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**CHINA: AN UNINTENDED TRANSFORMATION
OF CLASS STRATIFICATION**

Johannes Han-Yin Chang

Department of Sociology
National University of Singapore
11 Arts link
Singapore 117570

Fax: 777-9579

e-mail: soczxx@nus.sg

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Johannes Han-Yin Chang

Department of Sociology
National University of Singapore
10 Kent Ridge Crescent
Singapore 119260

old address

Tel: 772-3471

Fax: 777-9579

E-mail: soczxx@nus.sg

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Abstract

The paper presents an overall configuration of China's new class structure, which has emerged since 1979 as an unintended by-product of its economic reform; it also constructs an explanation of why this new system of class stratification takes on its current form and why the pre-reform structure has been replaced by it. The explanation uses a revised model of macro-level symbolic interactionism. Three major arguments are proposed: (1) like power and structural and cultural conditions, meaning has contributed in a major way to China's economic reform and to the emergence of the new class system that is derived from it. (2) The impact of the pre-existing structural and cultural conditions on the reform and class stratification is a function of the mediation of meaning. (3) There is a mutually supplementary relationship between power and meaning: power depends on meaning for direction while meaning depends on power for practical realisation. In the abstract sense of power use, the position power of the ruling Chinese Communist Party (CCP) and the Chinese central government is neutral in relation to reform or no reform (and to change or no change in class stratification). It can be exercised in both ways. It becomes non-neutral only when associated with a meaning-based orientation.

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1. Introduction

Since the economic reform began in 1979, class stratification on the Chinese Mainland has fast evolved into a new system. A number of studies have touched upon the change, each focusing on one or more particular aspects (Whyte 1981, 1986; Parish 1981; Lin and Xie 1988; He 1988; Walder 1989; Blau and Ruan 1990; Wang 1990; Pang and Qiu 1989/90; Nee 1991; Li and Li 1993; Li 1993; Zhang and Liu 1995; Zhou 1996; Bian and Soon 1997; Li 1998; Ma 1998). This is not the place to review their important contributions. The objective of the paper is, instead, to move a step forward to present an overall configuration of the new class structure and more importantly, to construct an explanation of why it takes on its current form and why the pre-reform structure has been replaced by it.

The author interviewed one hundred and twenty-five people who had experienced the change of class stratification, including twenty-eight peasants, twenty-three workers, twelve peasant workers, fifteen self-employed business owners, two burger entrepreneurs, twenty-five professionals, sixteen government officials and four retirees. They were from Hebei, Jiangsu, Anhui, Beijing, Shanghai, Tianjin, Guangzhou, Shenzhen, and Hangzhou. The descriptive presentation of the paper is based on the interview findings supplemented by documentary data. And the explanation will be formulated within the framework of a revised version of Blumer's macro-level symbolic interactionism - from the viewpoint of meaning.

Traditionally, sociological research on class stratification has been monopolized by Marxist scholars (Marx 1965; Mao 1969a, 1969b; Thompson 1968; Wright 1978) and Weberian scholars (Weber 1968; Lenski 1966; Collins 1975; Goldthorpe 1982; Goldthorpe and Marshall 1992); to a lesser degree, it has also been shared by functionalists (Davis and Moore 1974; Clark 1962; Treiman 1970; Eisenstadt 1984) and those who made their voice heard from the borders (Bourdieu 1984; Giddens 1973; Sorensen 1996). The outcome in the explanatory domain is the production of a tremendous amount of knowledge concerning the relevance of

structural conditions and power. Unfortunately, however, the significance of meaning as an independent explanatory variable has been neglected.

Following a basic premise of symbolic interactionism, I highlight the impact of meaning in the paper. The purpose is not to negate the important relevance of some of the existing approaches, but to capture a significant dimension which they have largely left untouched. Power and structural conditions (such as the pre-reform economic strain) will also be discussed but not with the same attention because of my analytical focus, and they will be brought into the picture mainly by virtue of their relationships with meaning.

2. The Symbolic Interactionist Approach to Class Stratification

Symbolic interactionism does not have a mature theory of class stratification. However, it is not difficult to deduce from its general perspective on social structure a workable conceptual framework for guiding research into class stratification. Its most influential version is presented in Blumer's book *Symbolic Interactionism* (1969).

2.1. Blumer's view

Blumer's perspective (1969) may be summarized as follows:

1. Fundamentally, "human groups or society *exists in action* and must be seen in terms of action;" "action" here refers to both individual conduct and "joint action" (i.e., collective action).

2. "[S]ocial structure in any of its aspects, as represented by such terms as social position, status, authority, and prestige, [is] derived from how people act toward each other." This is true regardless of whether the structure in question is a new emergent or a sheer reproduction.

3. The "complex of ongoing activity that establishes and portrays structure" is formed and guided through a process of indication and interpretation. In other words, it is constructed on the basis of meaning.

4. The "meaning" is derived from, or arises out of, a formative process of social interaction.

5. "[T]he new form of joint action [that gives rise to a new structure] always emerges out of and is connected with a context of previous joint action." This "historical linkage" implies that a joint action and the meanings that guide it cannot be

understood without being placed in a historical context involving the relevant structural and cultural conditions that have been produced by previous joint actions.

When applied to our case, this perspective suggests that the new class in China may be perceived as a product of the “meaning”-guided economic reform (joint action) carried out under specific structural and cultural conditions (context/historical linkage). Thus, to account for the new structure as a problematic, it is necessary to examine four categories of factors, i.e., *action* (that shapes the emergence), *meaning* (that guides the action), *interaction* (that generates the meaning), and the *context* (that conditions the other three categories).

2.2. Revision

Blumer’s model highlights meaning, or rather meaning-guided action, as an explanatory variable for understanding class stratification. The emphasis defines its uniqueness and strengths. However, some modifications are necessary in order to make the model more effective in guiding our analysis.

First, the concept of context/historical linkage needs clarification. Blumer argues that the context/historical linkage does not determine exactly how the actor (both individual and collective) will perceive it and act toward it. This view of indeterminacy has an excellent point. It allows for the necessary space to treat meaning as a separate explanatory variable for understanding collective action and transformation of class stratification. But how much indeterminacy is involved? Blumer has given different answers. Sometimes, he insists that “the empirical world [including the context/historical linkage] can ‘talk back’ to our pictures of it or assertions about it - talk back in the sense of challenging and resisting, or not bending to, our images or conceptions of it ” (Blumer 1969: 22). Together with his view on indeterminacy, this position, to some extent, shares with the “*non-mechanistic determinism*” advocated by Strauss (1993:247), Mead (1934), Thomas and Znaniecki (1918-1920), Park (1972), and Shibutani (1986).

Nevertheless, on some other occasions, Blumer (1960, 1969, 1990) maintains that pre-existing structural and cultural conditions are only “a matter the human actor takes into account in mapping his line of action.” But do they generate effects beyond the scope of the actor’s deliberation. This view is obviously at odds with his

conception of them as an “obdurate” reality capable of “talking back” and affecting perception and collective action.

