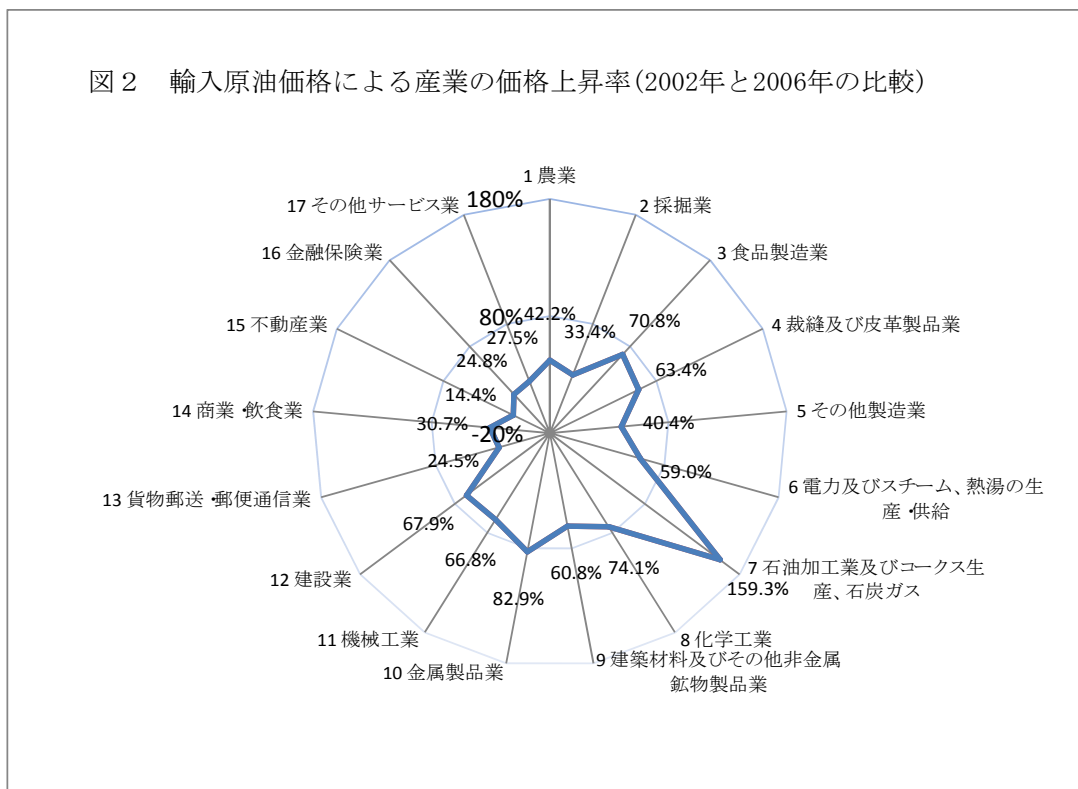


図2 輸入原油価格による産業の価格上昇率(2002年と2006年の比較)



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On the Development Status of the Newly Arisen Stratum and Their Causes in China

[CN] Zhen Liu & Yangzi Li¹

Abstract: Since the introduction of the opening and reform policy, China has witnessed great changes in the structure of its social stratum. With the development of possession of various systems, there is a multi-estate panorama in China's stratum. This paper describes the social stratification status after the application of reform and open policy, analyzes the status and the causes of the newly arisen stratum and proposes that

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China should stick to state owned economic system and proletariat-ruling system and strengthen the education and guiding measures to the newly arisen stratum.

Key words: the newly arisen stratum class

From the socialism reformation of working material possession system since 1956 to the opening of the No. 11 3rd. NCPRC, there is no nationwide existence of private institution of production materials, resulting in the disappearance of the private-owned economy and private enterprises. Herein, No. 11 6th NCPRC points in 1978 that the exploiting class has been eliminated as a class, but in some certain areas, there still exists battle between classes. That is to say, capitalists as a complete exploiting class has gone. This proposition is a scientific conclusion made by Marxism basic principles and the practical situation in China, wholly according to the objective social and economic structure, and class relationship at that time. And it ever was a sufficient guidance for the turn of our national affairs and the successful undertaking in the opening and reform policy.

