household. Therefore, with this new variable set, the 'Indirect Index' was created for each observation and reconstructed the original social structure based on 'SCI.'

From the outcomes of the comparison of the two social ranks by direct and indirect 'SCI,' it is found that the 'Direct Index' reconstructed the whole

social structure, and abridged the social disparities between couples, genders and social groups. The household shared economic resources and consumption had an averaging impact leading to the social gap decreasing between couples. This evening up impact was more capable of improving wives' social positions, as they tended to be inferior in the production sphere. Marital status have a negative impact on women in the labour market, cutting their earnings and career prospect, and pulling off their social stratification, but from the perspective of household, it had a positive effect through shared household economic resources and consumption.

In addition, after distinguishing the Chinese marriage matching and the social gaps between couples, it found that although the highest proposition of marriage happened in the same social groups, the proportion of endogamy was less than half. That the total percentage of exogamy (marriage across social groups) was larger than the proportion of endogamy decreased the original social gaps between different households, and then the different social groups. After considering the averaging impact of the household, the individuals of upper social group were inclined to lower their social ranks, although the change range was not as large as the middle social groups. In contrast, the population of lower social groups tended to enhance their social positions. Therefore, marital status reconstructed the social positions of couples, and led to a social position readjustment for the unmarried and then the overall social structure.

This method of PCA and the created direct and indirect 'SCI' makes an innovation in terms of method in studying the gender social stratification. This method synthesized many factors of social stratification together to comprehensively represent the disparities among individuals. At the same time, this method took consideration of the class and gender, the individual and household perspective, solving the problem how to handle the impact of the household in studying gender social stratification.

6.4 POLICY IMPLICATIONS

In contemporary China, both social scientists and policy makers are much concerned about accelerated differentiations in the social structure and the enlarged earnings gaps among different social strata. The results and conclusions from this study validate these concerns. Even though marriage, especially exogamy bridges the social gaps in some extent, the overlarge gaps between social groups and genders still need to be paid close attention to. At the same time, countermeasures need to be put in place. A significant problem for social policy concerns the measures and the extent of the measures that seek to reduce the inequality. In addition, some particular issues reflected from this study also need to be pondered over.

Firstly, in the case of educational issues, the emerging knowledge economy requires improvements in the general level of education and an upskilling of the population. Moreover, since education has the potential to transform the life chances of individuals, inequalities in access to education and variations in educational attainment can lead to different social positions. The outcomes of this research verify these points and demonstrate that the educational return rates for both men and women have increased. In addition, higher education can also help women enter into higher occupations. Even in the case of those women who earn less, their educational return rate is relatively higher. These conclusions suggest that in the future more public financing is needed to input into the educational system to improve the overall educational level of population. Additionally, public finance needs to be spread unevenly so as to benefit those families of lower earnings, whose children possibly have fewer opportunities to achieve the same educational level as the children from higher earnings families.

Secondly, with the entitlement to compulsory education since 1986, the gap in educational attainment between the genders has much decreased, especially for young people. For those participants of higher occupations, the

years of schooling for females are even higher than those of their counterparts. Girl's excellent performance in schools is a relatively recent, but recurring occurrence in China. In some western countries there is currently considerable concern about the underachievement of boys in the educational system (Liddiard and Mitton 2012). This phenomenon is a reverse of the previous situation, when girls achieved less academically (ibid). For policy makers in China, early preventive measures and actions need to be undertaken in case a similar issue emerges in the near future.

Thirdly, even though women perform excellently in the school and their educational gap compared with men decreased, this has not lead to a corresponding declining earnings gap between the genders. The earnings inequality caused by gender discrimination is more severe than ever. Moreover, both the 'sticky floor effect' and the 'glass ceiling effect' for Chinese women have become more significant. Gender discrimination prohibits people being allocated jobs on the basis of their quality and ability, and possibly excludes the promising promotion for female employees. Therefore, more concerted efforts and effective policy implementation need to be undertaken to help Chinese working women to improve their situations and treatment in the labour market.

However, the situation in labour market is more complicated than straightforward policy change can remedy (Li 2002). As discussed in earlier chapter, some protective policies and provisions for women might not have the anticipated effects on female employees. For example, as Weichselbaumer and Winter-Ebmer (2007) propose, the effect of the labour laws on women's labour conditions and rights has increased the cost to corporations of employing women. Therefore, without subsidies from the government and state, some plausible affirmative policies toward women may in fact reinforce the inequitable practices in employment.

6.5 LIMITATIONS AND SUGGESTIONS FOR FUTURE STUDIES

Although these analyses and the innovative methods used in this study are significant and reach many useful outcomes and conclusions, there are some limitations. The limitations of the 'social class schema' were discussed in the fifth chapter, such as it is constructed on the basis of an individual's occupational classification, which is in turn based on his/her capacity in the productive sphere and does not consider the impact of marriage. In addition, the 'social class schema' is limited in its capacity to explain subtle differences within each social stratum. In order to make up these limitations, I created a direct and indirect 'social class index' through the PCA to study gender social stratification.

This comprehensive indirect 'social class index' combined class and gender, and the individual and married household perspective. However, it is a pity that the indices did not take into account the parent's household class position. Therefore, the impact of parent's social class and intergenerational migration cannot be studied. The lack of analysis on these aspects can be attributed to the limitations of the data used. The CHIPs data provided only a little information on the parents of the survey participants. Those cases whose information was complete (the information of their parents was completely provided because they lived with their adult child) numbered around 500 and 600. If the impact of the household and parents was considered, there would have been a loss of the observations whose partner's information was missing.

In the future, when more suitable data is available, or when the study of intergenerational migration is mainly the focus, research can further explicate the impact of a parent in a household upon his/her adult children, as well as providing a comparison between parents and their offspring. In addition, this study could have been further strengthened if data on some other social aspects, such as social relations and social networks etc. could have been collected and added, besides the information on sharing activities and consumption within

the household. Social networks and social capital are more and more used to explain the occupational attainment (Lin 2001; Li 2007).

Moreover, studies in the future could also adopt a comparative perspective. The comparison could be on the extent to which economic transitions have impacted the life course and prospect of women in China, Russia and former Eastern bloc countries. The comparison could also be on the experiences of Chinese women in mainland China and Taiwan and Hong Kong in the process of social stratification. This would allow for better conclusions and the findings could be compared. However, due to the limited time and energy of the researcher undertaking a PhD, these tasks and further research will be left to future studies.

(THE END)

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Appendix 1

Chinese Household Income Project
Urban Household Survey
Questionnaire (2002)

Place of Residence: (Province) (City) (District)
Household code number: _____
Telephone number _____
Name of enumerator _____
Tel. of enumerator _____

(Enumerators: Please distinguish "zero value" from " unknown" when answering quantitative questions. Please fill in 0 for case of "zero value," and 1.9 for " unknown".)

Part 1. Situation of Individuals

1. Personal characteristics of members

A. Questions (101- 125) apply to all members
(Please keep member code consistent when you answer questions.)

101. Names of members (enumerator filled according to the household data in December in 2002)

102. I.D. codes of members ("1" in the first column represents the head of household)

103. Members' relationship to the head of household
1) Self; 2) Spouse; 3) Child; 4) Child in law;
5) Grandchild; 6) Parent; 7) Parent in law; 8) Grandparent;
9) Brother or sister; 10) Other relative; 11) Non-relative;

104. Type of "Hukou"
1) Urban Hukou of the resident city (county)
2) Rural Hukou of the resident city (county)
3) Urban Hukou of other city （or county）
4) Rural Hukou of other city （or county）

105. Gender 1) male; 2) female;

106. Age

107. Current status of members
1) Working or employed; 2) Officially off-duty (lixiu); 3) Retired;
4) Unable to work; 5) Laid-off (Xiagang); 6) Ligang (left post);
7) Early retirement; 8) Internal retirement; 9) Unemployed;
10)the youth waiting for job assignment; 11)Full-time homemaker;

12) Currently a full-time student; 13) Waiting for job assignment or entering a higher school;
14) others

108. Nationality? 1) Han; 2) Minority; 3) others

Number of Question and Brief Description									***Code***
<101> Name									
<102> Item code	1 (Household head)	2nd Member	3rd Member	4th Member	5th Member	6th Member	7th Member	8th Member	number
<103> Relationship									a103
<104> Hukou									a104
<105> Gender									a105
<106> Age									a106
<107> Status									a107
<108> Nation									a108
<109> Marriage									a109
<110> Member of party									a110
<111> Year of join in the party									a111
<112> Educational level									a112
<113> Years of education									a113

(Please firstly list members who are income-gainers.)