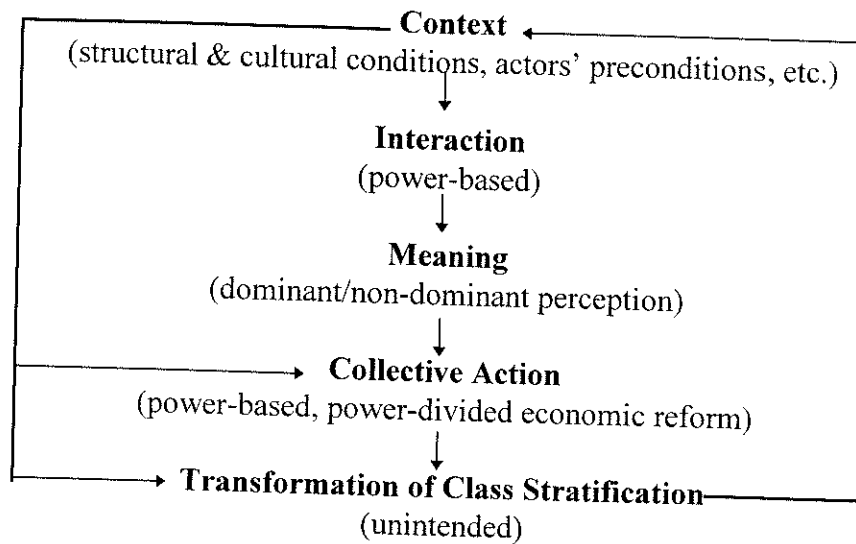
Therefore, the first modification I propose is to remove the inconsistency and preserve only his position of non-mechanistic determinism that recognizes the obdurate character of structural and cultural conditions as well as the implications of this character to the actor’s perception and action. I also propose to expand his non-mechanistic determinism to fully accommodate the impact of all kinds of pre-existing conditions on perception, collective action, and change of class stratification, including not only social structure and culture but also physical conditions and the actor’s own preconditions.

Second, the concept of “power” is missing in the model. In some of his earlier works Blumer (1954, 1960, 1990; also see Maines 1992) actually touched upon power many times. It was unfortunate that he did not incorporate it into his book *Symbolic Interactionism*. At this point I propose to do the incorporation explicitly. This can be accomplished in two ways. One is to recognize the fact that power is a major dimension of the social interaction discussed by Blumer and that the distribution of power determines which version of meaning may achieve dominance in the context of group or societal action. In addition, we can transform his view that joint action is guided by meaning into one that power-based joint action is guided by meaning.

Finally, in Blumer’s perception collective action is characterized by the participants’ fitting their lines of action to each other in the sense of co-ordination. This image of joint action does not exactly match the societal action in China’s economic reform which is responsible for the transformation of class stratification. During the reform not all members of the society attempt to fit their lines of action to the top reformers’. There are some who adopt a different interpretation scheme and oppose the reform; and there are also many who intend to exploit the reform in an illegal way to maximize their own interests. Therefore the third modification is to complicate Blumer’s perception to capture these empirical features.

With these modifications, we obtain a revised model, CIMCA, which may be illustrated as follows:

Figure 1. The Shaping and Transformation of Class Structure in China: A Revised Model (CIMCA)



Thus, tentatively, the new class structure in China will be perceived as a by-product of its economic reform, which in turn will be examined as a power-based and power-divided process guided by a set of dominant meanings against the challenge of non-dominant and deviant meanings; furthermore, the formation of the meanings will be analyzed within the interaction matrix of structural, cultural as well as physical and agentic factors.

To reinforce the uniqueness of symbolic interactionism, the paper will take meaning as the nexus of conceptualization and analysis. Distinction is made among three kinds of meaning according to their functions, i.e., motivation-oriented meaning, action-course-oriented meaning, and justification-oriented meaning. Given the length limit, the paper cannot present a full discussion of the formation and operation of meanings and their impact on class stratification. Our choice is to concentrate on the government level, on the dominant meanings developed and advocated by the central committee of the ruling party.

3. Defining the Pre-Reform Situation: Formation of the Motivation

As mentioned earlier, the new system of class stratification in China is a by-product of its economic reform. Therefore, in order to explain why it has emerged

and why it assumes its present pattern, it is essential to account for why and how the economic reform has been carried out. This section explores the motivation that underlies the reform for understanding the fundamental cause of the change of class structure.

“Motivation” here refers to the driving force that pushes the Chinese society to move away from its pre-reform system for a presumably better alternative. It is a dominant societal impulse shared, to various degrees, by members of the dominant social forces (the top reformers, the ruling party, and the majority of the public who support the change). From the viewpoint of CIMCA, the locus of the motivation does not lie in structural factors alone; rather it is an emergence arising out of interaction between the actors and a set of structural and cultural factors. As such, its nature is directly contingent upon the nature of the interaction and, indirectly, upon the properties of the actors (especially the leading reformers) and the relevant structural and cultural factors.

The way the dominant social forces perceive the pre-reform economic system play a crucial role in defining the nature of the interaction. It is substantial in its own right in shaping the motivation in question.

3.1. Perceived relative strain as the basis of the motivation

The concept “motivation” does not exist in the Marxian model. If we follow the Marxian perspective, we must seek for the cause of the reform in the strain between the productive forces and the economic structure. Moreover, the strain must be perceived as absolute in nature:

No social order ever perishes before all the productive forces for which there is room in it have developed (Marx 1968:183)

The first half of this perspective (regarding the relevance of the strain), although insightful, is one-sided; whereas the second part (regarding an absolute strain as a precondition of fundamental structural change) is simply wrong. There was no such *absolute strain* preceding the economic reform in China. In 1978, the year before the reform, China’s GNP actually grew by 12% as compared with 1977

(Statistical Yearbook of China [SYC], 1993:34); from 1953 to 1978, the average annual growth rate was 6.1% (Gao 1990:37).

Neo-Marxist analyses and non-Marxist structural or semi-structural analyses normally avoid the Marxian type of extreme position on the presumed absolute strain; but they share with Marx in attributing the basic change of an economic system to the poor service provided by this system for development of productivity. Their focus is still on the endogenous structural strain - strain between a given economic structure and the development of productivity within it. They fail to notice that comparative inferiority of an economic structure (as perceived) in promoting productivity is more relevant for understanding the basic change of the structure, in our case, for understanding the Chinese economic reform. This perceived inferiority is derived from comparison between the given economic structure and one or more alternatives, real or imagined, which are believed to be more capable of promoting productivity. It represents a different kind of strain - *perceived relative strain*.

