

China's Domestic Agenda

Social Pressures and Public Opinion

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In the months since he has taken over as general secretary of the Chinese Communist Party (CCP), Hu Jintao has focused on domestic issues. Indeed, recent interviews in China suggest that some foreign policy specialists are concerned that Hu's domestic interests will distract him from important foreign policy issues. In any event, a recently published survey of social trends in China outlines the depth of the problems facing the Chinese government. These are not short-term or easily handled problems; they are rooted in the demography of China and in the long-term separation between urban and rural areas. Public opinion surveys suggest that China's most vulnerable do indeed feel worried about the future. Nevertheless, the same surveys show that a sizable majority of Chinese are cautiously optimistic about the future. Such assessments of the future appear to give the government a window of opportunity for addressing the social pressures it faces.

THE JUST-PUBLISHED 2003 EDITION of the *Blue Book of Chinese Society*, the annual survey of social trends in China published by the Chinese Academy of Social Sciences, gives ample reason for the apparently domestic focus of China's new leadership. Employment issues are difficult—indeed, impossible—to solve in the short run, while insecurity about jobs, concern about the social order, and dissatisfaction with corruption roil public opinion.

Overall, some 20–23 million people join China's workforce every year, about 8 million of them in the cities. This statistic reflects a cresting of population pressures that will last for a significant period of time. By 2010, it is estimated that there will be a total of 1.06 billion people of working age in China, an increase of 120 million (13 percent) over the total for the year 2000.¹ Providing jobs or economic support for this number of people will be a daunting task at best.

As the pressures to employ large numbers of new workers grow,

opportunities appear to be shrinking. As of June 2002, the number of people employed in work units in cities and towns was 114 million, down 4.94 million from the year before. That decrease marked a decline of 4.82 million workers in state-owned enterprises (SOEs) and 2.03 million in urban collectives, and an increase of 1.9 million in other (unspecified) units. The decline in the number of workers in SOEs and urban collectives reflects the ongoing efforts to readjust the economic structure. In 1980, there were about 80 million workers employed in SOEs and another 24 million employed in urban collectives. Over the next 15 years, the number of SOE workers grew to 113 million; the number of workers in urban collectives peaked earlier, in 1990, at 35 million. Since then, all these employment gains have been given back (see table 1).

The private sector and foreign-funded enterprises have been the primary generators of urban jobs in recent years. In 2002, the private sector added approximately 3 million jobs, bringing employment in that sector to 27.214 million. The number of foreign-invested enterprises now stands at 200,000; a year ago, at the end of 2001, there were 180,000 such enterprises employing 21 million people.²

These numbers suggest why those who have been laid off (either “furloughed” [*xiagang*] or “unemployed” [*shiye*]) are finding it increasingly difficult to find new employment. In 1998, 50 percent of those laid off were able to find new jobs (not necessarily as well paid or as secure as their previous jobs). In 1999, that figure fell to 42 percent, then it fell again to 35.4 percent in 2000, 30.6 percent in 2001, and an estimated 20 percent in 2002.³ Reemployment is particularly difficult in old industrial areas, such as the northeast.⁴

As a result, the number of long-term unemployed is growing. The number of those laid off (*xiagang*) for three or more years now constitutes half (50.7 percent) of the total number of laid-off workers, while another 28 percent have been laid off for one to three years. The number of those who have been unemployed (*shiye*) for more than two years accounts for 28.6 percent of the unemployed, while the number of those unemployed for one to two years accounts for another 21.2 percent.⁵ Although the fate of these people is not detailed, presumably a substantial portion of these people join the ranks of the urban poor, now said to number 30 million.⁶

It is not surprising, given these trends, that labor disputes are increasing. In the first half of 2002, labor dispute resolution committees at various levels accepted 70,000 cases affecting 200,000 workers, up

TABLE 1. *The Composition of the Chinese Workforce*
(in millions)

Year	Rural					Urban						
	Total employed	Subtotal	TVE	Private	Individual	Subtotal	SOE	Collective	Joint-stock*	Private	Foreign-invested	Individual
1978	401	306	28			95	74	20				0.15
1980	424	318	30			105	80	24				0.81
1985	498	370	70			128	90	33	0.38		0.06	4.5
1990	647	477	93	1.13	15	170	103	35	0.96	0.57	0.31	6.0
1995	680	490	129	4.71	30.5	190	113	31	3.7	4.85	5.13	15.6
2000	721	489	128	11.4	29	231	81	15	13.4	12.7	6.42	21.4
2001	730	490	131	11.9	26.3	239	76	13	13.7	15.3	6.71	21.3

*"Joint-stock" combines cooperatives, joint-ownership firms, limited liability companies, and shareholding corporations, each of which has different ownership characteristics but all of which divide profits on the basis of shares owned.