109. Marital status
1) Never married; 2) With spouse; 3) Divorced; 4) Widow or widower; 5) Other

110. Member of which party?
1) The Communist Party; 2) Other Parties; 3) Communist Youth League;
4)No Party

111. Year of joining in the party (any party). _____Year

112. Educational level
1) Never schooled;
2) Classes for eliminating illiteracy;
3) Elementary school;
4) Junior middle school;
5) Senior middle school (including professional middle school);
6) Technical secondary school;
7) Junior college;
8) College/university;
9) Graduate

113. How many years of education have you received by the end of 2002? (Excluding the years suspend your school, leave school or stay at the same grade)

114. If you ever studied in a junior middle school, please tell me which kind of school it belongs to:
1) National or provincial level key middle school; 2) City level key middle school;
3) County (district) level key middle school; 4) Ordinary middle school;
5) Technical secondary school, professional middle school; 6) Other kinds

115. Your performance in middle school.

1) Top 20%; 2) Upper 20%; 3) Middle 20%; 4) Lower 20%; 5) Lowest 20%

116. Have you taken national entrance examinations to college?
1) Yes; 2) No

117. If you ever studied in college/university, please evaluate the rank of your school in the countrywide:
1) Very good; 2) Good; 3) Just so-so; 4) Lower in the middle; 5) Lower

118. Compared with the same age cohort, your health conditions is:
1) Very good; 2)Good; 3) Just so-so; 4) Worse; 5) Worst

119. Do you have such symptom as following?

119a Disable or hemiplegia 1.no 2.not serious and need no help 3. serious or need help
119b Obstacle in eyesight 1.no 2.not serious and need no help 3. serious or need help
119c Obstacle in hearing and speaking 1.no 2.not serious and need no help 3. serious or need help
119d Psychopathic 1.no 2.not serious and need no help 3. serious or need help
119e Retarded 1.no 2.not serious and need no help 3. serious or need help
119f Frail 1.no 2.not serious and need no help 3. serious or need help
119g Chronically diseased 1.no 2.not serious and need no help 3. serious or need help
119h Other physical disabilities 1.no 2.not serious and need no help 3. serious or need help

120. Did you suffer from serious disease in 2002? 1) Yes 2) No

121. What kind of medical and health services did you receive in 2002?
1) Public medical and health services provided by the State or work unit
2) Compulsory medical insurance for serious diseases
3) Medical insurance purchased by yourself
4) Medical services purchased by yourself
5) Other

122. How much medical expense did you pay for yourself in 2002 (Yuan)?

123. Please estimate how much of your medical expense was paid by public funds in 2002 (Yuan).

124. When did you get your urban Hukou if you were not originally? _____(Year)

Items	1	2	3	4	5	6	7	8	
<114> Type of middle school									a114
<115> Performance in middle school									a115
<116> National entrance examination of college									a116
<117> Rank of college/university									a117
<118> Health condition									a118
<119a>Disable or hemiplegia									a119a
<119b> Obstacle in eyesight									a119b
<119c> Obstacle in hearing and speaking									a119c
<119d> Psychopathic									a119d
<119e> Retarded									a119e
<119f> Frail									a119f
<119g> Chronically diseased									a119g
<119h> Other physical disabilities									a119h
<120> Serious diseased									a120
<121> Medical and health services did									a121

<122> Medical expenses by self									a122
<123> Medical expenses by public									a123
<124> Year of getting urban Hukou									a124
<125> Way of getting urban Hukou									a125
<126> Months of living in the household									a126
<127> Intellectual Youth									a127
<128> Years in the countryside									a128
<129> Participate in this survey									a129

125. How did you get urban Hukou, if you did not have it before?
1) Going to college; 2) Becoming official; 3) Joining the army;
4) Land occupied by the government; 5) Buying a house in the city 6) Buying a Hukou
7) Other (please specify)

126. How many months did this member live in this household in 2002? _____(Months)

127. Have you ever been an Intellectual Youth sent down to the countryside?(applied to the members older than 35)
1) Yes 2) No

128. If "Yes," how many years did you spend in the countryside? _____(Years)

129. All adults please answer: if you participate in this survey (*e.g.*, answering questions directly and filling in questionnaire).
1) Yes 2) No

B. Questions apply to the household head and spouse with the age 18-50
Information of parents of household head and spouse

	Household head		Spouse	
	Father	Mother	Father	Mother
130a. Year of birth	hf1	hm1	sf1	sm1
130b. Survival or not? (If they are survival, fill in 1; if they are dead, fill in the year of death (four numbers))	hf2	hm2	sf2	sm2
130c. Educational level: 1) never schooled; 2)classes for eliminating illiteracy; 3)elementary school; 4) junior middle school; 5) senior middle school (including professional middle school); 6) technical secondary school; 7) junior college; 8)college/university; 9)graduate	hf3	hm3	sf3	sm3
130d. CCP or other party member? 1)Yes 2) No	hf4	hm4	sf4	sm4
130e. Occupation (according to the occupation before retirement). 1) Owner (manager) of private firm; 2) Self-employed; 3) Professional; 4) Director of government agent, institution and enterprise; 5) Department director of government agent, institution and enterprise; 6) Clerical/office staff; 7) Skilled worker; 8) Unskilled worker; 9) Salesclerk or Service worker; 10) Farmer; 11) other kinds of worker 12) homemaker and other non-worker	hf5	hm5	sf5	sm5
130f. Did they engage in any kinds of industry and commerce? 1) Yes 2) No	hf6	hm6	sf6	sm6
130g. Chengfen (social status) classified in the time of land reform: 1) poor peasant or landless; 2) lower middle-peasant; 3)	hf7	hm7	sf7	sm7

rich-middle peasant; 4) rich peasant; 5) landlord; 6) manual worker; 7) office worker; 8) enterprise owner; 9) petty proprietor; 10) revolutionary cadre; 11) revolutionary armyman; 12) other				

C. Questions (131-150) apply to employee (on the post) by the end of 2002

131. When did you get the first job? _____Year

131a. How long had you looked for a job before getting your first job? _____Months

132. As of the end of 2002, how many years have you been employed? _____Years
Of which,
132a. How many years have you been employed by the current work unit? _____Years

133. As of the end of 2002, how many months of off-the-job training did you receive? _____Months

133a. Are the trainings are helpful for your current job? (if you ever received off-the-job training)
1) Helpful 2) No Help 3) Hard To Say

134. Your current work unit is:
1) Enterprise 2) Government agent 3) Institution 4) Others

135. If it is an enterprise, ownership of your present work unit is
1) SOE at central/provincial level;
2) Local SOE;
3) Urban collective;
4) Private firm (including partnership);
5) Self-employed;
6) Sino-foreign joint venture
7) Foreign company;
8) State share-holding company
9) Other share-holding company;
10) Rural private enterprise
11) Rural individual enterprise;
12) Other ownership

136. If it is an enterprise, what was its profitability in 2002?
1) At loss (or at the edge of bankruptcy); 2) Made marginal profit; 3) Made high profit

137. Was ownership of your work unit changed in last ten years?
1) Yes 2) No

137a. If "yes", which year? _____Year

138. If "yes", what was its previous ownership? (See question 135 for codes)

139. How many employees in your work unit?
1) 1-100; 2) 101-500; 3) 501-1000; 4) more than 1000

140. Employment characteristics
1) Permanent staff member of enterprise or institution (including cadres and public servant)
2) Long-term contract worker
3) Temporary worker or short-term contract worker
4) Employed without contract
5) Private businessman or self-employed

6) Other

Items	1	2	3	4	5	6	7	8	
<131>Year of getting the first job									a131
<131a>Months of looking for job									a131a
<132> Years of being employed									a132
<132a> Years incurrent work unit									a132a
<133> Months of off-the-job training									a133
<133a>Helpful									a133a
<134> Type of the unit									a134
<135>Ownership									a135
<136> Profitability									a136
<137> Ownership changing									a137
<137a>Year of ownership changing									a137a
<138>Previous ownership									a138
<139> Employees in the unit									a139
<140> Employment characteristics									a140

141 Occupations:

1) Owner (manager) of private firm;
2) Self-employed;
3) Professional
4) Director of government agent, institution and enterprise
5) Department director of government agent, institution and enterprise
6) Clerical/office staff;
7) Skilled worker;
8) Unskilled worker
9) Salesclerk or Service worker;
10) Farmer;
11) Other

142. Professional title and administrative rank of professionals and cadres of government agents, institutions and enterprises

1) Senior title; 2) Middle title; 3) Junior title; 4) Technician level
5) Bureau chief level and above; 6) Division chief level; 7) Section chief level; 8) Section member

143. Sector of your work unit

1) Farm, forest, husbandry and fishery;
2) Mineral;
3) Manufacturing
4) Electricity, gas and water supply facilities;
5) Construction;
6) Geological prospecting, irrigation administration
7) Transportation, storage, post office and communication
8) Wholesale, retail and food services;
9) Finance and insurance;
10) Real estate
11) Social services;
12) Health, sports and social welfare
13) Education, culture and arts, mass media and entertainment
14) Scientific research and professional services
15) Government agents, party organisations and social groups
16) Other

144. How did you get your current job?
1) Assigned by government;
2) Inherited it;
3) Through an open examination;
4) Through an employment agency;
5) Found it through the newspaper;
6) Found it through a referral by someone you or your family knows;
7) Found it on your own;
8) Started your own business;
9) Not working currently;
10) Other (please specify): _____.