To the insightful Chinese, the perceived relative strain became acute on the eve of the reform (1975-1978) when they made a comparison between the Chinese Mainland and Taiwan, between East and West Germanys or between North and South Korea. Right before WWII the ratio of per capita income between the Chinese Mainland and Taiwan was 1:4 (Gao 1990:37); by 1978 the gap had increased to 1:6 (Straits Times March 20, 1992). Even within the Mainland itself, at that time the dominant collective farming was on the average far less productive than the semi-capitalist farming on peasants' tiny private plots, according to my interviewees. Consequently, by 1978 about 250 million peasants, i.e., one-third of the rural population, were still living below the line of absolute poverty (Development and Research Center of China State Council [DRC] 1998:7).

The perceived relative strain was extremely embarrassing and threatening to the CCP which had all along assumed that socialism was economically a more productive system than capitalism. Indeed, the CCP had built its revolutionary cause as well as the legitimacy of its regime substantially on the presumed validity of this assumption. Thus Deng Xiao-ping, the general architect of the reform, noted:

Poverty is not socialism. We must adhere to socialism; but we must move forward and build a socialism that is really superior to capitalism (Schram 1988:180).

An implicit message of this statement is that the pre-reform socialism was inferior to capitalism, for it was less effective in developing the Chinese. Therefore it should be changed.

Similarly, Hu Yao-bang, General Secretary of the CCP in the initial stage of the reform, made the following comment in 1975:

The belief that socialism is superior to capitalism must be verified through more effective emancipation of the productive forces. If our economic production remains behind others and if the speed of our economic growth is not even as high as that of capitalism, how can we survive the test? (Han 1993:310)

Hu's and Deng's statements suggest that the leading reformers were fully aware of the relative strain. They also knew its implications for China's survival and its danger to the perpetuation of the CCP regime. It is this sense of crisis derived from the perceived relative strain that drove them to initiate and lead the reform.

Endogenous strains alone, like the cyclical depression and many other problems in a capitalist society, would lead to technical adjustments within the framework of the existing system; fundamental system alterations will not occur unless a convincing better alternative is available in pure imagination (which gives rise to an imagined relative strain) or in recognized reality (which may result in a perceived existing relative strain).

3.2. From a few to hundreds of millions

It should be noted that in 1978, the year before the reform started, only one of my interviewees rejected the pre-reform economic system. He used to be a well-to-do peasant, but his living standards had sharply declined after the farming collectivization in 1956. Very few people in China were like Deng and Hu, perceiving the Maoist economic system as fundamentally problematic. The view of these top reformers was neither shared by the majority of the Chinese population, nor endorsed by the Central Committee of the CCP (CCCCP). Actually, it was hardly known to the public. Since seeing the economic system as problematic was a

precondition of developing an impulse to change the system, lacking such a perception on the part of the CCCCPC and the majority of the population meant that the Chinese society did not have an articulate dominant motivation at that time to alter the existing economic system. It took four to five years for the critical view to be changed from the perception of a few at the top into the conviction of hundreds of millions.

The process of diffusion consisted of two sub-processes - that of transformation from meaning to power and that of transformation from power to meaning. The first sub-process enabled the chief reformers, whom Eisenstadt (1984:217) would call "institutional entrepreneurs", to dominate the CCCCPC; and the second sub-process made it possible for them to translate their critical view into a formal perspective of the CCP and then use the CCP and the administrative system as institutional mechanisms to further change the CCP's perspective into a consensus among the general public.

The flow from meaning to power was directly engineered by Deng and his top supporters and actualized by virtue of an apparently irrelevant philosophical debate on how to assess the validity of truths. After Mao's death (1976), Hua and his supporters declared that they would support whatever policies Mao had formulated and whatever instructions he had issued (dubbed as "*liangge fanshi*" or "*two whatevers*"). This position was nothing but continuation of the nation-wide blind worship of Mao created during the 10 years of the Cultural Revolution (1966-1976). Under the new worship everything said or written by Mao would continue to be treated as a truth, and any challenge would still be perceived as a punishable crime. Furthermore, Mao's economic system would be preserved.

In contrast, Deng and his supporters adopted the view that the validity of truths could only be verified through practice (Han 1993). Deng's position had major practical implications. One such implication was that whether Mao's policies and decisions were correct should be subject to reality testing. Second, the results of the testing might prove Mao incorrect in handling certain matters. Third, if he was wrong, correcting his errors might lead to improvement and progress and therefore, should not be treated as a crime. Fourth, those who had been punished for challenging or deviating from Mao's ideas in the Cultural Revolution might be

innocent. Finally, the way to develop the nation's economy within Mao's framework might need to be reviewed and changed. Deng's position was not only in line with science, but also matched the philosophical theory of Marx (1974:28-30) and Mao (1969c:259-273).

The debate basically assumed a mode which Habermas(1987) would call "communicative action." The critical approach soon won over the hearts of most newspaper editors, provincial leaders, army commanders, and intellectuals. Hua and his followers were now "exposed" as theoretically wrong and incapable of defining the nation's situation correctly. Their ability of governing the country was questioned. Thus the leading reformers could use the public opinion support for them to push Hua to dismiss his major followers from the leading positions of the CCP and to promote Deng's supporters to join the CCCC and its Political Bureau. By December 1978 the reformers had already gained elementary dominance over the CCP. Further, the reform experiments (shifting from collective to household farming) in some areas in Anhui and Sichuan Provinces in the following two years proved highly successful, leading to a marked increase in their agricultural output. To many, this had the implication of having verified the validity of the top reformers' arguments that Mao's economic system was problematic and must be changed instead of being preserved. By now, Hua was completely defeated at the level of perception/meaning. In 1981 he had to give up his chairmanship. Thus, the reformers' political dominance was fully established and the process from meaning to power completed.

The process from power to meaning was basically a top-down process, although it was supplemented by bottom-up stimulation and support. Its effectiveness was tied to an operational chain involving demonstration, modelling, and reality testing. First, the central government publicized the successful reform experience of Anhui and Sichuan (shifting from collective to household farming) to impress the peasants all over China. At the same time it encouraged the half-ready-for-a-reform peasants to learn from them. Once peasants in other areas had copied the model, generally they became better off too. Thus, through reality testing they were further convinced that Mao's type of economic system needed a basic change.

When I asked my peasant interviewees what was their position in the philosophical debate, how they perceived the pre-reform rural economic system, and how they felt about the current reform, one of them, Wang Futing, responded:

Philosophical debate? I've not heard of it. You know, we *xiangbalao* (peasants) don't read newspapers. Playing with pens and ink is the business of scholars and officials. I'm not concerned. I don't understand it anyway.

We are *dalaocu* (little-educated masses). We *tinghe* (listen to those in power). When the Japanese devils came, fuck it, we listened to them. When Lao Jiang (Chiang Kai-shek) controlled the country, we listened to him. Now it's the turn of the Communist Party, and we listen to the Communist Party.

If you want to know whom I like, I like Lao Deng (Deng Xiaoping). Don't say he is short. His ideas are tall. He is sharper than Hua Guofeng, the big guy (*da gezi*) from Shanxi. He also defeated Lao Jiang's army here [in 1948], capturing nearly a half million of his soldiers in one campaign. A few years ago he told us to have a reform. We did it. Very good. Before .. ah, before 1982 we ate a lot of porridge and potato leaves. My family could only afford to have two meals a day in the winters. Damn it. Now you can see my new house. Also the never-eaten-up grains in my granary. You see, Lao Deng is even more capable than Chairman Mao. Chairman Mao was a great man; but his assistants (*zuoyoushou*) made a mess.

