

Series on Contemporary China – Vol. 31



SOCIAL STRUCTURE OF CONTEMPORARY CHINA

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PREFACE

This book is the third study report done by the Research Group on Social Structure Changes in Contemporary China, a group affiliated with the Institute of Sociology, Chinese Academy of Social Sciences, following *A Report on Contemporary Chinese Social Classes* (2002) and *Social Mobility in Contemporary China* (2004). Since Fall of 2004, members of the research group have conducted in-depth research in Dayi County and Chengdu City (Sichuan Province), Shenzhen (Guangdong Province), Huairou District (Beijing), Jinjiang City (Fujian Province), Ningbo City (Zhejiang Province), Taicang City (Jiangsu Province) and many others. The research group has also reviewed a great deal of literature, and held a number of academic seminars. Initially, we focused on investigating the conditions of interest relations among the various sectors of society and their existing problems. However, during the actual investigation, we came to the conclusion that with the rapid development of the economy, the social structure was undergoing profound changes and social conflicts and problems were becoming prominent. We believed this was an ideal opportunity to study the development of and changes in the social structure. Thus, the research team decided to switch its focus to studying changes in the social structure of contemporary China after initially summarizing social class relations.

Upon entering the new century, China's socialist modernization construction has reached a new historical starting point. The basic characteristics of this new phase are somewhat contradictory. On the positive side, there is sustained rapid economic growth and many great achievements. However, numerous social conflicts and problems have emerged. The new historic tasks that the theorists face are how to correctly understand these contradicting social phenomena, identify reasons why conflicts are arising, implement appropriate policies and measures to solve these conflicts and promote coordinated economic and social development

for a more harmonious society. For many years, using economic theories and methods to observe and analyze problems and solving conflicts through economic policies and measures were necessary at a certain stage of economic construction. But as the economy has developed and entered a new stage, with the contradictory social phenomenon of a good economy and negative society emerging, it is also necessary to use social theories and methods to observe and analyze problems and use social policies and measures to solve them.

Based on our years of research, we believe that in this new stage, applying appropriate theories and methods, formulating social policies, reforming the social system, adjusting the social structure and strengthening social construction and management are the objective requirements to adapt to China's entrance into the critical period of reform and development, and for finding fundamental solutions to the numerous economic and social challenges.

In October 2004, the 16th Central Committee of the Communist Party of China (CPC) proposed to build a harmonious socialist society, which was warmly supported by the whole party. On January 20, 2005, at the 12th collective study meeting of the CPC Central Committee Political Bureau, General Secretary Hu Jintao pointed out that "All levels of party committees, governments and leading cadres should strengthen their investigation and work toward building a harmonious society in their regions or sector. They should comprehensively analyze and grasp the developmental trends of social construction and management in order to lay a solid foundation for developing policies and carrying out work. They should strengthen their study of the development and change of social structure, deeply understand and analyze the change and development trends of class structure, urban-rural structure, regional structure, population structure, employment structure, and social organizational structure. An in-depth study would allow them to facilitate a better understanding of the characteristics and laws of China's opening up and development towards a socialist market economy, promoting a better social construction and management."¹ In October 2006, the Sixth Plenary Session of the 16th CPC specifically discussed constructing a harmonious socialist society, making decisions on

¹ *People's Daily*, February 23, 2005, p. 1.

several major issues. The decisions pointed out that China had entered a crucial period of reform and development, with profound changes in the economic system and social structure, great adjustments in the interest pattern and deep ideological changes. This unprecedented social change has brought tremendous vitality to China's development and progress, but is bound to bring many problems. Building a harmonious socialist society is an ongoing process of resolving social conflicts. It is necessary to remain clear-minded and vigilant, while deeply understanding the interim characteristics of China's development. It is also necessary to scientifically analyze problems affecting social harmony, more actively face the conflicts, solve the conflicts, and maximally increase harmonious factors and reduce disharmonious factors, in order to consistently boost social harmony."²