144a. If you found job through a relative or a friend, he/she is your
1) Family member or relative; 2) Neighbour; 3) Schoolmate; 4) Colleague; 5) Other

144b. Is he/she the Communist Party member?
1). Yes; 2). No.

144c. Is he/she a cadre?(only including the government official and director of enterprise and institution)
1). Yes; 2). No.

144d. How close is your relation with him/her?
1). Not close; 2). So-so; 3) Close; 4). Very close

145. Your employment situation in 2002
1) Employed the whole year; 2) Unemployed or laid-off for part of the year

146. If you were unemployed/laid-off for part of the year, how many accumulative days was you unemployed/laid-off/ligang in 2002?

146a. During the period of unemployed/laid-off, how many days were you engaged in informal economic activities?

146b. Did you register as unemployed at the labour bureau (or enter in Re-employment Centre) if you were unemployed or laid-off for part of the year?
1) Yes 2) No

147. How many months did you work (employed) in 2002? _____Months

147a. How many working days per month on average? (Excluding weekend) _____Days

147b. How many hours per working day on average? _____Hours

Items	1	2	3	4	5	6	7	8	
<141> Occupation									a141
<142> Professional title and administrative									a142
<143> Sector									a143
<144> Ways to get current job									a144
<144a>Relation between introducer									a144a
<144b>Party of introducer									a144b
<144c>Status of introducer									a144c
<144d>Close of relation									a144d
<145> Employment situation									a145

<146> Days of unemployed/laid-off									a146
<146a>Days engaging in informal sector									a146a
<146b> Unemployment register									a146b
<147> Employed months									a147
<147a> Working days/months									a147a
<147b> Working hour/day									a147b
<148> Members to turn to									a148
<149> Job arrangement									a149
<150> Job change									a150

148. If you want to change your job, how many friends and relatives can you ask to help you?

149. Has any of them ever helped you find your current job?
1) Yes 2) No

150. Have you changed jobs in the last 3 years? (Including the work unit changing of unemployed, reemployed of off-post, and the off-post return previous work unit)
1) Yes 2) No

(If you chose "Yes," please answer Questions 151-157; if "No," please answer Questions 158-160)

151. If "Yes," how many times have you changed jobs? (Excluding the current job)

152. Ownership of your previous work unit (answers are as same as Question 135)

153. Occupation of your previous work unit (answers are as same as Question 141)

154. How did you get your previous job? (answers are as same as Question 144)

154a. If you found job through a relative or a friend, he/she is your
1). Family member or relative; 2). Neighbor; 3). Schoolmate; 4). Colleague; 5). Other

154b. Is he/she a communist party member?
1). Yes; 2). No.

154c. Is he/she a cadre?
1). Yes; 2). No.

154d. How close is your relation with him/her?
1). Not close; 2). So-so; 3). Close; 4). Very close

Items	1	2	3	4	5	6	7	8	
<151>Times of job change									a151
<152>Ownership of previous unit									a152
<153>Occupation									a153
<154> Means to get the job									a154
<154a> Relation between introducer									a154a
<154b>Party of the introducer									a154b
<154c>status of the introducer									a154c
<154d>close of relation									a154d
<155>reason for leaving									a155

<156a>Year of entrance									a156a
<156b>Month of entrance									a156b
<156c>Year of leaving									a156c
<156d>Month of leaving									a156d
<157>Benefit payment									a157
<158>Willing of job change									a158
<159>Reason for leaving									a159
<160>Reason for staying									a160

155. Why did you leave your previous job?
1) Low income; 2) lack of job security; 3) Unsatisfactory work conditions;
4) Insufficient benefits; 5) Contract expired 6) Laid off by work unit;
7) Became Xiagang; 8) To start own business; 9) Other

156a-b. When did you enter into your previous work unit
156a. Year_____ ; 156b Month_____

156c-d. When did you leave your previous work unit
156c. Year_____; 157d. Month ____

157. Does the previous work unit still pay benefits for you?
1) All 2) Some 3) None 4) I don't know

****
158. If you have never changed jobs, have you ever thought of moving to a better work unit?
1). Yes 2). No

159. If "Yes," your reason is
1) For better pay;
2) For a more secure job;
3) For better work conditions;
4) For better benefits
5) Housing;
6) Wanted to start your own business;
7) Other (Please specify)

160. If "Yes" and you have not changed jobs, what is your reason?
1) Cannot find a good work unit;
2) Contract has not expired;
3) Have difficulties in housing arrangements
4) Have problems with social benefits;
5) Lack of skill and funds;
6) Cannot get approval from current leaders;
7) No connections (Guanxi)
8) Family concerns;
9) Other (Please specify)

D. Questions (161-174) apply for unemployed (include unemployed, off-post (xiagang), inner retirement and ligang) by the end of 2002

161 When did you get the first job? _____Year

161a. How long had you looked for a job before getting your first job? _____Months

162 Your employment situation in 2002

1) Unemployed or laid-off for part of the year
2) Unemployed or laid-off for the whole year

163 If you were unemployed/laid-off for part of the year, how many accumulative days was you unemployed/laid-off/ligang in 2002?

Items	1	2	3	4	5	6	7	8	
<161> Year of getting the first job									a161
<161a>Months of looking for job									a161a
<162>Employment situation									a162
<163> Days of unemployed/laid-off/ligang									a163
<163a> Days engaging in informal sector									a163a
<163b>Unemployment register									a163b
<164>Training (before unemployed/laid-off/ligang)									a164
<165> Training (since unemployed/laid-off/ligang)									a165
<166>Helpful of the training									a166
<167>Profitability									a167
<168>Ownership									a168
<169> Employment characteristics									a169
<170> Occupation									a170
<171> Sector									a171
<171a> Manufacturing type									a171a
<172> Days employed									a172

163a During the period of unemployed/laid-off, how many days were you engaged in informal economic activities?

163b. Did you register as unemployed at the labour bureau (or enter in Re-employment Centre) if you were unemployed or laid-off for part of the year?

1) Yes 2) No

164. Before unemployed/laid-off/ligang, how many years of off-the-job training did you receive?

165. Since unemployed/laid-off/ligang, how many months of off-the-job training did you receive?

166. Are the trainings are helpful for you to find a job? (If you ever received off-the-job training)

1) Helpful 2) No Help 3) Hard To Say

167. In 2002, how about the profitability of the work unit from which you were unemployed/laid-off/ligang

1) At loss (or at the edge of bankruptcy)
2) Made marginal profit
3) Made high profit

168. The ownership of the work unit from which you were unemployed/laid-off/ligang is

1) SOE at central/provincial level
2) Local SOE
3) Urban collective
4) Private firm (including partnership)
5) Self-employed

6) Sino-foreign joint venture
7) Foreign company
8) State share-holding company
9) Other share-holding company
10) Rural private enterprise
11) Rural individual enterprise
12) Other ownership

169. The employment characteristics of the job from which you were unemployed/laid-off/ligang is
1) Permanent staff member of enterprise or institution (including cadres and public servant)
2) Long-term contract worker
3) Temporary worker or short-term contract worker
4) Employed without contract
5) Private businessman or self-employed
6) Other

170. The occupation of the job from which you were unemployed/laid-off/ligang is
1) Owner (manager) of private firm
2) Self-employed
3) Professional
4) Director of government agent, institution and enterprise
5) Department director of government agent, institution and enterprise
6) Clerical/office staff
7) Skilled worker
8) Unskilled worker
9) Salesclerk
10) Service worker
11) Farmer
12) Other

171. The sector of the work unit from which you were unemployed/laid-off/ligang is
1) Farm, forest, husbandry and fishery
2) Mineral
3) Manufacturing
4) Electricity, gas and water supply facilities
5) Construction
6) Geological prospecting, irrigation administration
7) Transportation, storage, post office and communication
8) Wholesale, retail and food services
9) Finance and insurance
10) Real estate
11) Social services
12) Health, sports and social welfare
13) Education, culture and arts, mass media and entertainment
14) Scientific research and professional services
15) Government agents, party organisations and social groups
16) Other

171a. If working in manufacturing, please specify
1) Manufacturing of heavy machinery
2) Manufacturing of light machinery
3) Manufacturing of durable goods
4) Manufacturing of vehicles and trains
5) Manufacturing of plastic goods
6) Manufacturing of electronic goods

7) Manufacturing of chemical goods
8) Manufacturing of garments
9) Manufacturing of daily goods
10) Manufacturing of other goods

172. How many days did you work (employed) in 2002?

172a. How many hours per working day on average?