I don't know big reasoning (*da daoli*). But whoever can make us live a good life must be good guys. I support them. Of course I am on the side of the reform.

Wang's case was representative of the other peasant interviewees as well (with one exception). They had a strong "habitus" of conformity rather than independent thinking and autonomy. They followed suggestions of the government and moved away from collective farming. Only afterwards did they form their firm conviction of the need to fundamentally change Mao's economic system.

The influence of the initial success of rural reform was overwhelming to the urban residents. It was used very effectively later by the top reformers to persuade them to define the urban economic system also as problematic and in need of a basic reform.

4. Defining the Line of Action: Setting the Reform Orientation

As soon as the top reformers succeeded in motivating the ruling party to change the existing economic system, there arose the need for a new line of action.

And the need became even more pressing when the majority of the population were ready to join the CCP for an in-depth reform. If the perceived problems of the pre-reform economic system constituted the basis of the motivation and explain why the reform has been conducted and why the system of class stratification has changed as a result of it, then the meaning of the new line of action that guides the reform and the reform itself have shaped the configuration and content of the new class stratification.

4.1. Major components of the Dominant Line of Action

The line of action formulated by the top reformers consists of the following major policies: (1) To suspend Mao's type of class struggles and concentrate on economic development. (2) To conceptually separate the ownership from the use of the means of production and allow the peasants to engage in household-based farming on the collective land; also to allow individuals - both urban and rural - to manage, on the basis of contracts, factories, farms, shops, etc. that are owned by the state and collectives. (3) To allow the citizens to start private business or hold private shares. (4) To allow the citizens to make and keep private profits. (5) To allow the citizens to hire labor for the operation of private business. (6) To allow foreign businessmen or businessmen from Taiwan, H.K., and Macao to start private business independently or to participate in joint ventures in co-operation with Mainland Chinese. (7) To grant developmental privileges to the special economic zones such as Shenzhen. (8) To allow non-effective state-owned enterprises to declare bankrupt or to be sold to individuals or private companies. (9) To transform the planning economy into a market economy. (10) To delegate a large part of the decision making power of the Central Government to the governments at lower levels as well as to individual enterprises and rural households regarding economic transactions.

4.2. Continual negotiation

The formulation of these policies is a process of "permutation of action" (Strauss 1993). It is a process moving gradually from no explicit capitalism to an increasingly heavy dosage of capitalism. The exercise has been built upon Deng's pragmatism with two major considerations: economic effectiveness and political plausibility. This is reflected in what may be called "continual negotiation" - negotiation between the central government and the intended and unintended

consequences of the reform. The key to the success of the negotiation is “role taking” in Mead’s sense (1934).

In December 1978 when it first called for a reform, the CCCCPC was only able to specify one of the afore-mentioned policies, i.e., to put a brake to Mao’s type of class struggles and political movements and concentrate on economic development. As to how specifically to deal with the extant economic system, it did not reach any consensus.

Deng’s decision was to “wade across the river while continually throwing pebbles into the water to explore its depth.” The strategy used to operationalize this principle was “ideology-free” experimentation, i.e., to rely on the results of both spontaneous and officially designed experiments to set the specific orientation for the economic reform. The issue of capitalism or socialism was left aside. As long as a measure had experimentally proved to be effective in promoting productivity, it was given credit and might be used as a show case for popularization. This was in line with Deng’s well-known “cat” philosophy (“A cat is a good cat, be it black or white, as long as it captures rats.”)

In its first reform-oriented document issued in December 1978, the CCCCPC actually instructed that the collective farming system in the rural areas should be maintained. However, some villages such as Xiaogang in Fengyang County (Anhui Province) and Xinmin in Jiujiang County decided to take a political risk and try out household farming. Their attempt proved successful. After Hu Yao-bang was promoted to lead the Secretariat of the CCCCPC in 1980, he and other top reformers lost no time to persuade the CCCCPC to advise all the less developed rural areas to make a free choice between household farming and the existing collective operating system. Later, when household farming proved effective in more provinces, the CCCCPC responded by allowing all peasants to practice it. By the end of 1983, about 98 percent of the peasants had opted out of the collective system (DRC 1998:5).

Similarly, on the basis of the perceived experience of running the first SEZ (special economic zone) Shenzhen, the CCP has been encouraging all provinces to attract foreign investments or investments from Hong Kong and Taiwan. Meanwhile it has also repeatedly adjusted its policies to facilitate the development of private

enterprises, including privatization of losing state-owned enterprises and transformation of the planning system into a market economy.

In general, the leading reformers have tried to ensure that the pace at which the adjustments were made should be compatible to the threshold of acceptability of an overwhelming majority of the population, especially the majority of the military commanders and party and government officials. And they succeeded, according to my interviewees.

5. Defining the Rationale: Justification

Although defining the existing economic system as problematic opened the door for reform, it would not automatically grant legitimacy to the new line of action adopted by the reformers. The legitimacy was a crucial condition for the reform policies to gain support from the masses and for the conservatives' voice to be muffled.

After long years of political conditioning under Mao's rule, the general public had widely internalized Mao's values and beliefs, for example, his appreciation of an egalitarian society free of polarization and exploitation, and his beliefs that socialism was superior, that hiring labor for making profits in a private business was exploitative, and that capitalist roaders within the CCP were extremely dangerous to the future of China. It was particularly difficult for the CCP and the PLA (People's Liberation Army) to symbolically betray these values and beliefs. However, the reformers' new line of action, which is constituted by the major policies presented in Section 4.1, was fundamentally conflicting with them. Consequently, justification became an extremely acute imperative. Its nature was to define the reform in a special way so that a certain sort of meaning could be generated to symbolically rationalize the reform. This meaning was built upon a series of elaborate accounts constructed to convince the public that the reform, although appearing otherwise, was actually consistent with their basic values and beliefs, i.e., being socialist in nature and perfectly in line with Marxism.

Marxism, at least the version upheld in China, has always treated improvement of economic productivity as the most fundamental criterion by which to assess societal progress; other considerations, such as moral virtues, are only granted

secondary importance. The ultimate rationale used by the reformers to justify all kinds of reform policies was to argue that they are oriented toward improving productivity. In other words, the reform was perfectly in line with the essence of Marxism, despite its apparent tolerance of capitalism and quasi-capitalism (Jiang 1992).

Classification manipulation was another major means of justification. Using this approach, the reformers created three theories to defend the reform. One theory contended that a strict distinction should be made between the ownership and the use of the means of production: The nature of an economic system was determined by the ownership of the means of production, not by how it was used. Therefore, although farmers had abandoned collective farming, the household-based operation system they chose should be regarded as a special form of responsibility system within the framework of socialism, since the land remained collectively-owned. Hence the new system must be socialist in nature, entirely different from traditional household farming or private farming in a capitalist society (Du 1981; CCCCPC 1983).