SOURCE: *Zhongguo tongji nianjian 2002* (China statistical yearbook 2002) (Beijing: China Statistical Publishing House, 2001), 120-21.

from the year before (albeit by an unspecified amount). The rate of increase of collective disputes is higher than the rate of increase in all disputes, and the number of people affected is more than 50 percent of those involved in labor disputes.⁷

The *Blue Book* also contains a short chapter surveying the attitudes of those furloughed in four important industrial cities (Fushu, Benxi, Puxin, and Chaoyang) in Liaoning Province. According to survey results, 42.6 percent of the people asked reported that Chinese society was “very unfair,” and another 37.7 percent said that it was “not very fair.” Asked about relations between cadres and the people, 66.1 percent said that they were “OK,” while 28 percent reported that they were “not good.” When asked if their coworkers or neighbors, because of a “special circumstance,” were to ask them to participate in a collective action, 27.8 percent said that they would participate, and another 35.3 percent said that they would “only express sympathy but not participate.”⁸ These figures cannot be comforting to those hoping to maintain social stability.

If the urban employment situation is bad, the rural situation is perhaps worse.

THE RURAL SITUATION

If the urban employment situation is bad, the rural situation is perhaps worse. The rural labor force is expected to grow by 10–13 million workers per year. Over the next few years, apart from those newly entering the workforce, some 8 million people are expected to leave their homes to look for work. Taking into account the 2 million expected to return from their urban sojourns, one analyst calculates the net outflow of rural labor at about 6 million people per year.⁹ In the past, rural workers have generally not competed with city residents for the same jobs, but as the job market becomes more competitive and as at least some localities break down the barriers between urban and rural residents, greater competition for urban jobs is expected.

Over the past few years, increasing attention has been paid to the plight of the rural sector as rural incomes have stagnated, or worse. In recent years, works such as *China along the Yellow River*, *Telling the Truth to the Premier*, and *Politics in Yue Village* have called attention to

the difficulties of the rural population.¹⁰ Li Changping, the author of *Telling the Truth to the Premier*, raised the slogan of treating peasants as “national citizens” (*guomin daiyu*), a phrase that echoes World Trade Organization (WTO) demands for “national treatment.”

In the *Blue Book*, Lu Xueyi, a longtime spokesman for rural issues, complains that the national government continues to use the methods of the old planned economy and strengthened administrative control to deal with rural issues. As a result, “the ranks of *xiang*- [administrative village] and village-level cadres continue to inflate [and] the state fails to provide financial support, but contrarily the expenses of mandatory education are given to the villages so that the burdens on peasants increase and the contradictions between cadres and the masses become outstanding.”¹¹ Lu notes that the government called for reducing peasant burdens and increasing rural incomes in 1993, but that after 10 years there has been no change. Indeed, since 1997, households relying exclusively on agriculture (about 60 percent of the rural population) have seen their incomes go down year by year. Although the statistics for localities inevitably state that the peasant burdens are below 5 percent of their income, in fact they are over 10 percent. Such trends are affecting social stability; in 2000, petitions and collective actions by peasants made up more than half of all such protests for the first time.¹²

Although Lu is right that the administrative and financial systems have been biased against the rural population, there is some evidence that the economic and administrative changes Lu and others support are beginning to occur, though fundamental change will take a long time. One area that is changing slowly is that of the household registration (*hukou*) system. On October 1, 2001, the central government announced that the registration system below the county level would be opened up. Subsequently, several provinces in 2002 permitted residents to move freely within the province; Hebei Province even extended this freedom to moving into the capital city of Shijiazhuang.¹³