173. Did you ever look for job since the first time you were unemployed/laid-off/ligang
1) Yes 2) No

174. Did you get job since the first time you were unemployed/laid-off/ligang
1) Yes 2) No

(If choose "Yes" in question 174, please answer Questions 175-181; if "No", the investigations is over for this member and continue to the investigation for others)

175. Since you were unemployed/laid-off/ligang, the ownership of the work unit you engaged in is (if there are several, choose the last one, same for the later)
1) SOE at central/provincial level
2) Local SOE
3) Urban collective
4) Private firm (including partnership)
5) Self-employed
6) Sino-foreign joint venture
7) Foreign company
8) State share-holding company
9) Other share-holding company
10) Rural private enterprise
11) Rural individual enterprise
12) Other ownership

176. The employment characteristics of your current job in the work unit is
1) Permanent staff member of enterprise or institution (including cadres and public servant)
2) Long-term contract worker
3) Temporary worker or short-term contract worker
4) Employed without contract
5) Private businessman or self-employed
6) Other

177. The occupation of you current job in the work unit is
1) Owner (manager) of private firm
2) Self-employed
3) Professional
4) Director of government agent, institution and enterprise
5) Department director of government agent, institution and enterprise
6) Clerical/office staff
7) Skilled worker
8) Unskilled worker
9) Salesclerk
10) Service worker
11) Farmer
12) Other

178 The sector of your current work unit is
1) Farm, forest, husbandry and fishery

2) Mineral
3) Manufacturing
4) Electricity, gas and water supply facilities
5) Construction
6) Geological prospecting, irrigation administration
7) Transportation, storage, post office and communication
8) Wholesale, retail and food services
9) Finance and insurance
10) Real estate
11) Social services
12) Health, sports and social welfare
13) Education, culture and arts, mass media and entertainment
14) Scientific research and professional services
15) Government agents, party organisations and social groups
16) Other

179. How did you get the job?
1) Assigned by government;
2) Inherited it;
3) Through an open examination;
4) Through an employment agency;
5) Found it through the newspaper;
6) Found it through a referral by someone you or your family knows;
7) Found it on your own;
8) Started your own business;
9) Not working currently;
10) Other (please specify): _____.

179a. If you found job through a relative or a friend, he/she is your
1). Family member or relative; 2). Neighbor; 3). Schoolmate; 4). Colleague; 5). Other

179b. Is he/she a communist party member?
1). Yes; 2). No.

179c. Is he/she a cadre?
1). Yes; 2). No.

179d. How close is your relation with him/her?
1). Not close; 2). So-so; 3) Close; 4). Very close

Items	1	2	3	4	5	6	7	8	
<172a>Working hour per day									a172a
<173>Looking for job									a173
<174>Results									a174
<175>Ownership									a175
<176>Employment characteristics									a176
<177>Occupation									a177
<178>Sector									a178
<179>Means to get the job									a179
<179a>Introducer									a179a
<179b>Party of the introducer									a179b
<179c>Status of the introducer									a179c
<179d>Close of relationship									a179d

<180>Reason for leaving									a180
<181a>Year of entrance									a181a
<181b>Month of entrance									a181b
<181c>Year of leaving									a181c
<181d>Month of leaving									a181d

180. Why did you leave your previous job?
1) Low income; 2) Lack of job security; 3) Unsatisfactory work conditions;
4) Insufficient benefits; 5) Contract expired 6) Laid off by work unit;
7) Became Xiagang; 8) To start own business; 9) Other

181a-b. When did you enter into your previous work unit
181a. Year_____; 181b. Month_____

181c-d. When did you leave your previous work unit
181c. Year_____; 181d. Month ____

E. Questions (182-190) apply to retired by the end of 2002

182. When did you get the first job? _____Year

183. In which year were you retired or off-duty? _____Year

184. The work unit you were retired from is
1) Enterprise 2) Government official 3) Institution 4) Others

185. If it is enterprise, its ownership is
1) SOE at central/provincial level
2) Local SOE
3) Urban collective
4) Private firm (including partnership)
5) Self-employed
6) Sino-foreign joint venture
7) Foreign company
8) State share-holding company
9) Other share-holding company
10) Rural private enterprise
11) Rural individual enterprise
12) Other ownership

186. The occupation of your job before retirement is
1) Owner (manager) of private firm
2) Self-employed
3) Professional
4) Director of government agent, institution and enterprise
5) Department director of government agent, institution and enterprise
6) Clerical/office staff
7) Skilled worker
8) Unskilled worker
9) Salesclerk
10) Service worker
11) Farmer
12) Other

187. The sector of your work unit before retirement is
1) Farm, forest, husbandry and fishery
2) Mineral
3) Manufacturing
4) Electricity, gas and water supply facilities
5) Construction
6) Geological prospecting, irrigation administration
7) Transportation, storage, post office and communication
8) Wholesale, retail and food services
9) Finance and insurance
10) Real estate
11) Social services
12) Health, sports and social welfare
13) Education, culture and arts, mass media and entertainment
14) Scientific research and professional services
15) Government agents, party organisations and social groups
16) Other

Items	1	2	3	4	5	6	7	8	
<182> Year of getting the first job									a182
<183> Year of retirement									a183
<184> Type of the unit									a184
<185> Ownership									a185
<186> Occupation									a186
<187>Sector									a187
<188>Pension									a188
<189>medical expenses writing off									a189
<190> Reemployment									a190

188. Can you get your retirement pension adequately in time? 1) Yes 2) No

189. Can you write off the medical expenses adequately in time? 1) Yes 2) No

190. Did you be reemployed in 2002? 1) Yes 2) No

2. Personal Yearly Income in 2002 (YUAN)

(The following questions apply to members with income. Please keep member code consistent with the above so as to avoid repetition.)

Income type	Code	1(Head)	2	3	4	5	6	7	Other
201 Total income	a201								
Of which, (1) Bonus	a202								
(2) Allowance/subsidies	a203								
Of which (2a) Price subsidy	a204								
(2b) Local subsidy	a205								
(3) Living expenses for the laid-off	a206								
202 Subsidy for minimum living standard	a207								
203 Living hardship subsidies from work unit	a208								
204 Second job and sideline income	a209								
205 Monetary value of income in kind	a210								

3. Personal income of 1998-2001 (Annual amount)

(Please recall and fill in the following form regarding your personal income earned during 1998-2001.

Please keep member code consistent with the above.)

Total annual income	Code	1(Head)	2	3	4	5	6	7	8
301 Year 1998	income98								
302 Year 1999	income99								
303 Year 2000	income00								
304 Year 2001	income01								

Part 2. Situation of household

4. Household assets, liabilities and expenditure

Assets (liabilities)	Code	Amount at the end of 2002**(Yuan)**
401 Total financial assets	h401	
Of which (1) Fixed deposits	h402	
(2) Current deposits	h403	
(3) Stocks	h404	
(4) Bonds	h405	
(5) Money lent out	h406	
(6) Self-owned fund for family business	h407	
(7) Investment in enterprises or other business (stocks and bonds are excluded)	h408	
(8) Accumulated amount of housing fund	h409	
(9) Monetary value of commercial insurance as a deposit	h410	
(10) Estimated present market value of collections	h411	
402 Estimated present market value of durable goods	h412	
403 Estimated present market value of self-owned productive fixed assets	h413	
404 Estimated present market value of privately-owned houses	h414	
405 Estimated present market value of other assets	h415	
406 Total household debts at the end of 2002	h416	
Of which (1) Bank loans or other borrowings for building or purchasing houses	h417	
(2) Bank loans or other borrowings for business	h418	
(3) Bank loans or other borrowings for buying durable goods	h419	
(4) Debts due to medical expenditure of household members	h420	
(5) Debts due to hardship of living	h421	
(6) Bank loans or other borrowings for education	h422	
407 Expenditure on wedding	h423	
408 Expenditure on denotation	h424	
Of which (1) To relative	h425	
(2) To friends	h426	
(3) To colleagues	h427	
(4) To boss	h428	

5. HOUSING CONDITIONS

Items	Code	Current states
501 Location of residence: 1). Centre of the city; 2) In city; 3). In near suburbs 4). In outer suburbs; 5) Others	h501	
502 If it is a purchased or publicly owned rental house, whom was it assigned to? Please write down the member code	h502	
503 What would you estimate its monthly rent to be if you could rent your property in the housing market (Yuan)?	h503	
503a What would you estimate as its current price if you could sell your property	h503a	

in the housing market (Yuan)?		
504 If you bought your own house, what was the type of price you paid: 1) market price; 2) price for housing reform; 3) other kinds	h504	
505 Kitchens: 1). No kitchen; 2). With independent kitchen; 3). Shared kitchen	h505	
506 public paid phone (set)	h506	
507. According to your actual situation, please estimate how much household living expenses per month are needed to maintain a minimum living standard in 2002? (Yuan)	h507	
in which:（507a）For food (Yuan)	h507a	
（507b）For clothes (Yuan)	h507b	
（507c）For housing (Yuan)	h507c	
（507d）For education (Yuan)	h507d	
（507e）For health care (Yuan)	h507e	
（507f）For other expenditures (Yuan)	h507f	
508 If your household encounters difficult abruptly and need 10000 Yuan RMB immediately, who are you intend to turn to firstly? 1) Family members and relatives; 2) Friend; 3) Other individuals; 4) Work unit; 5) Bank and credit union; 6) Other financial institutions; 7) Need no help or can draw from the bank; 8) Anywhere only can borrow; 9) Others	h508	

6. Attitudinal questions

(The following questions apply to household head or a main member.)

