

Elite Formation in Market Transition: Changing Opportunity Structures and the Rise of the Sixth Generation of Chinese Leadership

Thesis submitted in partial fulfilment of the requirements for the degree
of DPhil in Politics in the Department of Politics and International
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Yi Yang, St. Antony's College

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Abstract

Scholars often credit China's bureaucracy with successfully manufacturing and tapping individual career inspirations and life chances for governance, giving rise to a robust organization and a resilient authoritarianism. My research challenges this view by examining how such authoritarianism has persisted in China since the third democratization wave starting in the late 1970s, with a case study of the career trajectories and behavioral decisions of bureaucratic elites in China who had achieved accelerated promotion, using deep interviews and multivariate statistics on an original and randomly sampled dataset of the cadre population whose career timeline corresponds to China's early market transition (1977-2006).

Empirically, no prior research has focused on achieving accelerated promotion that measures the speed of mobility towards bureaucratic elite status (deputy-ministerial/provincial level) as the dependent variable to be explained: such mobility rate determines one's later chances to top politics. Findings show that cadres achieved accelerated promotions because they made counter-intuitive choices throughout their careers, against the prevailing social norms (social structural priority) of chasing immediate monetary rewards, but these decisions reflected their capacity to cater to the political structural priority reflected in the bureaucratic promotion logic. Thus, these unconventional yet conservative choices during China's market transition decades set statistically significant impact on their ways to a political promotion fast track.

Theoretically, Giddens' structuration theory suggests agency action being shaped by structure also reproduces structure in democracies. My research develops his theory in an authoritarian context, by proving that multiple structures started to emerge in China's reform era, compared to the pre-1977 periods, and thus the significance of agency action does not rest solely on one's capacity to reshape structure but also on one's capacity to choose one structure (political career) over another (more profitable private sector career), within which to engineer his/her own mobility path.

(295 words)

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Introduction Chapter: Elite Formation in Market Transition China

Ever since Weber distinguished rational bureaucracy staffed by meritocratically selected technocrats from patriarchal management by loyal partisans, scholars have explored the underlying logics driving government organisations.¹ Insofar as political decisions matter, political decision makers do, too. Today this exploration matters nowhere more than in China, where a powerful authoritarian regime governs nearly a fifth of the world's population.

In late 2012, China saw a new team of national political leaders assume office with Xi Jinping at the helm as the general secretary of the Communist Party. Earlier in the same year, Bo Xilai, who had been considered to be a promising candidate for the upcoming new political leadership, was expelled from the Party and put into prison. What explains such different fates of Chinese bureaucrats and politicians in the absence of democratic elections?

In fact, we know little about how rulers in China are promoted from among a pool of candidates. The past few decades of spectacular economic performance makes this question even more important. As Huntington has noted, "Reform is rare if only because the political talents necessary to make it a reality are rare".² Therefore, a better understanding of cadre personnel management system is crucial to understanding how the regime works during market transition and reform since the 1970s. This is even more important now given the emergence of new political elites with distinct educational and professional experience who will be running the country for the next decade. Throughout China's history, changes in the composition of the

¹ Peter Evans and James E. Rauch. "Bureaucracy and Growth: A Cross-National Analysis of the Effects of 'Weberian' State Structures on Economic Growth". *American Sociological Review*, Vol. 64, No. 5 (Oct., 1999), pp. 748-765.

² Samuel Huntington. *Political Order in Changing Societies* (New Haven: Yale University Press, 1968), p.345.

political elites have often reflected broad social, economic, and political trends in the country.

The following sections in this introduction chapter will detail the research puzzle, its relevance, and the significant contributions this thesis will make to the scholarly communities' understanding of the interplay between market transitions in authoritarian regimes and the formation of political elites in these regimes via agency vs structure interaction analysis, which will be then followed by the theoretical framework section, the relevant literature review, the data and methodologies section, chapters outline and research limitation acknowledgement.