THE HUKOU SYSTEM

Despite this loosening-up, Wen Tiejun warns in the *Blue Book* that change will come slowly. The idea of changing the *hukou* system dates back to the 1980s, when it was suggested by the Rural Development Research Center. Urban interests, however, blocked change, and peasants were encouraged to “enter the factory but not the cities” (*jin-*

chang bu jincheng). The large-scale migrations of rural residents to the cities, which began in 1992 as price subsidies on grain were ended and as the demand for labor soared, stimulated new efforts to rethink the *hukou* system. Indeed, according to Wen, the Public Security Ministry drafted new regulations in 1994. These regulations were not issued, however, because the major cities set up obstacles (such as requiring very large payments to establish urban residency), because the question of what to do with the land peasants had contracted could not be resolved, and because there were concerns over the growing crime rate in cities (blamed on peasants). In recent years, growing urban unemployment has made cities reluctant to open themselves to further rural migration. So even though there has been some loosening of the *hukou* system, Wen warns observers not to be overly optimistic; there are still important vested interests opposing freedom of movement.¹⁴

SOCIAL SECURITY

Another area in which change is occurring is the social security system. In an apparent response to the increasing numbers of those laid off or unemployed and to the increase in social protests associated with workers, the state began to expand income support for the most disadvantaged members of society dramatically. In August 2001, Zhu Rongji stated that maintaining a minimum income for urban residents was vital for maintaining social stability and continuing enterprise reform. Since that time, fiscal expenditures on social security have grown dramatically. At the beginning of 2001, the central government earmarked 800 million yuan for social security; in the second half of the year, it allocated an additional 1.5 billion yuan for such support. Provincial support similarly increased from 900 million yuan at the beginning of the year to a total of 1.2 billion yuan for the entire year. Cities and counties added another 700 million yuan, bringing total expenditures for the year to 4.2 billion yuan, a 200 percent increase over the year before. In all, 11.7 million urban residents were said to be covered (which works out to about 30 yuan per month per recipient).¹⁵

In 2002, social security expenditures more than doubled to 10.2 billion yuan, covering some 19.8 million people (which works out to about 45 yuan per month per recipient). Of the recipients, 13 percent were furloughed (*xiagang*) workers, 15 percent were unemployed (*shiye*) workers, 23 percent were those "waiting for employment"

(*daiye*, those who have reached working age but not been assigned a job), 10 percent were those who had jobs (presumably those whose wages were seriously in arrears), and 29 percent were “others” in poor families. Taken together, expenditures on social security accounted for 5 percent of total fiscal expenditures, an enormous increase over the 1.89 percent allocated in 2000.¹⁶ Nevertheless, if the figure of 30 million urban poor given elsewhere in the book is correct, the minimum livelihood protection system still covers only two-thirds of those in need—and aids them only with the most minimal help.¹⁷

PUBLIC OPINION

These social and economic indicators paint a broad picture of the problems facing both citizens as they lead their individual lives and the political leadership as it contemplates policy options. Overall, as policymakers consider trends in public opinion, they will certainly note areas in which there is cause for concern, but they are also likely to take heart that the

problems are manageable and that there is space within which to work.

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For instance, if one starts with the question of citizens’ degree of satisfaction with their overall life situations, 74.1 percent responded that they were “OK” or better. Still, that left 21.4 percent saying that they were “not too satisfied” and 3.9 percent stating that they were “very unsatisfied” (see table 2). Job satisfaction, the most important factor influencing people’s opinions of their overall life situations, yields similar results: 60.7 percent express that they are “OK” or better in this respect (see table 3). Moreover, 63.1 percent of respondents express relative satisfaction with their economic circum-

stances (see table 4). The researchers note that relative satisfaction with economic circumstances is the second most important factor influencing overall satisfaction with life, but of the 15 indicators they used, it ranked third from the bottom in overall satisfaction. Nevertheless,

TABLE 2. *Degree to Which Chinese Citizens Are Satisfied with Overall Life Situation*

Category	Overall	Urban	Rural
Very satisfied	7.2	6.9	7.3
Relatively satisfied	63.6	60.5	65.5
OK	3.3	1.3	4.5
Not too satisfied	21.4	25.7	18.9
Very unsatisfied	3.9	5.4	3.0
Undecided	0.6	0.1	0.9
TOTAL	100.0	99.9	100.1

SOURCE: Yuan Yue and Zeng Huichao, "2002 nian Zhongguo jumin shenghuo zhiliang diaocha" (Survey of residents' life quality in 2002), in *Shehui lanpishu 2003 nian: Zhongguo shehui xingshi fenxi yu yuce* (Blue book of Chinese society—China's social situation: Analysis and forecast, 2003), ed. Ru Xin, Lu Xueyi, and Li Peilin (Beijing: Shehui kexue wenxian chubanshe, 2003), 140.