600. Please write down the code of the member answering the following questions
code: (h600)

601. What do you think about income inequality in your city, compared to 1995?
1) Reduced; 2) Unchanged; 3) Increased slightly; 4) Increased notably
code: (h601)

602 Do you think the current situation on income distribution is fair? (Countrywide) 602_____
1). Very fair 2). Fair 3). Not very fair 4). Very unfair 5). I don't know
code: (h602)

603 Do you think the current situation on income distribution is fair? (in your city) 602_____
1). Very fair 2). Fair 3). Not very fair 4). Very unfair 5). I don't know
code: (h603)

604. In which group do you think your household living standard falls in the city? (Please note your situation currently and in 1995)

604a) (Current)_____ 604b) (In 1995)_____

1) Low (in the lowest 25%); 2) Below middle (in the next lowest 25%);
3) Above middle (in the third lowest 25%); 4) High (in the highest 25%)
code: (h604a) (h604b)

605. How do you think of your income in next 5 years?
1). Rapidly increase; 2). Small increase; 3). Unchanged; 4). Decrease
code: (h605)

606. Do you think what are important social problems in your city? (Rank them according to importance)
606a. (First important) _____; 606b. (Second important) _____; 606c. (Third important) _____;
1) Environment polution; 2) Social security; 3) Corruption;

4) Crime; 5) Unemployment and Xia Gang; 6) Social polarization ;
7) Too many migrants; 8) Moral degeneration; 9) Other
code: (h606a) (h606b) (h606c)

607 Generally speaking, do you feel happy?
1) very happy 2) happy 3) so-so 4) not very happy 5) not happy at all 6) don't know
code: (h607)

608 If you are "not very happy" or "not happy at all", what is the main reason?
1) low income 2) unstable about future life 3) bad health condition 4) family conflicts
5) personal reason 6) unemployment and xiagang 7) other reason
code: (h608)

609. When did your household join the survey? _____year
code: (h609)

Appendix 2

According to the fifteenth article of “the Statistics Law of the People's Republic of China”: Personal record data concerning any individual or his / her family shall not be disclosed without the consent of the said person.

Chinese Household Income Project, Urban Household Survey

Questionnaire 2007

Table Number: VIII 513
Designed by: The State Statistics Bureau
Article Number: No.34 (2008) of the NBS
Expiry Time: December, 2008
IZA code: 2008 UHS EN

Dear respondent, this is a special purpose survey jointly conducted by a number of government departments, aiming at investigating the current social issue of migration of labour force in urban area and urban dweller’s living quality in order to propose feasible policies to the related government departments. The survey covers relevant aspects of your situation including: income, consumption, employment and living quality, etc. Please answer the questions honestly and in accordance with the actual situation of yourself and your household, assisting the surveyor earnestly to complete the questionnaire. We will strictly follow the Statistics Law and keep any personal information that you provide confidential. Thank you for your cooperation!

Province、City (County、District、Banner) Code						Township (Town, Street) Code			Village/Resident Community Code			Household Code				

Note：Household code should be consistent with regular survey code.

	First Audit	Signature	Second Audit	Signature
Date				

Household Address: _____Province_____City_____ District (County)_____Street_____Residential compound _____Unit Number_____

Name of Respondent: _____ Contact phone number: _____

Time interview commenced: 2008 Year ____Month____ Day_____Hour_____Minute

Time interview concluded: 2008 Year ____Month____Day_____Hour_____Minute

Name of Surveyor:____ Tel:____ Signature: ___

Ⅰ Household roster and personal characteristics

Note: ①Please keep household member code consistent ②Survey coverage: All household members registered as permanent residents and other non-registered permanent residents.

ⅰ) Every household member needs to answer the following questions

1. Name of household member	A01								
2. Household member code	A02	1	2	3	4	5	6	7	8
3. What is your relationship to the household head? ①Household head ②Spouse ③Son/daughter ④Parent/parent-in-law ⑤Grandparent ⑥Son/daughter-in-law ⑦Grandchild⑧Sibling ⑨Other relative ⑩Other	A03	Household head							
4. Gender ① Male ② Female	A04								
5. Date of Birth (**solar calendar**) _____Year	A05-1								
_____Month	A05-2								
_____Date	A05-3								
6. What is your age rank among your siblings? (The rank starts from the oldest to the youngest age.)	A06								
7. Marital status: ①Never Married(**Skip to A09**) ②Married ③Remarried ④Divorced ⑤Widowed ⑥Cohabiting	A07								
8. How many children have you ever had?	A08								

Name of household member	A01								
Household member code	A02	1	2	3	4	5	6	7	8
9. Ethnicity ①Han ②Zhuang ③Hui ④Uyghur ⑤Yi ⑥Miao ⑦Manchu ⑧Others	A09								
10. Current height (Cm)	A10								
11. Current weight (Kg)	A11								
12. Your current state of health (compared to peers) ①Excellent ②Good ③Average ④Poor ⑤Very poor	A12								
13. Do you have any physical disabilities? ①No ②Yes, but not affecting normal work, study and living. ③Yes, and affecting normal work, study and living	A13								
14. Current status of Hukou ①Local city/county urban Hukou ② Non-local urban Hukou ③ Local city/county rural Hukou(**Skip to A17**) ④Non-local, rural Hukou(**Skip to A17**)	A14								
15. (**Ask if A14=1,2**) If your Hukou was changed from rural to urban, which year did you move to the urban Hukou? (year)	A15								
16. (**Ask if A14=1,2**) If your Hukou was changed from rural to urban, how did you obtain your urban Hukou? ①Education ②Military service ③Becoming a cadre ④Land expropriated ⑤Urban real estate purchase ⑥Other (please specify)	A16								
17. Work/Education status at the end of 2007: ① Employed (Wage earner, farmer or the self-employed) ②Reemployed retired worker ③Unemployed ④Retired ⑤Housemaker ⑥Family business helper without pay ⑦Lost capacity to work ⑧In school student/preschool child ⑨Awaiting job assignment / further education/ dropout student ⑩Other	A17								
18. Did you have any medical insurance in 2007? (Can choose more than one) ①Public medical insurance (paid for by the government) or comprehensive medical insurance ②Commercial medical insurance ③Rural cooperatives medical insurance ④ Other ⑤None (**skip to A20**)	A18								
19.(**Ask if A18≠⑤**) How much did you pay for medical insurance in 2007? (including amounts deducted from your payroll)	A19								
20. (**Ask if A20=1**) Were you sick or injured in the last three months? (including chronic or acute disease) ①Yes ②No (**Skip to A25**)	A20								
21. What was your latest disease or injury? (Write down the code of the disease, from attached code table)	A21								
22. How much were your total medical expenses on the illness in the last three months?(including reimbursements or the reduced amount of expenses) (Yuan)	A22								

Name of household member	A01								
Household member code	A02	1	2	3	4	5	6	7	8
23. Of these expenses, how much was reimbursed or reduced? (**A23≤A22**) (Yuan)	A23								
24. How many days did the illness affect your normal work, study and living over the last three months? (Day)	A24								
25. (**Ask everyone**) How much were your total medical expenses (in cash) in 2007? (including reimbursements or the reduced amount)	A25								
26. (**Ask everyone**) How much did you pay excluding reimbursements or the reduced amounts? (**A26≤A25**)(Yuan)	A26								
27. (**Ask everyone**) Do you smoke everyday? ①Yes ②No	A27								
28. (**Ask everyone**) Were the respondent present during the survey? ①Yes ②No	A28								

ii).The following questions are only for the household members present and whose ages are ≥16 (born before 1991).