Scholars in the social sciences often argue that the Chinese Communist Party's (CCP) cadre personnel management system under reform is one of the keys to the success of the regime since 1977. Some state that by encouraging cadres to deliver short-term benefits to the regime, the system has been able to manage the principal-agent problem and delivered several crucial conditions for economic growth, including a well-financed central authority, local flexibility and political stability.³ Others credit this system as providing the organisational basis for the country's institutional robustness and authoritarian resilience by successfully manufacturing individual aspirations, career chances and behaviors, thereby underpinning regime stability.⁴

The puzzle and the research question: this thesis assesses this latter claim by investigating how the Chinese non-democratic system has selected its rulers and tapped their life aspiration

³ For this type of argument, see Huang Yasheng, "Web of interests and patterns of behaviour of Chinese local economic bureaucracies and enterprises during reforms", *The China Quarterly*, No.123, Sep 1990, pp.431-458 & Kenneth Lieberthal. *Governing China, From Revolution Through Reform* (New York: W.W.Norton & Company, 1995) & Jean Oi. *State and Peasant in Contemporary China, the Political Economy of Village Government*. (Berkeley: University of California Press, 1989) & Kristen Parris, "Local initiative and national reform: The Wenzhou model of development", *The China Quarterly*, No.134, June 1993, pp.242-263. & Victor Shih. *Factions and Finance in China: Elite Politics and Inflation*. (New York: Cambridge University Press, 2008).

⁴ Zhou Xueguang. "Partial Reform and the Chinese Bureaucracy in the Post-Mao Era". *Comparative Political Studies*. 1995(28):440-468. & Andrew Walder, "Career Mobility and the Communist Political Order," *American Sociological Review* 60:3 (June 1995), 309-328.

and career loyalty for governance. Using interviews and statistical methods, it presents the first scholarly study that investigates the patterns and logic of accelerated cadre career promotions (破格提拔 *poge tiba*) to elite status in China since 1977 to reflect on such a puzzle.

Promotions are important events in most people's work lives and can be an important control mechanism in organisations, offering both potential material rewards and symbolic statuses to a selected few. Consequently, the possibility of receiving a promotion is likely to be an extremely effective control mechanism over a fairly broad group of employees.

This thesis focuses on the sixth generation of the Chinese leadership by examining the whole 1960s-born elite population of cadres who reached the vice-ministerial/provincial rank (defined as "elite cadres" by the CCP) and higher by Feb 2014: there were 354 of them. Then the careers of these 354 1960s-born elite cadres are compared with a representative random sample of 364 1960s-born non-elite cadres on the bureau/prefectural level, who failed to cross the elite cadre barrier to reach vice-ministerial/provincial level by Feb 2014 (see the sample selection section). Due to increasing age restrictions in the workplace, it asks why some people could minimize the impacts of redistribution of opportunities and obtain *poge tiba* during market reforms.

Existing literature shows four major trends on the study of bureaucratic promotion logic (see the literature review section), emphasizing the importance of 1) political factions and connections,⁵ 2) local economic performance or fiscal contribution,⁶ 3) meritocracy and

⁵ See: Gerald Easter, "Personal Networks and Postrevolutionary State Building: Soviet Russia Reexamined", *World Politics*, 48 (4), 1996, pp. 551–78. & Andrew Nathan, "A Factionalism Model for CCP Politics", *China Quarterly*, 53, 1973, pp.33–66. & Lowell Dittmer, "The modernization of factionalism in Chinese politics", *World Politics*, No. 4, June 1995, pp. 467-494. & Huang Jing. *Factionalism in Chinese Communist politics*. (New York: Cambridge University Press, 2000). & Victor Shih et al, "Getting ahead in the Communist Party: examining the advancement of central committee members in China", *American Political Science Review*, 106(1), Feb 2012, pp.166-187.