TABLE 3. *Job Satisfaction*

	Percentage
Very satisfied	3.7
Fairly well satisfied	44.0
OK	13.0
Not very satisfied	23.1
Very dissatisfied	6.6
Undecided	9.6

SOURCE: Yuan Yue and Zeng Huichao, "2002 nian Zhongguo jumin shenghuo zhiliang diaocha" (Survey of residents' life quality in 2002), in *Shehui lanpishu 2003 nian: Zhongguo shehui xingshi fenxi yu yuce* (Blue book of Chinese society—China's social situation: Analysis and forecast, 2003), ed. Ru Xin, Lu Xueyi, and Li Peilin (Beijing: Shehui kexue wenxian chubanshe, 2003), 144.

TABLE 4. *Individual Satisfaction with Economic Circumstances*

	Percentage
Very good	1.5
Fairly good	36.6
OK	25.0
Not very good	30.6
Very bad	4.9
Undecided	1.4

SOURCE: Yuan Yue and Zeng Huichao, "2002 nian Zhongguo jumin shenghuo zhiliang diaocha" (Survey of residents' life quality in 2002), in *Shehui lanpishu 2003 nian: Zhongguo shehui xingshi fenxi yu yuce* (Blue book of Chinese society—China's social situation: Analysis and forecast, 2003), ed. Ru Xin, Lu Xueyi, and Li Peilin (Beijing: Shehui kexue wenxian chubanshe, 2003), 144.

TABLE 5. *How Has Your Living Standard Changed over the Past Five Years?*

	Percentage
Increased greatly	14.3
Increased somewhat	52.3
No change	20.2
Declined somewhat	10.0
Declined greatly	2.3
Undecided	0.8

SOURCE: Zhou Jiang, "2002 nian Zhongguo chengshi redian wenti diaocha" (Survey of hot issues among urban residents in 2002), in *Shehui lanpishu 2003 nian: Zhongguo shehui xingshi fenxi yu yuce* (Blue book of Chinese society—China's social situation: Analysis and forecast, 2003), ed. Ru Xin, Lu Xueyi, and Li Peilin (Beijing: Shehui kexue wenxian chubanshe, 2003), 152.

TABLE 6. *How Do You Expect Your Standard of Living to Change over the Next Five Years?*

	Percentage
To increase greatly	11.0
To increase quite a bit	14.5
To increase somewhat	37.5
No change	17.4
To decline somewhat	6.0
To decline quite a bit	0.8
To decline greatly	0.7
Don't know	12.1

SOURCE: Zhou Jiang, "2002 nian Zhongguo chengshi redian wenti diaocha" (Survey of hot issues among urban residents in 2002), in *Shehui lanpishu 2003 nian: Zhongguo shehui xingshi fenxi yu yuce* (Blue book of Chinese society—China's social situation: Analysis and forecast, 2003), ed. Ru Xin, Lu Xueyi, and Li Peilin (Beijing: Shehui kexue wenxian chubanshe, 2003), 152.

TABLE 7. *Degree of Optimism Regarding Life in the Future*

Category	Overall	Urban	Rural
Much better	6.3	7.2	5.9
Somewhat better	66.4	60.9	69.6
No great change	12.3	15.4	10.5
Somewhat worse	4.6	5.5	4.2
Much worse	0.9	1.7	0.4
Undecided	9.5	9.4	9.5
TOTAL	100.0	100.1	100.1

SOURCE: Yuan Yue and Zeng Huichao, "2002 nian Zhongguo jumin shenghuo zhiliang diaocha" (Survey of residents' life quality in 2002), in *Shehui lanpishu 2003 nian: Zhongguo shehui xingshi fenxi yu yuce* (Blue book of Chinese society—China's social situation: Analysis and forecast, 2003), ed. Ru Xin, Lu Xueyi, and Li Peilin (Beijing: Shehui kexue wenxian chubanshe, 2003), 141.