1. Household member code (Please be consistent with A02)	A29					
Have you ever had any of the following feelings in the last few weeks?						
2. Been able to concentrate on whatever you are doing ①Better than usual ②Same as usual ③Less than usual ④Much less than usual	A30					
3. Lost much sleep over worry ①Not at all ②No more than usual ③Rather more than usual ④Much more than usual	A31					
4. Felt that you are playing a useful part in things ①More so than usual ②Same as usual ③Less so than usual ④Much less than usual	A32					
5. Felt capable of making decisions about things ①More so than usual ②Same as usual ③Less so than usual ④Much less than usual	A33					
6. Felt constantly under strain ①Not at all ②No more than usual ③Rather more than usual ④Much more than usual	A34					
7. Felt you couldn't overcome your difficulties ①Not at all ②No more than usual ③Rather more than usual ④Much more than usual	A35					
8. Been able to enjoy your normal day to day activities ①More so than usual ②Same as usual ③Less so than usual ④Much less than usual	A36					
9. Been able to face up to your problems ①More so than usual ②Same as usual ③Less so than usual ④Much less than usual	A37					
10. Been feeling unhappy and depressed ①Not at all ②No more than usual ③Rather more than usual ④Much more than usual	A38					
11. Been losing confidence in yourself ①Not at all ②No more than usual ③Rather more than usual ④Much more than usual	A39					
Household member code (Please be consistent with A02)	A29					
12. Been thinking of yourself as a worthless person ①Not at all ②No more than usual ③Rather more than usual ④Much more than usual	A40					
13. Been feeling reasonably happy, all things considered ①More so than usual ②Same as usual ③Less so than usual ④Much less than usual	A41					

iii). Education and training backgrounds of adult household members. Only for the Household members who have left school and are aged 16 or over (born before 1991).

1. Household member code (Please be consistent with A02)	B01					
2. Highest level of education completed (**Please skip to B10 if ①never been to school**) (Please write Education level code from attached code table)	B02					
3. (**Ask if B02≠1**) How many years of formal education have you had (Excluding skipping and repeating years)? (Years)	B03					
4. (**Ask if B02≠1**) How was your performance in your class before you last left school? ①Very good ②Good ③Average ④Poor ⑤Very poor	B04					
5. (**Ask if B02≠1**) Have you ever attempted national university entrance examination? ①Yes ②No (**skip to B10**) ③Recommended for admission (**Skip to B10**)	B05					
6. In which year did you last take the national university entrance examination? _____ Year	B06					
7. What was your score for that examination? (Score)	B07					
8. Which category of examination did you take? ①Arts and PE (Physical Education) ②Social science and history ③Science and engineering ④Others (Specify)	B08					
9. Province where you attended the examination? (Code of the Province, from attached code table)	B09					
10. Besides formal education at school, have you received any training or ever been an apprentice (Choose up to three options in chronological order) ①Never(**skip to next person or next form**) ②Agricultural production training ③Business/enterprise internal non-agricultural training ④ Community non-agricultural training ⑤Other (please specify)	B10					
11. (**Ask B10≠1**) What was the training you received most recently? ①Work-related skill training ②Non-work-related general skill training ③General training, for example, protecting worker's benefit ④Other training (Please specify)	B11					
12. (**Ask B10≠1**) Total number of days for this training (If it was less than a day, please count it as one day) (Day)	B12					
13. (**Ask B10≠1**) How much did you spend for the training? (including costs paid for by yourself and others. If none, please write 0) (Yuan)	B13					
14. Who defrayed the cost of the training? ①Government agencies ②Yourself ③Current employer ③Previous employer ④Both yourself and your employer ⑤Other (please specify)	B14					

iv). Adults' employment and social insurance situation. The following questions are only for household members aged 16 and over. (born before 1991).

1. Household member code (Please be consistent with A02)	C01					
2. Do you have unemployment insurance? ①Paid by employer ②Paid by yourself ③Paid by both employer and yourself ④None ⑤Don't know	C02					
3. Do you have pension insurance? ①Paid by employer ②Paid by yourself ③Paid by both employer and yourself ④None ⑤Don't know	C03					
4. Do you have work injury insurance? ①Paid by employer ②Paid by yourself ③Paid by both employer and yourself ④None ⑤Don't know	C04					
5. Do you have a housing fund? ①Paid by employer ②Paid by yourself ③Paid by both employer and yourself ④None ⑤Don't know	C05					
6. Did you work for more than one hour with pay in the previous week? ①Yes (including the self-employed and wage earner,**skip to C08**) ②Family business helper without pay(**skip to C08**) ③No	C06					
7. (**Ask if C06=3**) Why didn't you work for pay in the previous week? ①Have job, but on leave (including service leave with or without pay) ②Full-time student (**skip to next household member or table D**) ③ Have no job (including retired, **skip to C36**)	C07					
8. (**Ask if C06=1,2 or 07=1**) When did you start this primary job? _____ Year	C08					
9. What is your primary occupation? (Code of the occupation, from attached code table)	C09					
10. When did you start this occupation?(Including previous periods in the same occupation with other companies) _____ Year	C10-1					
____Month	C10-2					
11. In which industry is your primary job? (Code of the industry, from attached code table)	C11					
12. Ownership type of the work unit of your primary job? (Ownership Code, from attached code table)	C12					
13. How did you get this job? ①Assigned by the government/community ②Through commercial employment agency (including job fairs) ③Applied for advertised job ④ Applied directly (including examination) ⑤Introduced by family members/relatives ⑥Introduced by friends/ acquaintance ⑦Other (please specify)	C13					
14. How long did you spend to find this job? (Days)	C14					
15. How many employees are there in your work unit (including yourself)? (Persons)	C15					
16. How many hours on average do you work at your current primary job per week? (Hours/week)	C16					

Household member code (Please be consistent with A02)	C01					
17. What is your average monthly income from your current primary job? (It can be 0 or negative) (Wages, bonuses, allowances and commutations in-kind for wage earner, net income for self-employed.) (Yuan/month)	C17					
18. Do you have any other part-time job besides current primary job? (Including domestic workers) ①Yes ②No (**Skip to C21**)	C18					
19. (**Ask if C18=1**) How many hours on average do you work per week including all your jobs with pay (including self-employed business)? (**C19≥C16**) (Hours/Week)	C19					
20. (**Ask if C18=1**) What is your average total monthly income from all the jobs with pay (including self-employed business) (Wage, bonuses, allowances and commutations in-kind for wage earner, net income for self-employed) (**C20≥C17**) (Yuan/month)	C20					
21. Are you looking for another job? If so, what is the main reason? ①Not seeking another work ②Want to work longer hours ③Want higher pay ④Do not like current employer ⑤Do not like current working conditions ⑥Other (Please specify)	C21					
22. What is the nature of your current primary job: ①Permanent ②Long term contract worker (one year and above) ③Short term contract worker (less than one year) ④Non-contract temp ⑤Non-wage domestic worker (**Check C06=2, skip to next person/table**) ⑥Self-employed(**skip to C25**) ⑦Part-time job ⑧Other (Please specify)	C22					
23. If your company provides catering or subsidiary for meals, what is the average value per month? (If none, write 0)(Yuan/month)	C23					
24. If your company provides accommodation or accommodation subsidy, what is the average value per month? (If none, write 0) (Yuan/month)	C24					
25. How many people do you employ (excluding family members)? (If none, write 0) (People)	C25					
26. Why are/were you engaged in self-employed business? ①Cannot find employment opportunity ②The self-employed can make more money③Want to be a boss ④Free and flexible⑤Other, please specify	C26					
27. How much did you invest in the business when you started it? (Yuan)	C27					
28. How much money did you borrow? (**C28≤C27**) (Yuan)	C28					
29. Of this amount, how much did you borrow from a formal bank or credit cooperatives? (Yuan)	C29					
30. How much did you borrow from a civil loan organization or private lenders? (**C29+C30≤C28**) (Yuan)	C30					
31. What was your main job before operating this business? ①Other self-employed business ②Wage-work ③Unemployed ④Attending training ⑤In school ⑥Other, please specify	C31					
32. Have you ever been employed by others? ①Yes ②No	C32					
33. Do you want to look for employment? ①Yes ②No (**Skip to C35**)	C33					

Household member code (Please be consistent with A02)	C01					
34. (**Ask if C33=1**) Why do you want to be employed? ①Can earn more money ②Might look more decent ③More be more stable ④Other, please specify	C34					
35. How much would your average monthly wage be if you were employed? (Yuan/month)	C35					
36. While unemployed, what was your main activity? ①Retired (**Skip to next person/table**) ②Lost working capabilities ③Sick/injured ④Pregnant/Maternity leave ⑤In school/attend job training ⑥Doing Housework ⑦Nothing ⑧Other, please specify	C36					
37. (**Ask if C36≠1**) Have you ever worked before? ①Yes ②No (**Skip to C39**)	C37					
38. (**Ask if C37=1**) When did you leave your last job? _____Year	C38-1					
_____Month	C38-2					
39. Have you been actively looking for a job? ①Yes (**Skip to C41**) ②No	C39					
40. What is the main reason for not looking for a job actively now? ①Looking after other family members/doing housework ②Travelling/vacation ③Volunteering ④Cannot find a job ⑤Other, please specify	C40					
41.If there was a job suitable for you, would you be able to start work in two weeks? ①Yes (**Skip to next person/table**) ②No	C41					
42. (**Ask if C41=2**) What is your main reason for not being able to work? ①In school ②Attend a training ③Wait for the response from another job ④Prepare to start your own business ⑤Sick/injured ⑥Maternity leave ⑦House works ⑧Other	C42					

v) Children's education

Note: Please ask parents or guardians to answer the following questions of all the children under age 16 (born after 1991)and in school family members who are 16 and above (born before 1991). [Including children living in the same household, and children of the same household living in relatives or friends' homes, as well as children of the same household who are in school in other regions. Please code the children from elder to younger and fill the codes in D02]