When private business began to develop in both rural and urban areas, a second theory emerged for its defence. It argued that an economic system should be classified as socialist if most of the means of production were owned by collectives or the state. At the time this theory was publicized, about 95% of the cultivable land in the countryside was still owned by production teams and brigades (although only in name), and likewise, most of the means of production for commercial, transportation and manufacturing industries were also owned by collectives or the state; therefore, the economic system operating at that time was socialist in nature, despite the dynamic functioning of the non-dominant private business.

The third theory was not concerned about classifying the emerging economic system as a socialist system, but rather to argue why it was necessary to allow and even encourage private business to come back. It was dubbed as a “theory of elementary-stage socialism.” In this perspective, although in the long run, socialism will eventually become a pure form of economic organization, private business is an indispensable supplementary sector in the elementary stage of socialist development when productivity is still very low, for it is capable of playing a role in promoting economic development which cannot be adequately performed by non-private

enterprises under the current circumstances. China is in the elementary stage of socialism, and therefore, needs private business (Jiang 1992).

Noting that private business had been basically eliminated during the years of the “Socialist Transformation” in the mid-1950s, Du (1981) follows Marx’s reasoning and argues that an economic system will not perish before it has exhausted its potential for promoting the growth of productivity; private business still had potential to facilitate economic development; so [they should not be eliminated and] should be allowed to survive in the current stage.

Most of my interviewees believed the reasonableness of the justification in the first 10-15 years of the reform, although they no longer thought that China’s economic system was still a socialist system. Yet they said they were happy about the non-socialist reality now. Then, why does the justification still stay? Liu Peili, an intellectual, suggested to me that it is still functional - to continue “to shut up the mouth of the conservatives.”

6. The Emergence of a New Class Structure

Blumer (1969:2) was perfectly right when he argued that in “symbolic interaction”, human beings act toward a situation according to the meanings the situation has for them. Given the three kinds of definition of the situation advocated by the leading reformers and the fact that they were well-received by the general public, it is not difficult to understand why the leading reformers were able to effectively engage the whole nation in a difficult, profound economic reform. However, the public is not a homogeneous entity. People differ in their interpretative response to the top reformers’ view and in the perception of their own interests, roles, and life conditions. Consequently, they also differ in action while involved in the reform.

Overall they may be divided into three categories: *opponents*, *deviants*, and *conformists*. The *opponents* consist of two components, namely conservatives and pro-democratic radicals. The conservatives prefer to sustain the pre-reform economic system, while the pro-democratic radicals have still another agenda - to focus on changing the political system and terminating the rule of the CCP rather than giving priority to economic reform (see *Spring of China* 1978-1999). Small in number and

being under strict political control, these two groups of people have not been able to alter the course of the reform; their impact on class stratification is negligible.

The *deviants* are constituted by law-bending businessmen and government officials. Quantitatively, they are highly significant. And they control economic resources and administrative power and possess effective social networks. These people do not reject or question the reform. Instead they see it as a rare opportunity for acquiring huge wealth and are eager to break the law for achieving the goal. Because they are far more difficult to control, to a significant extent, they have twisted the reform and generated a marked effect on the new class structure (see Section 6.5).

The *conformists* constitute the overwhelming majority of the public. They basically accept the interpretations of the top reformers. And most of them have “seen” and taken their new opportunities provided by the reform policies - opportunities for capitalistic development and for earning a better living. Thus, for example, some of the most resourceful ones have started private business, and many peasants have migrated to cities for urban employment.

The conformists constitute a solid social basis supporting the reform. With their participation, all the policies listed in Section 4.1 have either been carried out or are halfway in the process of implementation. This has led to a rapid re-organization of the economic system. Along with it, and together with the “noise” of the “deviants”, new categories of economic actors and new social relations have emerged (e.g., private enterprises have brought about enterprise owners who did not exist before the reform). Consequently, a distinct pattern of class stratification has arisen as a by-product (say, the emergence of private business owners has automatically led to the unintended rebirth of the bourgeoisie and petty bourgeoisie - much against the wish of the ruling CCP). Indeed, the new class structure is an inherent structured characteristic of the new forms of economic and social transactions, produced and reproduced on the daily basis, by hundreds of millions of people when they are purposively engaged in the economic reform in response to the meanings they attribute to the perception and policies of the top reformers.

6.1. Two patterns of class structure

In this paper, “classes” are defined as large societal groupings (either as aggregates or as organized groups) the members of each of which share a similar

power base in the occupational system of a society (e.g., authority-based bureaucratic/managerial class, capitalistic property-based bourgeoisie, etc.). Furthermore, I define class stratification as a system of class hierarchy in which the relative position of a class is determined by its location in the power relations between classes, by direct or indirect returns to the exercise of its power, and by its own perception as well as public perception of its relative power position and returns.

Based on this definition, two distinctive patterns of class stratification may be identified on the Chinese Mainland since 1957. One (Pattern A, 1957-1978) resulted from the Socialist Transformation, and the other (Pattern B, 1979 - present) from the current economic reform.

In the period from 1957 to 1978, the population on the Chinese Mainland may be divided into five classes, namely the bureaucratic/managerial class, professional class, clerical class, working class, and farming class. Their power bases were bureaucratic authority, professional expertise, clerical skills, industrial/commercial labor, and agricultural labor (or kindred) respectively. They constituted a three-tier class hierarchy.

The peasantry was essentially a quasi-caste, staying at the bottom of the class hierarchy. The other three classes were in the middle range, and differences in power, prestige, and life chances among them were negligible. The major exception was the top stratum of the professional class which enjoyed more autonomy, and higher status and income.

As a result of the reform, the class structure has been substantially altered. The new system consists of seven classes, including two “new” members - the bourgeoisie and the self-employed petty bourgeoisie. The bureaucratic/managerial class remains at the top the hierarchy; but its control over the other classes has been substantially compromised. The classes positing between this class and the peasantry are no longer on the same plane. The bourgeoisie is above the other four, and the distance between the professional class and the working class (as well as the clerical class) has been visibly extended. New forms of intra-class stratification have also emerged. Furthermore, two kinds of partial class overlapping are also significant - that between the urban working class and peasantry and that between the bourgeoisie and the bureaucratic/managerial class.

6.2. The rebirth of the bourgeoisie and petty bourgeoisie

Sorensen (1996:1333) claims that “rent ... is the basis for the formation of classes.” In his perceptive, the bourgeoisie is a group of individuals who seek and obtain rents using capital in the market situation. It may be argued that three conditions must be met for such a class to take shape: (1) freedom for rent seeking, (2) operating space for rent seeking, and (3) resources needed as the basis of success in rent seeking.