Social structure has always been the core of sociological research. Social structure is the end point of a static analysis of society and also the starting point of a dynamic analysis of society. Understanding a country's social structure enables us to clearly recognize the reasons for and trends in a country's or region's social change. This so-called social change pertains to changes in social structure. Social structure is the composition and relationship pattern of the members of society who occupy certain resources and opportunities. Social structure is a theoretical abstract of the complicated social reality. Nineteenth-century French sociologist Émile Durkheim said, "Analysis of the social structure is the starting point of understanding all social phenomena."

The research group started from the objective reality that our country's reform and development has entered a new stage, and investigated and examined the development and change of China's social structure from practical, theoretical and historical perspectives. *Social Structure of Contemporary China* is the result of our four-year research.

This book contains an executive summary and nine chapters. The chapters deal with the following areas: population structure, family structure, employment structure, income distribution structure, consumption structure, urban-rural structure, regional structure, organizational structure and social class structure. The book provides an overall description

² CPC Central Committee, *Decisions on Some Major Issues in Building a Socialist Harmonious Society*, notebook edition, People's Publishing House, 2006, pp. 3-4.

and analysis of the current situation and history of China's social structure. Through the research on China's social structure, we have made the following conclusions:

First: China has entered a new stage that focuses on social construction.

Through 30 years of reform and opening up, China has made great achievements in economic development, quickly marching towards industrialization and modernization. At present, economic development has entered a crucial period. However, adjustment in the social structure lags behind, and economic and social development are uncoordinated, triggering numerous social problems, which have become characteristics of China's entry into a new period of development. In recent years, the (CPC) has put forward the concept of scientific development to build a harmonious socialist society, while continuing to greatly develop production. At the same time, the CPC proposes to place social construction in a more prominent position, indicating China's entrance into a new stage focusing on social construction. Adjusting the social structure and forming a modern social structure that is coordinated with the economic structure are important aspects for sustained and healthy economic development. They are also the foundation of a harmonious socialist society, and the core of social construction.

Second: China's social structure, having undergone deep changes, is still in the early stage of an industrial society, while the economic structure has entered the middle stage.

Generally, in a country's or region's early stage of development, there is a low level of productivity, few labor products, and solving the problem of food and clothing and meeting people's basic material needs are the main objectives of social development. Thus, this stage is mainly driven by economic development, prioritizing economic development over social development. However, after entering the middle stage of development, the backward state of productive forces is significantly improved. The problem of food, clothing and other basic material needs has been solved, and people's spiritual and cultural needs beyond material living become more and more urgent. At the same time, economic development puts higher requirements on science, technology, education and the social

environment. As a result, the contradiction between the uncoordinated economic and social development becomes increasingly prominent. At present, China's economic construction has made tremendous achievements. The economic structure has reached the middle stage of industrialization, but because of our lack of investment in social construction, adjustment of the social structure has lagged behind. The social structure is still in the early stages of industrialization, and is currently the largest structural challenge.

Third: According to our estimates, China's current social structure lags about 15 years behind its economic structure.

From the perspective of coordinated economic and social development, the current employment structure, urban–rural structure and class structure all lag behind the economic structure. Taking the rural–urban structure as an example, in 2007, the urbanization rate was 44.9%, 27 percentage points higher than the rate of 17.9% in 1978, and an average annual increase of 0.93 percentage points. According to the research done by Hollis Chenery and other scholars, the urbanization rate of countries in the middle stage of industrialization should be above 60%. It would take 16.2 years for China to reach the 60% target, at the current rate of increase of 0.93 percentage points per year. China's urbanization seriously lags behind its industrialization, and has triggered a series of economic and social contradictions and problems; this is the “bottleneck” of China's reform and development, and its resolution is the first priority.

Fourth: The main reason for the lag between the social structure and the economic structure is that social reform and social construction were not carried out in a timely manner.