TABLE 8. *Social Questions of Concern to Urban Residents*

<i>Category</i>	<i>Rank*</i>	<i>Percentage</i>
Social security	1	45.5
Laid off, unemployment, and employment	2	33.8
Reform of medical system	3	31.3
Social order	4	28.6
Fighting corruption	5	27.2
Reform of the educational system	6	17.5
Influence of entering WTO	7	13.7
Cost of drugs	8	14.3
Environmental control	9	12.3
Unification of the country	10	7.4
Developing the west	11	7.2
Increasing salaries of public employees	12	6.2
Increasing comprehensive national strength	13	6.2
SOE reform	14	6.2
Education of youth	15	6.1
Other	16	5.0

*Rank order as printed in the *Blue Book* (apparent inconsistency retained).

SOURCE: Zhou Jiang, "2002 nian Zhongguo chengshi redian wenti diaocha" (Survey of hot issues among urban residents in 2002), in *Shehui lanpishu 2003 nian: Zhongguo shehui xingshi fenxi yu yuce* (Blue book of Chinese society—China's social situation: Analysis and forecast, 2003), ed. Ru Xin, Lu Xueyi, and Li Peilin (Beijing: Shehui kexue wenxian chubanshe, 2003), 153.

when researchers asked: "How has your living standard changed over the past five years?" only 12.3 percent of respondents indicated that it had declined (see table 5). Moreover, a vast majority of people appear optimistic about the future. Some 63 percent believe that their standard of living will increase at least somewhat over the next five years. Another 17.4 percent believe that there will be no change (see table 6). Overall, most citizens, whether urban or rural, appear optimistic about life in the future (see table 7).

If the macro data yield a generally upbeat picture of the social mood—albeit one with areas of concern—then other data suggest factors for social instability that have to be of concern to policymakers. For instance, issues of social, medical, and employment security top the list of concerns for urban residents, while dissatisfaction over social order, corruption, and education follows closely (see table 8). When these concerns are correlated with income, the vulnerability and sense of unease among the poorer elements of society become apparent (see table 9).

TABLE 9. *The Social Questions about Which Different Social Strata in Cities Are Most Concerned, 2002*

Stratum	Reform of									
	Social security	Laid off/unemployed	medical system	Social order	Fighting corruption	Reform of education	Influence of WTO	Cost of drugs	Environ-mental protection	Salaries of civil servants
Upper upper	36.1	15.5	36.1	33.0	35.1	18.6	14.4	12.4	18.6	6.2
Lower upper	40.2	19.4	31.6	25.3	33.1	19.9	18.2	12.0	13.3	14.5
Upper middle	45.0	29.4	29.7	28.5	28.2	19.2	16.7	12.2	13.1	9.5
Middle	46.9	37.6	25.9	32.1	28.4	17.2	14.3	12.5	11.5	3.3
Lower middle	47.7	46.0	29.7	31.6	23.1	15.3	12.3	12.9	11.7	3.5
Lower	49.4	45.5	34.9	22.9	24.3	14.3	8.4	15.0	9.3	2.5
Lowest	54.3	57.3	28.5	23.5	25.2	14.0	7.2	13.2	8.0	2.2
TOTAL	46.1	35.7	29.6	28.5	27.6	17.5	14.4	12.6	12.0	7.0

SOURCE: Zhou Jiang, "2002 nian Zhongguo chengshi re dian wenti diaocha" (Survey of hot issues among urban residents in 2002), in *Shehui lampishu 2003 nian: Zhongguo shehui xingshi fenxi yu yuce* (Blue book of Chinese society—China's social situation: Analysis and forecast, 2003), ed. Ru Xin, Lu Xueyi, and Li Peilin (Beijing: Shehui kexue wenxian chubanshe, 2003), 153.

TABLE 10. *Judgments of Leading Cadres on Problems Existing in 2002*

<i>Degree of severity</i>	<i>First</i>	<i>Second</i>	<i>Third</i>	<i>Fourth</i>
<i>Problem</i>				
1. Social order	15.0	5.3	6.0	7.5
2. Prices	—	0.8	—	0.8
3. Income disparity	21.8	19.5	9.8	6.0
4. Peasant burdens	11.3	21.1	9.0	2.3
5. Unemployment	19.5	19.5	16.5	9.0
6. Social atmosphere	3.0	7.5	14.3	6.0
7. Corruption	18.0	9.0	19.5	20.3
8. Poverty	3.0	2.3	5.3	6.0
9. SOEs	2.3	6.8	11.3	18.8
10. Regional disparities	3.8	4.5	5.3	13.0
11. Natural disasters	—	—	—	0.8
12. Back wages for retired workers	1.5	—	0.8	0.8
13. Falun Gong	—	—	0.8	3.0
14. Major incidents	0.8	3.0	—	5.3
15. Other	—	0.8	1.5	1.5

SOURCE: Qing Lianbin, "Opinions on Social Situation in 2002 by Some Officials," in *Shehui lanpishu 2003 nian: Zhongguo shehui xingshi fenxi yu yuce* (Blue book of Chinese society—China's social situation: Analysis and forecast, 2003), ed. Ru Xin, Lu Xueyi, and Li Peilin (Beijing: Shehui kexue wenxian chubanshe, 2003), 128.