During China’s Socialist Transformation (ST) (1953-57), these three conditions were fundamentally removed as far as the bourgeoisie was concerned. The state bought all shares from the nationalist bourgeoisie. Afterwards, the latter was no longer permitted to run enterprises for private profits; and their capital was turned into consumption-oriented bank savings. Socially they also lost their power of control over the workers whom they had hired. Thus the nationalist bourgeoisie disappeared as a class.

The self-employed petty bourgeoisie was terminated in the same period through government-imposed collectivization of its business property.

Since early 1980s, however, a huge number of Mainland Chinese have been able to actively respond to the *perceived* business opportunities offered by reform policies. Meng Fansheng, a peasant and a former soldier, is one of them. In his words, “One would be a log-head, if he does not take his opportunity.” So, with the help of his relatives (two government officials), he managed in 1983 to obtain a loan from a bank and also a privileged permission to hire more than 20 peasant workers and to freely process rocks from a collective-owned hill for his own profit. Within two years of time he became a “money-bag”.

The “adventure” of “self-employed” Wang Fuliang, a former production team leader, is much simpler. He does not hire any worker; every job is performed by himself aided by his wife and daughter. But he looked quite happy when talking about his “game”:

You can go nowhere only to rely on rice plantation. The farm for my family is so small, just like a palm. Everybody is trying to make bucks, man. So I thought I must do something too. But, I had no money; no capital for big business. And no banks would loan their money to me. I’m not their Dad. But, but ... I must confess, embarrassingly, I don’t know anything about big business. I don’t think I can be a big dragon making huge waves in

East China Sea. I talked with my wife and we decided to play a small game. We're not greedy. I'm only a tiny shrimp compared with others, those dragons and big fishes. But making small money is OK. You know, being a big moneybag may have a lot of troubles.

What he did was to make beancurd and fry "oil sticks" for sale. His hard-earned profit was moderate. But he told the author that in three years after he set up the business, he had accumulated enough money to build a simple three-room brick house.

By 1997, a total of 5.97 million self-employed enterprises and 80 thousand larger private enterprises had been set up. Furthermore, a number of state- and collectively-owned enterprises have incorporated private shares. A new bourgeoisie and petty bourgeoisie have thus re-emerged (apart from the comeback of a foreign bourgeoisie).

In 1997 the gross output value of the state-owned industrial enterprises constituted only 26 percent of the national total of industrial output value, down from 78 percent in 1978. By contrast, the output value of the private industries owned by Mainland Chinese had reached 2,689 billion *yuan* (RMB), equivalent to 24 percent of the national total. This percentage was 49 times as large as that in 1980. The continual growth of the industrial producing capacity of the private sector is shown in Table 1:

**Table 1. Gross Output Value of Industry by Ownership
(in Proportion) in Selected Years**

Year	State-Owned	Collective-Owned	Individual-Owned	Other Ownership
1952	0.42	0.03	0.21	0.35
1975	0.81	0.19	0.00	0.00
1980	0.76	0.24	0.0002	0.0048
1985	0.65	0.32	0.02	0.01
1990	0.55	0.36	0.05	0.04
1995	0.34	0.37	0.13	0.17
1997	0.26	0.38	0.18	0.18

Source: Constructed from *Statistical Yearbook of China*, 1995, p.377; 1998, p.433.

In wholesale and retail sale trade, the value of merchandise handled by the private firms owned by Mainland Chinese occupied 28 percent of the national total in 1997 (SYC 1998:30). These firms concentrated on retails (managing 54 percent of the retail sales in 1996) and employed 55 percent of China's employees working in the trade business that year (SYC1997:551, 565).

The proportional trading and manufacturing capacities of the private sector may be used as rough indicators to measure the operational strengths of the bourgeoisie and the self-employed petty bourgeoisie. But one caution needs to be made. These indicators do not reflect the activities of those who possess private shares of state- and collective-owned enterprises and those who manage state or collective enterprises on a contract basis oriented toward maximizing their private interests. The case of Suzhou, an area most developed in village and township collective enterprises in China, can shed some light in this regard. In 1998 over 6,000 village and township enterprises (or 80 percent of the total number of enterprises in this category) had private shares in this area; these shares occupied 34 percent of their assets. In Wu County, the most profitable collective enterprises with an asset valued above 10 million Chinese *yuan* were all managed by contractors who were also their share holders (Cai 1998:29).

There are no statistics available for determining the exact size of the neo-bourgeoisie or petty bourgeoisie. According to the SYC (1998), however, 1997 witnessed approximately 6 million individual-owned small enterprises in the urban and rural areas. The owners of these enterprises basically belong to the self-employed petty bourgeoisie. It should be noted, though, that many of the self-employed in the rural areas, such as Wang, do not register their business in order to avoid business tax. Therefore, the actual size of the self-employed petty bourgeoisie was larger than suggested by the official statistics.

Li (1995:21; also see Lianhe Zaobao, March 25, 1999) estimated that those whose family property exceeded one million *yuan* in 1995 totalled about a million. Most of these people belonged to the bourgeoisie. Some members of this class have accumulated hundreds of millions of *yuan* in the form of private assets.

To remove the negative meanings assigned to the bourgeoisie during the years of "revolution", the top reformers now use their newly acquired "symbolic power"

(Bourdieu 1989: 20-24) to name the reborn bourgeoisie as “entrepreneurs”. The new label signifies a basic change of the CCP’s attitude toward the bourgeoisie.

Accordingly, the public no longer sees the bourgeoisie as deserving political condemnation. There is no more talk about exploitation by the bourgeoisie. Marx’s *Capital* is shelved. However, public perception of the class is still a far cry from predominant respect and appreciation. It tends to be curiously selective, with disproportionate interest in the corruption, lust and extravagance of some of its members, for example, their lavish spending in restaurants and night clubs and on mistresses. The nouveaux riche are called “*Dakuan*” (big bucks) rather than entrepreneurs in public gossip. Bourgeois members are taken seriously largely in the context of business operations when they assume the role of “boss” with full power and authority.

6.3. The farming class

Before 1949, the rural population was divided into three classes: The landlord class, petty landlord class (officially addressed as “rich peasant class”), and the rural farming class (tenants, quasi-tenants, and independent peasants). The first two classes were eradicated as a result of the Land Reform carried out shortly before and after the CCP took power, in which most of their land was confiscated and distributed among the tenants and quasi-tenants. Afterwards, during the ST, all farms were collectivized except a tiny portion, about 5% of the total cultivable land, which was allowed to be kept by each rural household as a “private plot”. By 1958, all peasants had been turned into members of “people’s communes.” The peasants in each commune had similar social status and similar income. Indeed, peasants all over China essentially had the same social status as *nongye renkou* (i.e., “rural residents”). This is called intra-class “homogeneity” by Wang (1990).

After 1958 the peasants were gradually reduced to the status of a quasi-lower caste. Under the influence of Stalin’s model of industrialization, a substantial amount of the capital used for China’s industrial development was taken from the peasants through an exploitative price policy called *jiandao cha* - buying products from the peasants at lower prices but selling industrial products to them at higher prices based on a ratio far lower than the level of practice at the world market (Lardy 1983; Ma 1998).