However, China has been experiencing huge changes after its adoption of the opening and reform policy. The reform process is one with the production of new profits in essence, as well as a process with the polarization and transformation of profits, which socially is the fission and rebirth of the structure of society. Sociologists hold that Chinese society-model transfer has three phases: slow from 1840 to 1949, medium from 1949 to 1978, and fast from 1978 till now. Besides¹, the degree of its transferring is directly ratio to that of the complicity and heterogeneity in a storied society. In reform, the original duality of the city and town by political power began to become flexible and even to collapse. And so did the classification and identification by the work unit and social status, such as cadre, worker, intellectual and etc. within the community. Therefore, the dominant element is economy, which has become so diversified that there appear the diversification, heterogeneity and the considerable flexibility in social classification. All these variations are caused by the smash and breath of the existing classes in on hand, on the other hand is the growth and prosperity of the newly-born groups in society, which are compatible and combined to generate the formation of the co-combat of social layers of different profit in China, demonstrating a modern feature “from identity to contract” (by Meien).

I. The Study about Social Stratification in Society

When studying the stratification of society, the researchers must adopt various perspectives of thinking ways because of their different theoretical setting and reference. Among those theories with effect on the stratification of society in China, there are mainly

¹ Zuyun Liu, *Social Transformation and Social Classification- Social class differentiation of China in the end of 20th centry*, East China Normal University Transaction, vol.38 No.4

Marxism Class Analysis, Functional Stratification Theory, and Social Conflict Theory. Marxism claims that it is rooted into the variety of possessing working materials that produces class and estate, which are manifested as social status and working position in society, while the class struggle is the right impetus to the social progresses. As for the social evolution, Marxism takes positive attitudes towards the newly arisen stratum. Surely, traditional Marxism has studies of comparably macro and deeper insights, especially with few comments on the concrete class transformation. And there is an ostensive distinction between the time of the initiators of classic theories and ours, so we cannot account for things in the same breath for what they care is the class issue, which cannot be equalized with the class estate, what we are concerned now. But we should recognize that Marxism still positively direct us to study the issue of social class estate, so we should insist on Marxism basic principle, methodology and viewpoints when studying the class estate, especially on its dynamic analysis on economic resource and profit, which is still a golden key to the perception of the complex social stratification issues.

In the early time, Kongde, Spenser, Malinowski and Tuergan initiated Functionalism which was climbed to the zenith when Molton and Palson systemize the theories. Functionalism claims that the emergence of social stratum is due to the observing prediction from the main groups in their social activities and it's assumed that social estates are positive to the existence and development, as well as needed and inevitable. Obviously, Functionalism found the good side of the social stratification, which particularly leads the competition, boosting the social progress and development. But it has perfection and exaggeration and even discussed the purpose of adjusting the social stratification as the precondition. Herein, the Social Conflict Theory represented by Delendof in Britain and Remon Along, is reasoned with the reconsideration and correction for the Functionalism. The SCT holds that social stratification resulted from scramble for rare resources, which is the origin of the social conflicts and inequality among human, but definitely not the almighty Gospel described by the functionalists. This assertion is partial to the negatives of social stratification, denying the its function of competitive and encouragement and the maintenance of stable society from its sound and systematic stratification, which is apparently a theoretical bias.

Heretofore, another presupposition should be mentioned in social stratification—a criterion. To this point, Marxism mainly emphasizes that the possession of working material and the social work distribution, and that the work material is “a indicator of social relationship, via which work can be undertaken”¹, which discovers the root and drive of the social stratification—distribution of economic interests. Web put forward the triplex criterion for the social stratification: wealth, economic criterion; prestige, social one; power, political one. It is really integrative, and of wide applicability. Palsens stressed the

1 *Corpora of Marx and Engels volum 23*, People Press, edition 1972

importance of social occupation and brought forward an occupational criterion for the social stratification. And in modern significance, we can find his occupational criterion approximates Web's "triplicity" of tri-section, and is more specific and hence accepted by more and more people.

Lu Xueyi has proposed the integrated way of division according to profession and possession of the three resources in investigating the present social stratification. The so-called three resources are organizational resources including the political, administrative and organizational resources, economic resources including the share, use, manipulation and profit of the productive resources, and the culture (technology) resources which are the possession of social recognized knowledge and technique¹. With the change of society, the functions of the resources will also vary. At least in present China, the influence of political stratification is decreasing, while the economic stratification influence is increasing.

II. China's Status of Social Stratification after the Application of Reform and Open

1978 is an important year in China's social development, for it is in this year that China begins its interior reform and exterior open policy. With the further reform and open, especially the economic transition from the planned market to the economic market, China's social transition enters its speeding and accelerating period. During this period, China's social stratum structure has changed obviously including the interior, the between and the exterior change in the primary stratum.

