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Published by the Council on Foreign Relations

May 6, 2013

SNAPSHOT

## China Needs Justice, Not Equality

How to Calm the Middle Kingdom

Martin King Whyte

*MARTIN KING WHYTE is a professor of sociology at Harvard University.*



*Protesters cover their eyes with white ribbons to*

*symbolize mourning for the dissident Li Wangyang, a labour activist jailed after the 1989 crackdown on pro-democracy protesters in Beijing who was found dead in a hospital ward in central China in 2012. (Tyrone Siu / Courtesy Reuters)*

In March, China completed its transition to a new leadership team. The usual fanfare -- masses of black limousines bringing nearly 3000 delegates to the Great Hall of the People to hear proud speeches about the country's three decades of economic growth and waxing international influence -- was dampened by a sense that, by the next time the party comes to town, there might not be as much to celebrate. Xi Jinping, the new leader of the Chinese Communist Party, and his colleagues have repeatedly expressed alarm at increasing social protests. According to confidential but widely circulated Chinese police estimates, there are now about 180,000 mass protest incidents each year, roughly 20 times more than there were in the mid-1990s. China's leaders portray the surge of protests as fueled by popular outrage over the yawning gap between rich and poor -- a chasm that the leaders have spent a decade trying to close. In reality, though, Chinese citizens are angry about a different gap: the one between the powerful and the powerless. The

CCP has turned a blind eye toward this problem. Unless the situation changes and China's new leaders start finding ways to temper popular outrage over procedural injustices and official corruption, the prospect that they will maintain political order until the next leadership transition is bleak.

In the wake of evidence that the gap between China's rich and poor has grown despite reform efforts over the last decade, China's new leaders have pledged to try harder. They have raised the idea of increasing the urban minimum wage and requiring state-owned corporations to pay higher taxes to support social welfare programs. In some ways their plans make sense. China's level of income inequality, as measured by the Gini coefficient, has increased sharply, from .28 in the early 1980s to .49 in 2007. By this measure, China is more unequal than Japan (.31), India (.34), the United States (.36), and Russia (.44). Estimates vary, but it is likely that around 100 million Chinese still live in absolute poverty. Meanwhile, more than one million Chinese are millionaires (even measured in dollars), flaunting their palatial mansions, private jets, and foreign luxury cars.

Given such vast inequality, it wouldn't be terribly surprising if members of the poor -- or even of China's growing middle class -- took to the streets. However, there are no signs that such protests are in the offing. Repeated surveys that I directed (in Beijing in 2000 and nationally in 2004 and 2009) show that most Chinese find income inequalities in their country fairly unproblematic and are **more optimistic** [1] than citizens in other countries about their own chances for getting ahead. For example, when asked as part of my surveys about the extent to which talent determines who becomes rich, 73 percent of Chinese interviewed in 2009 said it is an important factor, compared with only 48 percent of Russians (1996), 52 percent of East Germans (2006), and 60 percent of Americans (1991). More recently, a 2011 Pew poll suggested an even sharper contrast, with only 43 percent of Americans saying the wealthy became rich "mainly because of their hard work, ambition, or education."

Chinese citizens believe that the government should do more to help the poor, but they are generally less inclined than citizens elsewhere to limit top incomes or redistribute money from the rich to the poor. Given the widening gap between China's rich and poor, that seems paradoxical. But in China the rich have not gotten richer while the poor have gotten poorer. Rather, the vast majority of Chinese have gotten richer over the past three decades, although improvement has come faster for the rich than for the poor. Well over 60 percent of those we interviewed in each China survey said that their families were doing better than they were five years earlier. Similar percentages predicted that they would be doing even better in the future. In turn, they see the wealth that others have achieved as more a goal to aim for than something to be resented.

Another factor in the rather laissez-faire Chinese attitudes about inequality is that, as in any society, perceptions of how one's neighbors, co-workers, and former classmates are doing shape feelings of economic fairness much more than do perceptions of wealthy but distant strangers. So I do not feel much envy of Bill Gates or Lady Gaga, but if my colleague gets a new and fancier office than mine, I am outraged.

Finally, the programs that previous CCP leaders instituted to help China's poorest citizens have done much to take the edge off of destitution. Xi's predecessor, Hu Jintao, abolished taxes on grain, made compulsory schooling free, and built a network of rudimentary village medical insurance plans. According to our surveys, in 2004 only about 15 percent of rural residents had medical insurance. By 2009, around 90 percent did.

Just because Chinese citizens are relatively unconcerned about income inequality does not mean that they are not angry. Many are, as the hundreds of thousands of protests per year attest. Popular unhappiness, though, is fueled more

by power inequalities than by income gaps. Although it is impossible, given CCP sensitivities, to undertake systematic surveys about procedural injustices, even a cursory review of recent mass protests indicates that power inequality is at issue. The most common grievances are confiscations of farmland and urban homes without sufficient consultation and compensation, failures to protect the public from toxic chemical spills and adulterated food products, coercive enforcement of family planning rules, deaths that could have been avoided with proper enforcement of building codes, diversions of public resources for official enrichment, illegal incarcerations, and deaths in detention of individuals who try to seek redress for official mistreatment.

Chinese are growing ever more conscious of their rights as human beings. They know that there are regulations and laws on the books that appear to guarantee them fair treatment. However, the gaps between proclaimed principles and reality are huge. When they try to follow established procedures to challenge official unfairness, most likely they will fail or even get into serious trouble. And that is why they take to the streets.

The CCP likely understands citizens' real complaints, and at least on the issue of official corruption, they regularly proclaim determination to combat the problem. But in general the CCP persists in focusing instead on reversing rising income gaps for one simple reason. Economic inequality can be addressed with new programs, institutions, and additional funding. And all that can generally be done without threatening the vested interests of the powerful. The CCP has made some progress in combatting poverty, although the gap between the poorest and richest citizens remains very wide. Addressing procedural injustices, on the other hand, is much more difficult. Most measures that could help, such as greater judicial independence, press freedom, and genuine guarantees of freedom of association and peaceable assembly -- not to mention allowing electoral challenges to those in authority -- would strike at the heart of the CCP's Leninist principles.

In their nightmares, China's leaders see a replay of the sudden collapse of Communist Party rule in the Soviet Union -- a catastrophe they believe was brought on by Mikhail Gorbachev's political reforms. However, continuing to address income inequality while avoiding doing anything about the injustices of the Chinese political system will not make China more harmonious and stable. It will only toss fuel on the fire.

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