⁶ See: Jia Ruixue, et al. "Political Selection in China: Complementary Roles of Connections and Performance". *Journal of the European Economic Association*, 2015, vol. 13 (4), 631-668. & Guo Gang, "China's Local Political Budget Cycles", *American Journal of Political Science*, Vol. 53, No. 3, July

education credentials,⁷ and 4) a dual-path administrator vs specialist career structure that asks one being either “red or expert”⁸, to explain cadre promotions in China’s case.

On top of these existing literature, using *poge tiba* in China’s bureaucratic promotion system as a case study, *this thesis emphasizes the individual decisions of the labor as well as the structural dimension of the bureaucratic labour market*, by making *three* major contributions to the political science, sociology and history fields:

Thesis contribution ① *poge tiba* as an unexplored dependent variable to elites study:

since this thesis analyzes the accelerated career patterns of these elite cadres, this places it in the field of elite studies, in a direct line of descent from the classical school of elite studies of Pareto and Mosca,⁹ a field which has expanded since the pioneering work of Scalapino on China.¹⁰ Thus this thesis adds a fresh dependent variable to this already well-established field.

Empirically, as the literature review will show, none of the existing works has focused on achieving accelerated promotion (*poge tiba*) that measures the mobility speed to elite status in

2009, pp. 621–632. & Bo Zhiyue. *Chinese Provincial Leaders: Economic Performance and Political Mobility since 1949*. (New York: M.E. Sharpe, 2002). & Pierre Landry. “The political management of mayors in post-Deng China,” *The Copenhagen Journal of Asian Studies*, Vol. 17(2003), pp. 31–58. & Pierre Landry. *Decentralized Authoritarianism in China: The Communist Party’s Control of Local Elites in the Post-Mao Era*. (New York: Cambridge University Press, 2008), pp.163-5. & Fubing Su, Ran Tao, Lu Xi, Ming Li. “Local Officials’ Incentives and China’s Economic Growth: Tournament Thesis Reexamined and Alternative Explanatory Framework”. *China & World Economy*, 2012, 20(4): 1-18.

⁷ See: Daniel Bell. *The China Model: Political Meritocracy and the Limits of Democracy*. (New Jersey: Princeton University Press, 2015). & Hong Yung Lee. *From Revolutionary Cadres to Party Technocrats in Socialist China*. (Berkeley: University of California Press, 1991). & Li Cheng. *China’s leaders: the new generation*. (New York: Rowman & Littlefield Publishers, 2001), pp.8-9.

⁸ See: Bruce Dickson and Maria Rublee. “Membership Has Its Privileges: The Socioeconomic Characteristics of Communist Party Members in Urban China”. *Comparative Political Studies*, 2000(Feb), 33(1): 87-112. & Andrew Walder, “Career Mobility and the Communist Political Order”, *American Sociological Review*, 60 (3), June 1995, pp.309-328. & Andrew Walder, Li Bobai, and Donald Treiman, “Politics and Life Chances in a State Socialist Regime: Dual Career Paths into the Urban Chinese Elite, 1949 to 1996”, *American Sociological Review*, 2000(65), pp.191-209. & Zang Xiaowei. *Elite Dualism and Leadership Selection in China* (London: Routledge, 2004). & Bian Yanjie, Shu Xiaoling and John Logan. “Communist party membership and regime dynamics in China”. *Social Forces*, 2001, 79(3), pp. 805–841.

⁹ See a general introduction of the field: Michael Hartman. *The Sociology of Elites*. (Oxford: Routledge, 2007).

¹⁰ Roberto Scalapino. *Elites in the People’s Republic of China*. (Seattle: University of Washington Press, 1972).

the bureaucratic pecking order as the dependent variable to be explained: such promotion rate determines one's later chances to top politics in China, as to be shown in a later section.

Moreover, existing models lack a step-by-step analysis of the cadre movement from villages, townships to provincial level, and from the provinces to Beijing. This project thus transcends these static approaches of comparing individual careers at a point in time, by examining the evolution of their careers over time in six chapters to reveal which factors contribute to *pogetiba* at different stages of their education and work lives in relation to wider societal and political conditions and structures prevailing within China over four decades.