The rural-urban income ratio in 1978 was estimated to be 1:2.4 (SYC 1991:296). Besides, unlike their counterparts working in the government institutions or state-owned enterprises, the peasants did not have pensions, medical benefits or housing subsidies; nor did they have the urban type of guarantee of food supply. In 1959-62, millions of peasants probably died of hunger, some of whom my interviewees personally witnessed.

However, the residence system prevented the peasants from migrating to cities, with the exception of a tiny number such as those who passed the national university entrance examinations, who joined the army and became officers, and those who were luckily employed by urban collective enterprises (very often through “back doors”). Urbanites would not marry rural girls, let alone farm boys.

The life chances of the peasants have been significantly affected by reform policies. In 1997 China’s population was 1.24 billion. About 70 percent lived in the countryside (SYC 1998:105). But 18.5 percent of the rural labor force actually worked in the village and township enterprises (SYC 1998: 127), 40 to 80 million people migrated to cities, taking temporary jobs as *peasant workers* (Xue 1998:15), 6 million were employed in rural private enterprises (SYC 1998:152), and a significant proportion was engaged in self-employed business. Only the remaining rural population constituted the farming class (or rural working class).

These changes have stratified the former homogenous peasants into three broad categories - the rural petty bourgeoisie, the marginal stratum of peasant-workers, and the farming class. The emergence and expansion of the first two categories suggests that the rigid divide between *nongye renkou* (rural residents) and *fei nongye renkou* (non-rural residents) has blurred.

It should be noted that the status of the farming class remains the lowest in China today. Furthermore, although the average income of *nongye renkou* has increased over the years since 1979, the overall relative gap between *nongye renkou* and *fei nongye renkou* in terms of income ratio has hardly been narrowed (SYC 1997:293).

However, the peasants I interviewed did not believe that they had the resources or ability to effect “upward mobility”. Their attitudes toward being a peasant were ambivalent:

I've been doing farming since 12. Every farm job I can do well [beaming with a broad smile]. But if asked to go to a city to do business, *cao ta nainai de*, I'd be fainted. I'm not cut for it. My life is not bad. Much better than before. If you're greedy, you're always hungry. I'm not. Do you know we *xiangxia ren* (villagers) eat more delicious eggs and more fresh grains and vegetables than the urbanites? (Zhu, a 52-year-old interviewee).

6.4. The working class

Overall the relative power, income and prestige of the working class has significantly declined since the reform. In contrast to the situation before 1979, when the working class was acclaimed as "big brother" (*laodage*), nowadays it is not only subordinated to the bureaucratic/managerial class, but an increasing proportion of it is also under the strict control of the new bourgeoisie. Its income has become substantially lower than that of the bourgeoisie and the petty bourgeoisie apart from the moderate traditional gap between it and the bureaucratic/managerial class. The deterioration of its social prestige is compatible to its decline in relative income. In a large-scale national survey conducted in 1995, the worker-respondents put their income and social status at the second lowest level in a self-assessment when comparing to the other 11 categories of urban occupation (see Table 2).

It is worth mentioning that new dimensions of stratification have emerged within the working class. Before the reform, the intra-class income distribution was based on seniority and skills. The magnitude of difference between each two levels of wages was defined by the government. It was uniform within each trade in a given city, and differences between trades or cities were both negligible. Today, however, differences in income between workers are not strictly defined by the government any longer, especially concerning bonuses and subsidies. More significantly, stratification along the lines of trade, region, enterprise ownership, and rural/urban origin has become highly visible. In 1985 the average yearly wages of workers (and other employees) who worked in the private enterprises was 18% and 49% respectively more than the wages of those who worked in the state- and collectively-owned enterprises. These two kinds of difference further increased to 32% and 92% in 1996 (SYC 1997:123).

**Table 2. Self Evaluation of Social and Economic Status
by Occupational Group, 1993, 1995**

Occupational Group	Economic Status		Social Status	
	1993	1995	1993	1995
CEOs & High Level Managers	3	4	1	1
Low Level Managers & Office Staff	6	9	5	9
Government Officials, High- & Middle Ranking	1	8	4	4
Government Officials, Low-Ranking	10	12	7	5
University and College Lecturers	4	7	3	2
Secondary and Primary School Teachers	11	10	8	6
Engineers and Researchers, Applied	2	3	9	7
Researchers, Basic Research	9	5	6	12
Other Professionals	7	2	11	3
Self-Employed	5	1	10	8
Soldiers and Military Officers	8	6	2	10
Workers	12	11	12	11

Source: Reconstructed from Social Survey Office of China State Commission for System Restructuration, *A Study of Societal Attitudes, 1996*, p. 4, unpublished. The original report was based on a national survey of residents in 40 cities in China.

Cross-region inequality has also expanded significantly. In 1996 the average yearly wages of the workers (and other employees) of Shanghai, Beijing and the top two provinces (Tibet and Guangdong) was twice as much as that of the bottom four provinces (Heilongjiang, Jiangxi, Shanxi and Inner Mongolia) (SYC 1997:123). Similarly, differences between trades have also become significant. In 1996 the average yearly wages of the workers (and other employees) working for electricity, gas and water production and supply was 56% more than that of those employed for manufacturing (SYC 1997:124,125).

The lowest stratum of the working class is constituted by the peasant workers. In 1997 they totalled about 40-80 million (Xue 1998:15). Socially they are looked down upon; economically, on the average they are paid about one-third to one-half of the wages of a regular worker when they do the same jobs; and they do not enjoy any kind of the extra-wage income or privileges given to regular urban workers such as bonus, subsidy, welfare, and insurance (Xue 1998: 15).

My peasant worker interviewees said that they did not like the differences. But they thought that “it was a natural thing,” and that they had to bear it, for they wanted to earn more money in cities than remaining in their villages. “I learn to put up with it (*renqitunsheng*) and pretend not to see it,” said Guo, a 23-year-old young man, while making a loud spitting noise as if to release his long-accumulated disgust. Currently, the peasant workers come from all provinces and regions on the Mainland except Tibet. The general trend of their migration is toward coastal cities in the East and Southeast of China or non-coastal but more developed cities.

It is also worth mentioning that the job position of a worker is no longer a “tenure”. The market orientation of the economy is pushing the enterprises to pursue profit; this drive is taking heavy “casualties” in the working class. By the end of the third quarter of 1998, the laid-off workers who did not retire or who were not re-employed had increased to approximately 26 million (Fan 1998). The figure was equivalent to 13 percent of the employed urban labor force in 1997. About 60 percent of the laid off were female.

6.5. The bureaucratic/managerial class

Before the reform the bureaucratic/managerial class, which Djilas (1957) would call the “red class”, consisted of all government officials, army officers, and enterprise managers and supervisors. Nearly 100% of them were CCP members. Under the system of political centralism and economic planning, and with the aid of ruthless “class struggle”, they formed an extremely powerful organized group. They were at the top of the class hierarchy, governing and controlling every other class at the lower levels. Their control was nearly thorough - in both scope and depth - covering almost every dimension, from employment and income to clothing and hairstyle, from observable social behavior to invisible private thinking.