1. The stratification inside the stratum

Workers and farmers are the two main basic classes and stratum whether on the dichotomic stratified structure or the sub – stratified structure. After China's reform and open, the two main social stratum begin their interior stratification. And the main symbol is that there are new social groups from the worker class and farmer class respectively and forming the independent social stratum. They have been workers, farmers, managers of the state owned enterprises, staff in the official department and institutions, college teachers or scientific staff in colleges or the researching institutions, the veteran, or the returned personnel studying abroad before becoming the members of the new social stratum. Some of them are even communist party members or the league youth members.

(1) The stratification inside the worker stratum

The stratification in the workers are shown as the following after China's reform and

¹ Lu Xueyi : *Anaylisis on Ten Strata of China's Modern Society*, published in Study and Practice, No.4, 2002

open:

On the one hand, it is social economic structure that arouses the stratification. Since 1978, as the transition of Chinese economic structure from the unitary public ownership system (state-owned and collective) one to the one with the public ownership system as the mainstay and the common development of various economic components, the workers began to differentiate from the “interior system” (state owned and collective economic system) units to the “exterior system”(the individual economy, the private economy and the foreign invested economy) units. The number of people working in the state owned units has become smaller and smaller, while that of the non-state owned has become larger and larger, which has become an important characteristic of the worker stratum after the reform and open, especially since 1990s. On the aspect of industrial production value¹, the state owned enterprises’ industrial production value decreases from 81.56% to 38.23% from 1978 to 1994, while the non-state owned industrial production value has been increased to 23.5%. Meanwhile, the production force in the state owned enterprises has decreased from 50.07% to 38.23%, while that of the non-state owned enterprises has increased to 24.77%.

It is estimated that the staff number in the non-state owned economy system is still increasing. According to the latest statistic of the Ministry of Labor in August 1997, the total working number is up to 146,715,000 till June 1997, which has decreased by 186,000. There are 137,263,000 people in the stated owned units (stated owned economic units and the collective economic units). Comparing with the last year, the number has decreased by 1,105,000. However, there are 9,452,000 people in the non-state owned economic units, which has increased by 919,000.

(2) Stratification inside the farmer stratum

Since 1978, China’s farmer stratum has stratified with the fastest speed, the largest scale and the largest category. Their stratification mainly concentrates on two aspects. One is the profession stratification that is the so-called “leaving from land”; the other is the region stratification that is the so-called “leaving from hometown”. Before the reform and open, their household registry is in country, and they also live and work in the country. For most of the present farmers, only their household registry is in the country. They work in the non-agricultural field and live in cities or towns. According to the 1994 statistics from Statistics Department of China, there are 797,000,000 people living in the country among the 900,000,000 people with country household registry. The number of people living in the country accounts for 88.4% of the whole people; the other 105,000,000 people live in cities or towns. According to another sample investigation of the labor force in country, the farm labors account for 63.4%, the township and two enterprises workers and the outgoing farmers 12.2%, the managers of the collective enterprises in townships and towns 0.8%, the

¹ *Interview Series of Sociologists: Social Structure Transformation in China*, China Society Press, 1996.

individual or the cooperated industry and business labors and managers 6.5%, the private enterprise managers 0.8%, the employed labors 3.0%, the country leaders 0.6%, labors in education, science and technology and medical and sanitary 1.1% and the other labors 3.3%. The change of production structure in the country, especially the development of the enterprises in township and towns has made more than 100,000,000 farmers move to the non-agricultural field.

If multiple variables of the pattern of the possession system and management, such as occupation, territory, working material, are combined to analyze, farmers in nowadays China could be stratified as follows:

- (1) Farmer laborers in country are the principal part or matrix of farmers in China.
- (2) Governors in local country, mainly including members of country council or the party branch or group leader in individual country.
- (3) Collective laborers in local country, engaging non-agricultural jobs but with the right of possessing and managing and utilizing working material are the village enterprises workers or farmer workers who leaving from land but not hometown.
- (4) Supervisors in collective agricultural enterprises, the elites in the field of agricultural economy, with the double status of both contractor and manager.
- (5) Wagesworkers in country, without the ownership of the working material utilized.
- (6) Owners of private enterprises stratum possess a certain amount of production materials with relatively high economic income.
- (7) Individually managing laborers, who are expert or professional, with economic income obviously higher than agricultural laborers and are viewed as the intelligent craftsmen.
- (8) Migrant workers, who are orally called as a group of labor workers leaving from countries and the pioneers of the labor migration in the late 20th century, the sowers and communicators between the traditional agricultural civilization, country civilization and the civilization of modern industrialization and urbanization. Therefore, since 1978, apparent polarization happened in agricultural farmer laborers, which will continuously be quickened with the further transfer of economic system and the transformation of social structure in China.