1. Name of Child	D01					
2. Code (Need to be different from other family member)	D02					
3. His/ her weight at birth? (g)	D03					
4. If the child is a household member, please write down the household member code of the child (same as A02), and then **skip to D11**, if the child is not a household member, please write the code either for his/her parents or for guardians) (same as A02), and **continue to answer questionD05.**	D04					
5. Gender ①Male ②Female	D05					
6. Age (Actual age)	D06					
7. Current height (Cm)	D07					
8. Current weight (Kg)	D08					
9. Health condition (compared to peers) ①Very good ②Good ③Average ④not very good ⑤very bad	D09					
10. Is he/she in boarding school? ①Father ②Mother ③Grandparents ④Other relatives ⑤Live by himself/herself	D10					
11. Is he/she a preschool age child? ①Yes (**skip to next person or table after answering D32-D36**) ②No	D11					
12. How old was he/she go when first attended elementary school?(not including pre-school education) (**Actual age**)	D12					
13. Which grade is he/she in currently (or before dropping out)? (Grade code, from code table)	D13					
14. What type of school is he/she in currently (or before he/she dropped out)? ①Public school ②Private school ③Other, please specify	D14					
15. How do you rate the education quality of the school he/she is in currently (or before dropped out)? ①The best in the city/county ②Better than average in the city/county ③Average ④Worse than average in the city/county	D15					
16. How is his/her performance in school currently (or before dropped out)? ①Very good ②good ③Average ④Not very good ⑤Very bad	D16					
17. Do you worry about the child's development? If so, which option below you worry about the most? ①Do not worry at all ②Poor school performance ③Skips classes/Does not complete homework ④Spends too much time in internet cafés or/watching TV or playing computer games ⑤Bullied by others ⑥Makes bad friends ⑦Having girlfriend/boyfriend too early ⑧Other, please specify	D17					
18. Is he/she still in school now? ①Yes (**Answer question D22-D31**) ②No, dropped out (**Answer Question D19-D21**)	D18					

Questions for School Dropouts (If D18=2，please answer D19 to D21)						
Name of Child	D01					
Code (Need to be different from other family member)	D02					
19. In which year did the child drop out of school _____Year	D19					
20. The main reason why he/she stopped going to school (Choose only one option) ①Not willing to go to school ②There were employment opportunity ③Did not pass examination ④Family financial difficulties ⑤No school nearby ⑥Other (Please specify)	D20					
21. What is he/she mainly doing now? ①Farming ②Self-employed at home (Non-agricultural) ③Wage work at home ④Employed outside hometown ⑤Doing business outside hometown ⑥Lives outside hometown, but no information on his/her job ⑦Stays at home doing nothing ⑧Other (please specify)	D21					
Questions for In-School Students (If D18=1，please answer D22 to D31)						
22. How far is it between the child's home and his/her school (in km)? (If the child lives at school, please write down the distance between his/her home and the school. If the school and the home are not in the same city, please write down the distance between the two cities) (km)	D22					
23. Does he/she live in boarding school? ①Yes(**Skip to D25**) ②No	D23					
24. (**Ask if D23=2**) How many hours does he/she spend studying each week? (excluding the time he/she spends at school (Hours/week)	D24					
25. How much did he/she pay for all regular fees for school in 2007? (excluding sponsorship fees, fees to temporarily study at the school and school selection fees) (Yuan)	D25					
26. Of these, how much were tuition fee (Yuan)	D26					
27. Cost of food and accommodation (including those outside of school) (Yuan)	D27					
28. Cost of any remedial classes of school (Yuan)	D28					
29. Other fees (e.g. school uniform and so on) (Yuan)	D29					
30. How much did he/she spend on remedial classes outside of school in 2007? (Yuan)	D30					
31. How much are the total sponsorship fees/temporarily study fees / school selection fees in 2007? (Fill in '0' if none. If pre-paid, please fill in the average by year) (Yuan)	D31					
The following questions are only for pre-school children (If D11=1，please answer D32 to D36)						
32. Who takes care of the child mainly? ①Mother ②Father ③Grandparents ④Elder brothers and sisters ⑤Other relatives ⑥Sitter ⑦Kindergarten ⑧Other, please specify	D32					
33. Compared to peers, how do you assess the growth of this child? (including physical and psychological status, as well as learning and communication skills) ①Very good ②Good ③Average ④Below average	D33					

Code (Need to be different from other family member)	D02					
34. How much are the child's kindergarten fees each month? (For those not attending kindergarten write 0) (Yuan/Month)	D34					
35. If the child does not attend kindergarten, what is the main reason? ①Being taken care by family members ②Too expensive ③Cannot find a kindergarten ④The kindergarten is not good for the child ⑤Taken care of by sitter⑥ Too young	D35					
36. How much is the sitter paid each month? (write 0 if no) (Yuan/Month)	D36					

II Family and social relationship and life events

i) Provide basic information for existing adult children who are 16 years old and above and not living with the household head or his/her spouse. (In birth sequence)

(All the following questions should be answered by the household head or his/her spouse about all biological/adopted/step adult children who are not living in this household, excluding those who have been included in table D.)

1. Name of the child	E01					
2. Is he/she the biological child of the household head or spouse? ①Yes, is the biological child of the household head with his/her spouse ②Yes, is the biological child of the household head with someone else ③Yes, is the biological child of the spouse of household head with someone else ④Is neither the biological child of the household head nor his/her spouse	E02					
3. His/her date of birth _____Year	E03-1					
_____Month	E03-2					
4. Gender ①Male ②Female	E04					
5. His/her marital status ①Never married ②Married ③Remarried ③Cohabit ④Divorced ⑤Widowed ⑥Other	E05					
6. Number of children he/she has (include both living and dead biological /adopted/step-children)	E06					
7. Education level (Education level code, from attached code table)	E07					
8.His/her main place of residence ①In the same community of the same city ②In other community within the same city ③Other cities in the same province ④City in aother province ⑤Countryside ⑥Other (please specify)	E08					
9. His/her employment situation ①Wage work, farming or self-employed ②Re-employed retiree ③Unemployed ④Retired ⑤Housemaker ⑥Lost capacity to work ⑦In school/pre-school ⑧waiting for job/entering school ⑨School dropout ⑩Other	E09					
10. (**Ask if E09=1,2**) His/her current primary occupation? (Occupation code, from attached code table)	E10					
11. How often do you and your child contact each other? ①At least once a week ②At least once a month ③At least once a year ④Hardly contact each other	E11					
12. How many months have you and the child not lived together in 2007? (Month)	E12					
13. What kind of help did he/she provide to you in 2007? (May choose one or more) ①Financial help (e.g. loaned money or property/introduction to a job, etc.) ②Psychological (e.g. heart to heart talk/provide advice and so on) ③Daily affairs (e.g. looking after children/taking care of sick family members) ④No help at all	E12					
14. How much/many money/gifts/ meals did you give to him/her in 2007? (Cash equivalent. If provided to more than one person, please indicate average per person.) (Yuan)	E14					
15. How much/many money/gifts/meals did he/she give to you in 2007? (Cash equivalent. If provided to more than one person, please indicate average per person.) (Yuan)	E15					

ii) Basic information for the parents of household head and his/her spouse

(Please ask the household head or spouse to answer the following questions; include the biological/foster/step parents, if there are a number of parents, choose the closest ones to the respondent)

		Father	Mother	Father in law	Mother in law
1. Is this parent a household member? If so, please fill in household member code (keep consistent with A02) and **skip to next person or next table**, if not, please write 0.	E16				
2. Is he/she alive? ①Yes (**skip to E19**) ②No	E17				
3. When did he/she pass away? _____Year	E18				
4. In which year was he/she born? _____Year	E19				
5. Education level (Education level code, from attached code table)	E20				
6. His/her current(or past) occupation (if still working, fill in the current occupation, if not, fill in the most recent occupation) (Occupation code, from attached code table)	E21				
The following questions are only for living parents (E17=1)					
7. His/her current work status? ① Employed (Wage earner, farmer or self-employed) ②Re-employed retiree ③Unemployed ④Retired ⑤Household worker ⑥ Lost capacity to work ⑦In school/pre-school ⑧Awaiting job /further education ⑨Dropped out of school ⑩Others	E22				
8. Current health status ①Very good ②Good ③Average ④Poor ⑤Very Poor	E23				
9. Living arrangement ①Alone ② Only with spouse ③With adult children/grandchildren/children-in-law/grandchildren-in-law ④With spouse and adult children/grandchildren/children-in-law/grandchildren-in-law ⑤With other people ⑥In a nursing home ⑦Other (please specify)	E24				
10. His/her main place of residence ①In the same community of the same city ②In other community within the same city ③Other cities in the same province ④City in another province ⑤Countryside ⑥Other(please specify)	E25				
11. Number of children he/she has in total (including both living and deceased biological/adopted/step children, including the respondent) (person)	E26				
12. How often do you contact him/her? ①At least once a week ②At least once a month ③At least once a year ④Hardly contact each other	E27				
13. What kind of help did he/she give to you in 2007? (Can choose more than one option) ①Financial help (e.g. loaned money or property/introduction to a job, etc.) ②Psychological (e.g. heart to heart talk/provide advice and so on) ③Daily affairs (e.g. looking after children/taking care of sick family members)④No help at all	E28				