In the past, there were different revolutionary phases. Revolution in different phases has different specific objectives and different historic tasks; even their ways and methods are different. Mao Zedong said, “When the current situation of revolution has changed, the revolution strategy and leadership must also change accordingly.”³ Reform development also has

³ Mao Zedong, “On the strategy against Japanese imperialism”, *Selected Works of Mao Zedong*, Vol. I, People's Publishing House, 1991, p. 152.

different phases for different developmental phases of the reform. The specific objectives and historic tasks are different, and the ways and methods of reform should also be different.

In the early stage of reform and opening up, establishing the focus on economic construction, undertaking economic system reform and promoting economic development were the most beneficial actions to take. After the mid- and late 1990s, GDP doubled, and the shortage economy and other problems had been solved. When China entered a new stage of reform and development, it should have carried out social system reform in a timely manner in order to strengthen social construction and promote the adjustment of the social structure. However, due to China's lack of experience and inadequate theoretical preparation, it did not carry out timely and necessary reform to the systems formed during the planned economic system period, such as household registration, employment, personnel and social security. As a result, the urban-rural dual structure still exists, social structures such as the urban-rural structure and employment structure still seriously lag behind economic systems, social construction focusing on improving people's livelihood was not able to be strengthened and investment was seriously inadequate. As China entered the new century, investment increased, but because of the excessive "debt," social undertakings were still very weak. Calls for attention to difficulties in school enrollment, medical treatment, housing and old-age care are at the forefront, especially in the central and western regions.

Fifth: Now is the most critical time to carry out social system reform and adjust the social structure.

A review of the history of modernization of regions and countries across the world shows that economic development and economic restructuring are, in general, the first priority, with social development and social restructuring coming later. But the formation of a social structure that is coordinated with and complementary to a modern economic structure is achieved through continuing long-term adjustment and coordination, and even social revolution. The formation of a social structure that is compatible with a modern economic structure is the distinguishing mark of a modern country. At present, there are only 30 or so such countries and regions, mainly in Europe and North America. In Asia, only Japan and

Asia's "Four Little Dragons" (Hong Kong, South Korea, Taiwan and Singapore) have such social structures. The majority of countries are still developing countries, some having achieved the necessary economic benchmarks, but with backward social structures (such as in Latin America and the oil-rich countries), and thus are not modern countries.

Since the reform and opening up, through adopting economic reform and economic restructuring, China has established a socialist market economic system. China has sustained and rapid economic development, with good prospects for future development, so it has passed the economic test. However, the social structure is still in an early stage; social and economic development is not consistent. The eight major contradictions in the new century and new stage pointed out by the 17th CPC political report reveal the discord between the economic and social structures. These eight contradictions mostly overlap with the seven issues pointed out in the 16th CPC report. These are mainly social problems, and are all deep-seated contradictions and problems facing the reform. If not properly resolved, a condition, described by some sociologists as "social interest patterns fixation" and "social structure fracture," will arise. We would not be able to overcome the immense obstacle of entering modernization and may be trapped in a backward social structure.

Now is the most critical point for implementing the scientific development concept, carrying out social system reform, strengthening social construction and adjusting the social structure. China has a solid material foundation, with vast amounts of people, especially the 900 million farmers with a strong desire to deepen the reform. China should seize the opportunity for social reform and social structure adjustment.

Sixth: At present, promoting urbanization is crucial for undertaking social system reform, accelerating social development and adjusting the social structure.

Since the mid-1990s, there have been three major problems plaguing China: first, expansion of domestic demand has been difficult; second, the widening gap between urban and rural areas has been difficult to curb; and third, there has been a growing number of criminal and social security cases. It should be noted that in these areas, China has made great efforts, but the original projection for improvement has not been met. The

numbers that should go up haven't gone up, and the numbers that need to go down haven't gone down. Why? An answer to this problem could be found in the new development stage. China has not made the necessary social structure adjustments following the requirements of the new state of the social structure.