OPINION OF POLITICAL LEADERS

One of the most interesting features of the *Blue Book* is the annual survey of provincial officials attending the Central Party School in Beijing. The survey done in 2002 involved 150 officials at the department (*ting*) level, of whom 133 returned their questionnaires.

When asked for their impressions of the major problems facing Chinese society, cadres identified income disparity as the single most important problem, followed by unemployment, corruption, social order, and peasant burdens. Interestingly, no one selected prices, natural disasters, or the Falun Gong as the most serious problem (see table 10). When asked about the most important factors in promoting reform, officials overwhelmingly singled out maintaining social stability. This category was followed closely by "ameliorating some prominent contradictions" and a bit more distantly by "improving the scientific and democratic macro (-economic) decision making" (see table 11).

If maintaining social stability is cited as the key to the smooth

TABLE 11. *Decisive Factors for Smoothly Promoting Reform*

<i>Factors</i>	<i>First choice</i>	<i>Second choice</i>	<i>Third choice</i>	<i>Total</i>
1. Maintain social stability	57.9	12.0	4.3	74.2
2. Strengthen science, democracy in macro decision making	18.8	18.0	8.3	45.1
3. Improve economic environment	2.3	10.5	11.3	24.1
4. Guide public opinion	2.3	4.5	9.0	15.8
5. Uphold the direction of macro (-economic) control	—	3.0	1.5	4.5
6. Uphold the prestige of the central government	2.3	3.0	3.0	8.3
7. Ameliorate prominent contradictions	8.3	30.8	24.8	63.9
8. Promulgate and strictly implement appropriate regulations	3.0	9.8	8.3	21.1
9. Uphold the continuity of reform and opening up	4.5	6.0	15.0	25.5
10. Skillfully handle international relations	—	1.5	13.5	15.0
11. Other	0.8	0.8	0.8	2.4

SOURCE: Qing Lianbin, "Opinions on Social Situation in 2002 by Some Officials," in *Shehui lanpishu 2003 nian: Zhongguo shehui xingshi fenxi yu yuce* (Blue book of Chinese society—China's social situation: Analysis and forecast, 2003), ed. Ru Xin, Lu Xueyi, and Li Peilin (Beijing: Shehui kexue wenxian chubanshe, 2003), 131.

implementation of reform, then cultivating continued economic growth is overwhelmingly believed to be the key to maintaining social stability. Importantly, the second choices of many cadres were accelerating social security reform, resolving the problems of unemployed and furloughed workers, adjusting income distribution, and reducing peasant burdens (see table 12). These survey results make clear the primary importance cadres place on social stability and continued economic growth. Nevertheless, when asked about the primary factors influencing economic and social development in the first decade of the 21st century, cadres overwhelmingly chose "political structural reform," followed by a "healthy legal system" (see table 13). Some sense of what cadres mean when they speak of "political structural reform" can be obtained from the question about what needs to be done to attain success in political reform. As table 14 shows, cadres see enhancing inner-party democracy, changing the functions of government organs, and straightening out relations between the party and the state as the most important tasks. Apparently, their understanding of

TABLE 12. *Primary Conditions for Maintaining Social Stability*

Rank	First choice	Second choice	Third choice	Combined
<i>Primary condition</i>				
1. Maintain continuous, healthy, and rapid economic development	69.2	6.0	3.8	79.0
2. Accelerate reform of social security system	6.8	30.8	14.3	51.9
3. Resolve problem of unemployment and furloughed workers	7.5	10.5	14.3	32.3
4. Reinforce construction of spiritual civilization	—	3.8	3.0	6.8
5. Maintain policy continuity in reform and opening up	2.3	6.0	0.8	9.1
6. Reduce peasants' burdens	3.8	13.5	8.3	25.6
7. Rectify social order	—	4.5	4.5	9.0
8. Accelerate SOE reform	—	5.3	3.8	9.1
9. Adjust distribution of income	2.3	6.0	21.1	29.4
10. Attack corruption	6.8	11.3	17.3	35.4
11. Reduce disparities in regional development	1.5	1.5	7.5	10.5
12. Rationally lead the flow of people	—	0.8	1.5	2.3