2 Stratification among stratum

Since the reform, the social stratum stratification in China not only has been expressed in the internal of the original stratum, but also has been expressed among the original stratum or outside them. The so-called stratification among stratum is that the original class structure transit from rigid to flexible, that is, from close to open. The specific reflection is the emergence of new groups.

The so-called newly arisen groups are those new ones emerging after the reform and completely different from the original social stratum. Since 1978, as the transition of Chinese economic structure from the unitary public ownership system (state-owned and

collective) one to the one with the public ownership system as the mainstay and the common development of various economic components, the individual economy and the private economy come to birth and make development in Chinese society. In line with this, the individual laborer groups and the employer groups and employee groups of the private enterprises are generated. Those groups are the newly arisen ones not existing before the reform.

III. Development Status of the Newly Arisen Groups in China

In the “Speech on the Conference for Celebrating the 80th Anniversary of the Foundation of the CPC”, Jiang Zemin pointed out practically that, since reforming and opening up, the new change of the Chinese social class structure is as follows: “Since reforming and opening up, Chinese social class composition has new changes, there are many entrepreneurs and technical personnel of the private science technology enterprises, management technical personnel, employed by foreign-funded enterprises, individual entrepreneurs, owners of private enterprises, practitioners of intermediary organizations, free professional personnel, and other social strata emerging, and such changes will continue.”¹ The seven kinds of people listed here include both of the new laborer class under the market economical condition and the new social class like the owners of private enterprises labeled as “bourgeois” under in the traditional theory of ideology, which fully endorses the objective existence of the newly arisen social class as an social class.

It is worth noting that, in this discourse by Jiang Zemin, the “Chinese bourgeoisie” is not used which is a relative popular concept currently at home and abroad, which has an important guiding significance on correctly understanding the social class structure in contemporary China. Currently, the private class, with the mainstay of entrepreneurs of the private science technology enterprises, individual entrepreneurs and owners of private enterprises, is the natural product of the common development of a variety of production relations and ownership forms in China. This class has a relative substantial private wealth, only the average total capital of the rich families in Beijing has reached 2.356 million yuan, of which the practicality capital accounted for 66.2% and the financial capital accounted for 33.8%². However, this class is combined closely with the basic political and economic systems of Chinese socialist, and does not and is unlikely to form another complete class with the independent ideology and political behavior, and thus, this class is essentially different from the Western bourgeoisie and the Chinese bourgeoisie before the liberation. Early in 1985, Deng Xiaoping already pointed out that, the answer of whether Chinese

1 Jiang Zemin, Speech on the Conference for Celebrating the 80th Anniversary of the Foundation of the CPC, Beijing: People Press, 2001

2 Li Xingwen, Investigation—*Who is the rich in China*, Beijing Youth Daily, April 6, 2001, (17)

reform “will produce a new bourgeoisie” was that the individual bourgeois elements may emerge, but they will not form a bourgeoisie.¹ This view of Deng Xiaoping has the sufficient theoretical basis and historical basis. The analysis of Jiang Zemin on the social strata in China is from the same strain as Deng Xiaoping's thinking, and Jiang Zemin recognized that the existence of this newly arisen social class with the owners of private enterprises as a representative did not mean the existence of a bourgeoisie. As long as firmly adhering to the dominant position of the public ownership economy, noting and preventing the expansion of polarization, and persisting in the leadership position of Marxism in the ideological field, is this newly arisen social class unlikely to be transformed into a new bourgeoisie. At the same time, Jiang Zemin analyzed the political status of the newly arisen social class in China, and pointed out that the “Chinese private class” is unified with workers; peasants, intellectuals, cadres and PLA officers, and those people were also the builders of Chinese characteristic socialism cause. This is the first time since the 3rd plenary session of the 11th central committee that, our party recognized the class including the owners of private enterprises on the level of “builders of Chinese characteristic socialism cause”, which is consistent to the cognition of the party on the status of the non-public ownership economy.