		Father	Mother	Father in law	Mother in law
14. How many months did you live apart in 2007? (month)	E29				
15. How much/many money/gifts/ meals did you give him/her in 2007? (Cash equivalent. If provided to more than one person, please indicate average per person.) (Yuan)	E30				
16. How much/many money/gifts/meals did he/she give you in 2007? (Cash equivalent. If provided to more than one person, please indicate average per person.) (Yuan)	E31				

iii) Social network (Choose either household head or his/her spouse to answer the following questions)

Please complete E00 _____with household member code. (Please keep consistent with the code in A02)

E3_1. During the past Chinese New Year(2008), how many people in total did you send greetings to in various ways (including visiting/phone call/mail/e-mail, etc.)(**E32**) _____person(s)?

Of these, approximately _____person(s) is (are) relative(s) (**E33**)_____person(s) is (are) friend(s) and acquaintance(s) (**E34**);

Of these, _____person(s) is (are) currently living in the city (**E35**)?

E3_2. Please recall approximately how many people have helped you in the past 12 months, including lending money to you, introducing a job, taking care of your child(ren), or having heart to heart talk/giving advice regarding difficulties you encountered. (**E36**)_____(Persons)?

Please specify the basic information of 3-5 people who have helped your family in the past 12 months. (or have the closest relationship to your family). Please rank them according to their importance. Do not include the family members of this household, parents or children of the household head or his/her spouse, etc.)

		1	2	3	4	5
1. Name	E37					
2. What kind of help did he/she provide to you in the last 6 months? (May choose one or more options) ①Financial help (e.g. loaned money or property/helped you look for a job, etc.) ②Psychological (e.g. heart to heart talk/provide advice and so on) ③Daily affairs (e.g. looking after children/taking care of sick family members)④No help at all	E38					

		1	2	3	4	5
Name	E37					
3. Relationship with you? ①None direct relatives(**Skip to E41**) ②From the same hometown/neighbors(**Skip to E41**) ③Friends ④Schoolmates ⑤Colleagues/employer ⑥Teacher-student/Master-apprentice ⑦ Acquaintances ⑧Other	E39					
4. How many years have you known him/her? (enter '1' if less than one year) (Year)	E40					
5. His/her education level (Education code, from attached code table)	E41					
6. His/her marital status: ①Never married ②Married ③Re-marriage ④Cohabit ⑤Divorced ⑥Widowed ⑦Other	E42					
7. Current work/education status: ① Employed (Wage earner, farmer or self-employed)②Re-employed retiree ③Unemployed ④Retiree ⑤Housemaker ⑥ Lost capacity to work ⑦In school/pre-school ⑧Awaiting job/further education ⑨School dropout ⑩Others	E43					
8. Current main occupation (Occupation code, from attached code table)	E44					
9. Where does he/she live? ①In the same community of the same city ②In other community within same city ③Other cities in the same province ④ City in another province ⑤Countryside ⑥Other(please specify)	E45					
10. How often do you contact each other? ①At least once a week ②At least once a month ③At least once a year ④Hardly ever contact each other	E46					
11. How much/many money/gifts/ meals did you give him/her in 2007? (Cash equivalent. If provided to more than one person, please indicate average per person)	E47					
12. How much/many money/gifts/ meals did he/she give you in 2007? (Cash equivalent. If provided to more than one person, please indicate average per person)	E48					

iv) Life events (The following questions should be answered by either the household head or his/her spouse)

Please complete F00_____with household member code. (Please keep consistent with the code in A02)

Incidents occurred in 2007, **(If the same incident occurs more than once, please describe the latest one)**	1Married	2 Started a relationship	3Became pregnant	4Gave birth	5Found a good job	6Divorced /Separated	7 Had serious sickness/accident/ injury	8.Family member passed away	9.Built/purchased a house

1. Did the event occur? ①Yes ②No(**Skip to next incident**)									
2. Who did this happen to? (Choose one or more) ①Yourself ②Spouse ③Children ④ Siblings ⑤ Parents ⑥ Other household members									
3. Did you expect the event? ①Yes ②No ③Don't know									

III Household income, expenditure and housing situation in 2007(The following questions should be answered by either the household head or his/her spouse.)(Unit: Yuan)

Income	Number	Amount	Expenditure	Question Number	Amount	Expenditure	Number	Amount
Total income of the household in 2007	G101		i. Consumption Expenditure	G201		ii. Business expenditure	G210	
i. Wage income:	G102		i). Food expenditure	G202		iii. Assets expenditure	G211	
Of which, wages and the subsidies/ bonuses, allowances / benefits	G103		ii). Clothing expenditure	G203		iv. Transfer expenditure	G212	
Other labor income	G104		iii). Dwelling expenditure	G204		v. Social security expenditure	G213	
Income	**Number**	**Amount**	**Expenditure**	**Question Number**	**Amount**	**Expenditure**	**Number**	**Amount**
ii. Family business income	G105		iv). Durable goods/daily service expenditure	G205		i). Pension insurance paid for by household member	G214	

iii. Asset income	G106		v). Medical expenses and health services expenditure	G206		ii). Housing fund paid for by household member	G215	
iv. Transfer income	G107		vi). Transportation and communication	G207		iii).Medical insurance paid for by household member	G216	
Of which, Pension or retirement payment	G108		vii). Education, culture and entertainment service expenditure	G208		iv). Unemployment insurance paid for by household member	G217	
Income from social relief fund	G109		viii).Other commodities and services	G209		v). Other social insurance expenditure	G218	
Housing				**Question Number**				
Do you have a kitchen?①No ②Private kitchen ③Public kitchen				I101				
Location? ①Main district of city ②Urban-rural intersections ③Centre of town ④Town-village intersections ⑤Special region				I102				

End of the interview, thank you for your cooperation!

APPENDIX 3

GDP and GDP per capita for Provinces and Municipalities of China, 2002 and 2007

Rank	2002			2007		
	Province or Region	GDP	GDP per Capita	Province or Region	GDP	GDP per Capita
1	Shanghai	540	32.26	Shanghai	1200	65.00
2	Beijing	313	22.65	Beijing	901	56.04
3	Tianjin	190	18.98	Tianjin	502	45.77
4	Zhejiang	740	15.82	Zhejiang	1864	37.11
5	Jiangsu	1000	13.44	Jiangsu	2556	33.65
6	Guangdong	1100	12.73	Guangdong	3067	32.48
7	Fujian	410	11.81	Shandong	2589	27.72
8	Shandong	1050	11.57	Fujian	916	25.42
9	Liaoning	460	10.85	Neimengu	602	25.35
10	Xinjiang	160	8.30	Liaoning	1102	24.65
11	Hubei	500	8.30	Hebei	1386	20.03
12	Hebei	550	8.16	Jilin	523	19.16
13	Jilin	210	7.70	Heilongjiang	708	19.00
14	Hainan	60	7.62	Xinjiang	349	16.43
15	Hunan	420	6.52	Chongqing	411	15.20
16	Henan	600	6.48	Henan	1522	15.00
17	Shanxi	200	6.07	Hubei	915	15.00
18	Heilongjiang	220	5.96	Hainan	123	14.82
19	Ningxia	33	5.87	Shanxi	570	14.59
20	Anhui	350	5.85	Hunan	915	14.41
21	Chongqing	180	5.83	Shaanxi	537	13.39
22	Qinghai	30	5.79	Ningxia	83	13.37
23	Sichuan	480	5.76	Qinghai	76	13.29
24	Xizang	15	5.73	Guangxi	589	12.30
25	Shaanxi	200	5.55	Anhui	735	12.01
26	Yunnan	230	5.36	Jiangxi	547	12.01
27	Jiangxi	220	5.31	Xizang	34	12.00
28	Guangxi	220	4.90	Sichuan	1051	11.61
29	Gansu	110	4.29	Gansu	270	9.92
30	Neimenggu	95	4.00	Yunnan	472	9.55
31	Guizhou	110	3.12	Guizhou	271	7.36

Source: National Statistics Database, 2002 and 2007

Note: 1. The Price calculated According to the Price of 2002 and 2007 respectively.

2. The GDP per capita is in 1000 RMB; the GDP is in Billion.

3. The Province and Region not included the Hong Kong, Macao and Taiwan.