SOURCE: Qing Lianbin, "Opinions on Social Situation in 2002 by Some Officials," in *Shehui lanpishu 2003 nian: Zhongguo shehui xingshi fenxi yu yuce* (Blue book of Chinese society—China's social situation: Analysis and forecast, 2003), ed. Ru Xin, Lu Xueyi, and Li Peilin (Beijing: Shehui kexue wenxian chubanshe, 2003), 134.

TABLE 13. *Primary Factors Influencing and Constraining Economic and Social Development Prior to 2010*

Factor	Percentage	Rank
1. Political structural reform	79.8	1
2. Healthy legal system	60.3	2
3. Development of economic structural reform	55.7	4
4. Level of science and technology innovation	58.6	3
5. Labor quality	49.6	6
6. Excessive population	38.4	9
7. Job creation and unemployment	39.1	8
8. Unequal income distribution	49.6	6
9. Outward flow of talented people	12.1	10
10. Corruption	50.4	5
11. Other and left blank	7.0	—

SOURCE: Qing Lianbin, "Opinions on Social Situation in 2002 by Some Officials," in *Shehui lanpishu 2003 nian: Zhongguo shehui xingshi fenxi yu yuce* (Blue book of Chinese society—China's social situation: Analysis and forecast, 2003), ed. Ru Xin, Lu Xueyi, and Li Peilin (Beijing: Shehui kexue wenxian chubanshe, 2003), 136.

TABLE 14. *Decisive Factors in Attaining Success in Political Structural Reform*

Rank	First		Second		Total	
	2001	2002	2001	2002	2001	2002
<i>Decisive factors</i>						
1. Further change functions of government organs	21.6	24.1	19.6	9.8	41.2	33.9
2. Manage well relations between party and state	30.4	13.5	12.7	6.8	43.1	20.3
3. Increase inner-party democracy	23.5	33.8	15.7	15.8	39.2	49.6
4. Increase supervision by public opinion	2.0	1.5	10.8	12.8	12.8	14.3
5. Strengthen campaign against corruption	3.9	7.5	2.9	13.5	6.8	21.0
6. Reduce size of party organs	3.9	2.3	3.9	4.5	7.8	6.8
7. Strictly promote term system for cadres	4.9	5.3	8.8	18.0	13.7	23.3
8. Increase role of democratic parties	—	—	1.0	1.5	1.0	1.5
9. Raise function of people's representative congresses	2.9	6.0	13.7	6.0	16.6	12.0
10. Improve decision-making system	6.9	6.0	10.8	11.3	17.7	17.3

SOURCE: Qing Lianbin, "Opinions on Social Situation in 2002 by Some Officials," in *Shehui lanpishu 2003 nian: Zhongguo shehui xingshi fenxi yu yuce* (Blue book of Chinese society—China's social situation: Analysis and forecast, 2003), ed. Ru Xin, Lu Xueyi, and Li Peilin (Beijing: Shehui kexue wenxian chubanshe, 2003), 132.

political reform is limited to what we might call administrative reform. Only 1.5 percent make "strengthening supervision by public opinion" their first choice, and only 7.5 percent make strengthening the campaign against corruption their first choice. Only 6.0 percent make raising the function of people's representative congresses their first choice, and virtually no one saw increasing the role of democratic parties as important at all. Nevertheless, increasing inner-party democracy could enhance competitiveness within the party, possibly breaking up personal networks and promoting coalition-building skills. Changing the function of government organs could give society a greater voice over time. But clearly, these cadres view such reforms as limited.

CONCLUSION

The data in the recent edition of the *Blue Book* suggest the urgency of the domestic problems facing China: creating jobs for those entering the workforce, building an effective social safety net, resolving the income gap between the rural areas and the cities, reducing corruption, carrying out political reform at least in a limited sense, and so forth. These are all major, structural issues that will dominate China's domestic agenda for years. The inability of the government to address them quickly or easily suggests that China will face problems in keeping social order for years to come, and that these problems may get worse before they get better.