Similarly, Hu Jintao affirmed the existence of the newly arisen stratum and paid more attention to it, and he pointed out in the 4th plenary session of the 16th central committee that we needed to “unswervingly consolidate and develop the public ownership economy, and unswervingly encourage, support and guide the development of the non-public ownership economy, so as to form the new pattern that various economic ownership forms equally compete and mutually promote”. The rapid steady growth of the non-public ownership economy provides a guarantee for the further development of the newly arisen stratum. It can be foreseen that, with the further development of the entire national economy, the newly arisen stratum will rapidly expand in a certain period.

IV. Causes for the Emergence of the New Stratum in China

According to the above, it is clearly seen that, the emergence and growth of the new stratum in China is developing along with the gradual deepening of the policy with the public ownership system as the dominant and other economic forms coexisting developed by the government. The origin to explore the stratification of the worker class and the peasant class is that the labor force flow into the private economy from the traditional state-owned enterprises and land. The private economy, a product emerging with the reform and opening up, redistributes the original labor force, therefore, the ownership form is changed from the complete public ownership system form to other ones, and the decrease

¹ Deng Xiaoping, Selected Works of Deng Xiaoping, Third edition. Beijing: People Press, 1993

of the absolute proportion of the public economy in the social economy is the root cause resulting in the emergence of various new strata. From the stratification of the worker class and the peasant class, it can be seen that the emergence of the private economy and various other forms of economies is the fundamental cause leading to the traditional class stratification.

In order to demonstrate this view that the change of the economic structure causes the class change, the decline of the state-owned economy, and the development of non-public ownership economy, and it is the fundamental cause of the emergence of the new stratum, we will compare the proportion of the state-owned economy with the population change of the private class in the recent years so as to investigate whether the population increase of the representatives of the private class as a newly arisen stratum is caused by the decline of the public ownership system (state-owned enterprises).

The employer groups (also called as private-enterprise owner class) and the employee groups of private enterprises is a pair of group or two accompanying groups emerging with the development of the private economy since the reform. Since the 1990s, these two groups have achieved a relatively fast development, and these two groups are collectively known as the private class. The change of the private groups and state-owned enterprises is seen in the following table:

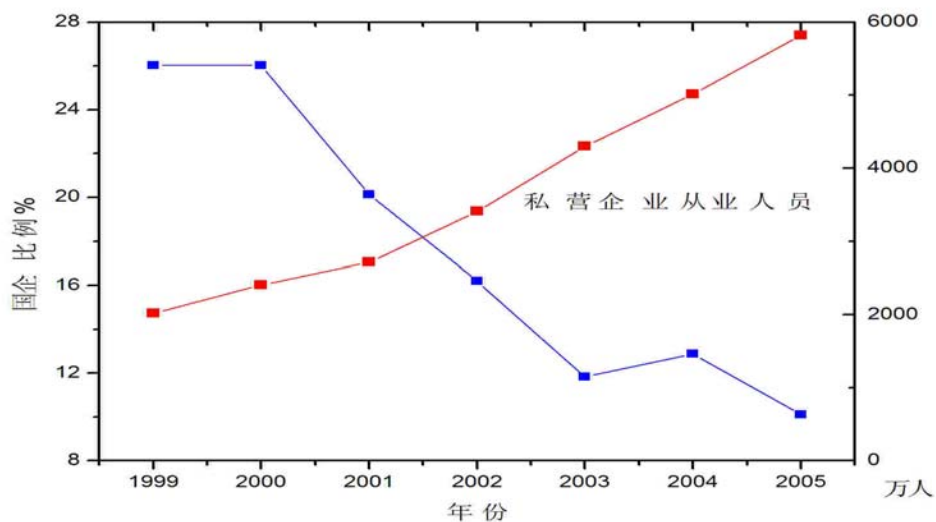
Table 1 Change of the quantities of state-owner enterprises and employees of private enterprises

Year	State-owned enterprises (Quantity ratio of industrial enterprises)	Quantity of employees of private enterprises (10,000)
1999	26.03%	2021.5
2000	26.02%	2406.5
2001	20.14%	2713.9
2002	16.19%	3409.3
2003	11.82%	4299.1
2004	12.87%	5017.3
2005	10.11%	5824.1

Data source: 2000-2006 China Statistical Yearbook ¹

¹ 2000-2006 *China Statistical Yearbook*: For the statistical way of the quantity of the industrial enterprises before 2000 is different from that after 2000, after 2000, the industrial enterprises with a certain scale is taken into statistics, while before 2000, all industrial enterprises were taken into statistics,

Fig. 1 Chart for the change of the quantities of state-owner enterprises and employees of private enterprises



From the above data, we can see that the birth of this newly arisen stratum including the owners and employees of private enterprises is accompanied by the decline of the state-owned enterprises in the overall enterprise scale, and the vigorously development of a variety of ownership structures in China.