A major change in this class is that its power of control over the other classes has been substantially weakened. This has mainly resulted from two reform policies - that of abandoning “class struggle” in favor of economic development and that of decentralization of power and control. Decentralization has transferred a considerable portion of decision-making power from the bureaucratic/managerial class to the new classes as well as the peasant households. Giving up class struggle has caused its loss of the legitimacy of coercive manipulation of the other classes.

Another significant development is that a large percentage of the bureaucratic/managerial class has concurrently become quasi-members of the new bourgeoisie in a special sense. This partial class convergence is, to a large extent, developed upon semi-institutionalized corrupt trading between government bureaucrats and law-bending businessmen.

Many of the businessmen ("*deviants*") are eager to try illegal means - from million dollar bribes to seductive sex offers - to seek privileges from officials, such as gaining a license for starting a lucrative business, getting permission for certain profitable imports and securing access to projects, loans, land, water and electricity. On the other hand, many officials (also "*deviants*") find themselves in the position to provide such "privileges" in exchange for attractive returns.

Another source of the partial convergence has resulted from direct participation of "civil servants" in extra-capitalistic profit making or racketeering. According to my interviewees' observations, their typical practice includes: (1) To use funds of a state-owned company to buy/sell stocks or term contracts, or to engage in other business transactions. A big proportion of the resultant gains, if any, will be taken as returns to the bureaucrats'/managers' personal investments while the losses, if incurred, will be charged to the account of the company. (2) To charge a commission for themselves after a business transaction is materialized between a state-owned company under their charge and another institution. (3) To chalk up for themselves a substantial share of the income of a state-owned company (or a collective one) under their charge in the name of a bonus - a share greatly disproportionate to their own work contribution. Some of them engage in smuggling and other illegal activities.

In 1998 alone, 142,000 cases of corruption were put under legal investigation. Consequently 124,000 people were punished for their offences, including 3,970 officials at the county level, and 304 at the prefectural and provincial levels (Lianhe Zaobao January 14, 1999). The highest ranking official arrested for corruption in 1998 was Li Jizhou, a former Vice Minister of Public Security. More recently, Jin Deqin, former president of Bank of China, has also been arrested; he is charged of having taken millions of dollars of public money. According to an investigation conducted in 40 cities in 1996, 44% of the respondents believed that half or more of

the officials have become corrupt (Social Survey Office of China State Commission for System Restructuration 1996:8).

One of my interviewees, a 35-year-old engineer, told me in anger, “The present CCP is almost as corrupt as Chiang Kai-shek’s Nationalist Party (KMT) before 1949.” A retired former regiment commander made a more emotional comment:

“Dog-officials (*gouguan*)” are everywhere. They are corrupt beasts. They have betrayed the revolution and are not working for the people any more. Many of our factories do not have money to pay their workers. And there are many crimes nowadays. Very chaotic, very messy. If somebody takes the lead, I will not hesitate to take arms and fight in another armed struggle.

Most of my interviewees were not so extreme and pessimistic as this retired veteran communist. They supported the reform; but all of them felt bitter about corruption. The once-clean government system has disappeared. The legitimacy of the rule of the bureaucratic class is being seriously eroded by corruption.

7. Conclusion

Despite his lofty ideal, Mao’s socialist experimentation failed, resulting in a grave economic strain. Deng and his supporters launched a profound reform when they defined the strain as a system crisis, and the reform has unintentionally generated a new pattern of class stratification. There is no doubt that the pre-reform economic strain has contributed in an important way to the emergence of this new class structure. However, the impact of the strain would not have been realized without the mediation of a complex of meanings, especially the top reformers’ interpretation of the strain. And the formation of these meanings as well as their dominant status achieved are not a necessity dictated by the strain; rather they are only a possibility - the product of a specific process of symbolic interaction. The strain was already obvious in the early 1970s. Arguably it became obvious even as early as in the early 1960s. Nevertheless, Mao did not perceive it in the same way as Deng defined it. Neither did Hua, his successor. During his short reign from 1976 to 1978 after Mao’s death, Hua decided to preserve all of Mao’s policies and the systems he had created.

Should his definition of the situation have been accepted by the CCP and should his proposal have been carried out in practice, China's economic system and class stratification today would have been a perfect reproduction of their counterparts before Mao's death.

Mao's and Hua's response suggests that the economic strain, although crucial for understanding China's reform and the change of its class stratification (as an essential part of the context/historical linkage), was not able by itself to bring about the happening of the latter. This finding supports a major argument of non-mechanistic determinism.

A second finding is that in the abstract sense of power use, the position power of the Chinese leaders is neutral in relation to reform/no reform or to change/no change of class stratification. It may be exercised in either way. Mao, Hua, and Deng did not differ in their power locus (CCCCP), power sweep (affecting the whole nation), and subjective interest underlying power use (for China). What distinguished Deng from Mao or Hua is not power per se but his different definition of the pre-reform situation and his corresponding policies in coping with the situation. The actual use of the position power lost its neutrality because in each case it followed a specific meaning-based orientation. Thus, the power proved reproductive and conservative under Mao's and Hua's orientation for system preservation while it turned out to be reformative and productive under Deng's orientation for change.

Giddens (1981:49-51) is correct in arguing that "power is routinely involved in the instantiation of social practice" and that "at the heart of both domination and power lies the transformative capacity of human action, the origin of all that is liberating and productive in social life as well as all that is repressive and destructive." However, it is meaning and meaning-based orientation that determines the nature of power use, i.e., the nature of materialization of its transformative capacity.

A third and also the most important finding is that interpretation/meaning is a world-constituting force, a major factor that has contributed to China's reform and its collateral change of class structure. Three kinds of interpretation/meaning are particularly relevant: (1) the top reformers' interpretation of the pre-reform economic system and the meaning of this interpretation to the CCCCCP and the general public; (2) the top reformers' definition of reform orientation and the meaning of their

policies to the various social categories of the general public; and (3) the top reformers' interpretation of the legitimacy of reform and the meaning of their justification to the various political forces in the country.

The first set of meanings motivated the top reformers as well as the majority of the public for the reform. It conditioned the timing of the reform as well as the timing of change of class stratification.

The second set of meanings guided the action of different categories of people in the reform. It is responsible for shaping the specific features of the new class structure. The function of the third set of meanings is straight forward and needs no elaboration.

To sum up, like power and pre-existing structural and cultural conditions, interpretation/meaning is a major factor that has participated in the unintended reconstruction of China's class system. However, it must be emphasized that interpretation/meaning is a historical product of symbolic interaction under specific stimulation and constraint of circumstances; and that my analytical focus should not be perceived as implying that the explanation of China's transformation of class structure can be simply reduced to interpretation/meaning alone.

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