At the same time, however, the data suggest that these problems—serious as they are—are not yet threatening overall social order. On the contrary, most residents (outside the northeast) and most political leaders appear to be at least reasonably content at the present time and cautiously optimistic about the future. Most expect their incomes to go up and their lives to get better. This trend suggests that there is not a huge amount of public pressure for fundamental political reform, even though there is recognition of the need for some reform. The expectation that life will improve appears to give the government a window of opportunity in which it can address the social issues facing China.

NOTES

1. Li Peilin, "Dangqian Zhongguo shehui fazhan de ruogan wenti he xin qushi" (Some problems and new trends in contemporary China's social development), in *Shehui lanpishu 2003 nian: Zhongguo shehui xingshi fenxi yu yuce* (Blue book of Chinese society—China's social situation: Analysis and forecast, 2003), ed. Ru Xin, Lu Xueyi, and Li Peilin (Beijing: Shehui kexue wenxian chubanshe, 2003), 18.

2. Li Peilin, "Jiaru WTO hou Zhongguo shehui keneng de bianhua" (Possible changes in Chinese society after China joins the WTO), in *2002 nian: Zhongguo shehui xingshi fenxi yu yuce* (China's social situation: Analysis and forecast, 2002), ed. Ru Xin, Lu Xueyi, and Li Peilin (Beijing: Shehui kexue wenxian chubanshe, 2002), 61. This figure differs substantially from that listed in the *China Statistical Yearbook*, which gives a figure of 6.71 million employed in foreign-invested and Hong Kong-, Macao-, and Taiwan-invested enterprises. Further research is needed to understand this discrepancy.

3. Mo Rong, "Jiuye: Zai tiaozhanzhong guangju kunnan qunti" (Employment: In the midst of challenge, pay attention to disadvantaged groups), in *Shehui lanpishu 2003 nian*, 36.

4. Li Peilin, "Dangqian Zhongguo shehui fazhan," 18.

5. Qiao Jian, "2002 nian Zhongguo laodong guanxi de xianzhuang ji mianlin de

wenti" (Circumstances in China's labor relations and the problems they face, 2002), in *Shehui lanpishu 2003 nian*, 253.

6. Li Peilin, "Dangqian Zhongguo shehui fazhan," 23.

7. Qiao Jian, "2002 nian Zhongguo laodong guanxi," 256–57.

8. Si Ren, "Liaoning sichengshi xiagang zhigong qingkuang diaocha" (Survey of furloughed workers in four cities in Liaoning), in *Shehui lanpishu 2003 nian*, 166.

9. Fan Ping, "2002 nian nongmin nongcun fazhan baogao" (Report on the development of peasants and villages in 2002), in *Shehui lanpishu 2003 nian*, 263.

10. Cao Jinqing, *Huanghe bian de Zhongguo* (China along the Yellow River) (Shanghai: Shanghai wenyi chubanshe, 2000); Li Changping, *Wo xiang zongli shuo shihua* (Telling the truth to the premier) (Beijing: Guangming chubanshe, 2002); and Yu Jianrong, *Yuecun zhengzhi: zhuanxingqi Zhongguo xiangcun zhengzhi jiegou de bianqian* (Politics in Yue village: Changes in the political structure in China's rural villages in the transition period) (Beijing: Shangwu yinshuguan, 2001).

11. Lu Xueyi, "Noncun yao jinxing di'erce gaige" (The villages must carry out a second reform), in *Shehui lanpishu 2003 nian*, 189.

12. *Ibid.*, 190.

13. Wen Tiejun, "Huji zhidu gaige de lishi, xianzhuang yu weilai" (The history, present circumstances, and future of reform of the household registration system), in *Shehui lanpishu 2003 nian*, 199.

14. *Ibid.*, 199–206.

15. Tang Jun, "Zhongguo chengshi jumin zuidi shenghuo baozhang zhidu de 'tiaoyueshi' fazhan" (The "great leap fashion" in which the minimum livelihood protection system for China's urban residents has developed), in *Shehui lanpishu 2003 nian*, 243. Curiously, the table on page 246 states that allocations in 2001 totaled 5.3 billion yuan, 1.1 billion yuan more than the text states.

16. *Ibid.*, 244–45.

17. The figure of 30 million is given by Li Peilin, "Dangqian Zhongguo shehui fazhan," 23.