After the hard lessons learned during the "Three Years of Economic Difficulty" in the early 1960s, the Chinese government began to implement a strict, isolated urban-rural household registration system, blocking farmers from the cities. Since the reform and opening up, the government has implemented a socialist market economic system. The economic situation has changed dramatically, along with the problem of the shortage economy. From a seller's market, China has become a buyer's market, but the gates of the cities are still closed. As a result, the complicated social problems listed earlier emerged. In the past 50 years, many strategies have been implemented, such as encouraging farmers to do both farming and factory work; opening community-production team enterprises; encouraging farmers to leave the land but not their home, to enter factories but not cities; opening township enterprises, developing small towns, encouraging farmers to leave land and hometown; even becoming migrant workers etc., that is to say, the government has tried all means to encourage farmers to carry out industrialization in the countryside, but none of these worked.

The domestic and international experience of modernization shows that industrialization is a process that gradually transforms peasants into workers in secondary and tertiary industries, then into urban residents. Industrialization must involve urbanization, because urbanization is a carrier of modernization. So far, no country has achieved modernization through agriculture and by having farmers as the majority of the population. We can correctly conclude the historic lesson of the "Three Years of Economic Difficulty" should not be attributed to having "too many farmers in the city" and "overly fast urbanization". China cannot use this to refuse farmers to move into cities. History has proved that it is wrong to block peasants from the city, and it also does not conform to the basic law of social development.

Now is the time to open the gates, allow farmers to enter the city and vigorously promote urbanization, ultimately achieving urban-rural integration through reforming the household registration, employment, social security and other systems. This is a necessary requirement for establishing

a sound socialist economic system, which has been a strong desire of the 900 million farmers for more than 50 years. It is also in line with the objective law of history. If China can succeed, a solution could be found for the aforementioned three unsolvable problems, and the pace of social structure adjustment will be accelerated. In the 60 years since the founding of New China, it has been found that whichever policies of the Party, if in line with the vital interests and aspirations of farmers, are extremely powerful once implemented. It is also the case for land reform and the household responsibility production system. If the major policy of reforming the household registration system, opening the gates to cities and pushing urbanization forward, were to be implemented, it would be the third liberation of Chinese farmers. By then, China could mobilize hundreds of millions of farmers, promote the development of productivity and push the economy to a new level, so the urban-rural structure, regional structure, employment structure and other social structures would see major changes.

The six issues mentioned above and the main contents of the book were our own considerations during our study of the process of the development and changes in the contemporary Chinese social structure. Contemporary China is transitioning from a traditional agricultural and rural society to a modern industrialized and urban society, transitioning from a highly centralized planned economy to a robust socialist market economy system. The entire society is undertaking an unprecedentedly comprehensive evolution. During the three decades of reform and opening up, China has made brilliant achievements, never before seen in history. Now, China is in a critical period of reform and opening up, with very complex, far-reaching and closely intertwined social problems, which are also unprecedented. However, these social problems must be solved, and the “big social obstacle” must be overcome.

The research group conducted a deep, detailed analysis of the current major social problems, believing that these life-long challenges were all institutional and structural problems which could not be resolved by economic methods. Mao Zedong said, “Qualitatively different contradictions can only be resolved by methods that are qualitatively different.”⁴ In order

⁴ Mao Zedong, “On contradiction”, *Selected Works of Mao Zedong*, Vol. I, People’s Publishing House, 1991, p. 311.

to solve these social problems at their source, China must develop new social policies, carry out social system reform, strengthen the social structure and adjust the social structure. Thus, the research team has proposed analyzing the social structure as a new perspective for studying issues in the new stage, and a new method for solving social problems.

The core purpose of the book is to recommend theories and methods on social structure to the society and readers, and to investigate the development and changes in China's social structure.

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