V. Some Suggestions

Presently, the emergence of the new stratum has an extensive and far-reaching influence on the social development in China. Such an influence includes two aspects. On the one hand, they are not only the product of the reform and opening up as well as the construction of the market economy, but also are the state to form the recombination of the social mains, at the same time, once the class is formed, it will become the active participant and strong promoter of the reform and opening up as well as the market economy in China, which proves the correctness and feasibility of the reform direction. On the other hand, the formation of the new stratum, in particular the private-enterprise owner class among it, causes the social wealth to gather toward them, and the gap between the rich and the poor is widening. Besides, the new stratum is also slowly beginning to show their political aspirations and have a great enthusiasm for participation in the political decision-making. The emergence of the new stratum has its inevitability and the complexity. How to better play the positive role of the newly risen stratum and to inhibit their negative factors has become such a problem faced by the ruling party and those people in power.

the data is from the statistics in the beginning of 1999.

Through the above analysis, in our view, the works about the following aspects shall be attached importance:

First, we must always persist in the basic economic system with the public ownership system as the mainstay and the common development of various economic ownership systems, and the key is to maintain the subjectivity of the public ownership system, resolutely oppose and prevent the occurrence of the privatization tendency, which is a fundamental principle that cannot be shaken. Persisting in the mainstay of the public ownership system will be able to guide the private economy and the newly risen stratum developing along the socialist direction and road. Because the existence and development of the private economy in the primary stage of socialism has the inevitability, it will exist in a very long time that a part of the means of production belongs to individuals. Adhering to the dominant position of the public ownership system is to ensure the socialist direction of the reform, and the fundamental link in the process is to scientifically control the scale of public capital. At present, the reform of the state-owned enterprises has made some achievements, but also has shortcomings: “More is the withdrawal capital and less is the introduced capital.” To ensure the dominant position of the state-owned economy, and ensure that the country can have enough resources to control the economic and social development, we must increase the share of the public capital in the national economy, and have the public capital and private capital sharing the total social profits.

Second, we must strengthen the guidance and education to the newly risen stratum, and enhance their sense of historical mission and sense of social responsibility to prevent the formation of a new bourgeoisie. While fully affirming the status and function of the newly risen stratum in building the Chinese characteristic socialism cause, we also shall note that the newly risen stratum has a certain share of the means of production and a certain degree of exploitation behavior, which are the characteristics of the bourgeoisie; at the same time, some of the newly risen stratum also has political aspirations, therefore, we must guide them to legally achieve their aspirations through the NPC, the CPPCC and other legal channels, and other legitimate channels to achieve. In addition, we shall especially treat the problem seriously that the newly risen stratum joins the party. The behaviors that the economic strength, personal fame and the social contribution are used as the standard to join the party shall be strictly prohibited.

Third, it is necessary to correctly deal with the class issues, deepen the understanding of the definition of the proletariat, and uphold the dictatorship of the proletariat. In a certain period, many people have a strong resentment to the class issues. The class issues can be discussed, but does not involve the political creed and road. The scientific attitude is correctly face the problem instead of evading it, and they are all undesirable, such as considering the existent as non-existent, ignoring the major contradictions and key aspects of the problems. When dealing with class issues, we shall envisage the status of the current socio-economic development in China, that is, China is in the primary stage of socialism,

the basic economic system is the public ownership system as the mainstay and the common development of various economic ownership systems. The answer of whether there is a bourgeois existing currently in China is no. However, the answer of whether there are bourgeois elements existing currently in China is yes. Now, the problem we face is not discussing the existence of the bourgeoisie, for the existence of bourgeois elements in the primary stage of socialism is tolerable. The most important issue we face is how to adhere to the dictatorship of the proletariat, and how to persist in the leadership of the CPC. Meanwhile, there shall be a more scientific explanation and definition of the proletariat. The class nature of the newly risen stratum is not very clear, and some of them have become bourgeois elements, while a part of them is still belonging to the scope of the proletariat. We shall adopt different ways and means to treat the newly risen stratum with different class natures, with a base of upholding the dictatorship of the proletariat and the leadership of the CPC. Only in this way can we better play the positive role of the newly risen stratum.

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