Thesis contribution ② to the market transition debate: on a wider spectrum, this thesis uses China's economic reform period as a case study to add a strong piece of empirical evidence to the literature on authoritarian governance, regime resilience, and the political economy of bureaucratic career incentives by illustrating how soon-to-be elites react to fresh market opportunities in transitional economies. Filtering through the biographies of these Chinese bureaucrats whose career timelines well correlated with the market transition period, it tests whether the market erodes the advantages of the political establishment by tracing and analyzing these people's career options and choices amid uncertainties created by the reform.

The importance of market transition era lies in its similarity with the scale of the Industrial Revolution when the ongoing transition from state socialism provide rare natural experiments that allow the social sciences the opportunity to study the nature of stratification orders and mobility. Most state socialist countries in Europe and Asia adopted sweeping market reforms during the 1980s and 1990s. For example, the East European experience illustrates that advocates of the shock therapy did not fully recognize the resilience of the informal

arrangements buttressing the Soviet socialism. State planning apparatus was dismantled before market mechanisms were ready to take over, and resource allocation was dominated by non-market means, resulting in “merchant capitalism”:¹¹ a new order of stratification did appear, but it was based on “supply and barter networks, access to locally scarce goods, connections with customs officials and local politicians, skill in the military and pleasure-providing arts – these, not education, are the most important forms of capital in the new Russian market.”¹²

China provides a sharp contrast to the big-bang of Central/Eastern European approach to market transition. On the one hand, China’s incremental reform strategy represents a much less drastic measure in eliminating the formal institutional basis of political advantages. On the other hand, the central government’s reform plan has not only proved effective in promoting economic performance, but also allowed various market elements to develop in tandem: the state continues to regulate and incubate the market economy.

Victor Nee took note of how these reforms seek to weaken the tie between the state and the economy and proposed a broad theory of how market transition alters social stratification. The key dynamic in his theory occurs as the state withdraws and alternative paths to economic success open. Nee and his followers argue that market transition diminishes the rent-like advantages political elites derive from their redistributive power.¹³

Therefore in China since the late 1970s, if the redistributive economy had declined and a market economy had risen, it should have been more difficult for the government to sustain

¹¹ Michael Burawoy. “The Soviet Descent into Capitalism”. *American Journal of Sociology*, 1997(02): 1430–1444.

¹² Theodore Gerber and Michael Hout. “More Shock than Therapy: Market Transition, Employment, and Income in Russia, 1991–1995”. *American Journal of Sociology*, 1998(104):37.

¹³ Victor Nee. “A Theory of Market Transition: From Redistribution to Markets in State Socialism.” *American Sociological Review*, 1989(54):663–81.

substantial redistributive advantages based on the hierarchy of organisational types supported by the redistributive economy and by state policies. The emergence of a market economy should have raised the power of producers relative to that of redistributors.

However, this theory becomes controversial when some scholars find evidence of less individual opportunity in transitional markets, e.g. Communist Party members continued to gain more than others in diverse life chances, as do managers who hold redistributive power.¹⁴

But in the last ten years, researchers were increasingly looking at outcomes other than income when testing market transition theory. Therefore, this thesis pays more attention to opportunity structures and career progressions. Opportunity structures are hereby defined as avenues for career advancements within and beyond the control of the state. *In this vein, this thesis chooses accelerated promotion in the Party-state apparatus as an outcome variable that is different to income and which is inevitably going to be tied to political authority* because the distribution is occurring in a political organisation.

In other words, this thesis examines market transition's impact on China's bureaucratic settings and human behaviors within such settings and critically adopts the market transition theory to elucidate dimensions of context and structural change of China's reform process since the late 1970s, by situating the theory's empirical application to micro individual-level analysis. An individual's career chances, choices and outcomes provide a direct approach to analysing the interplay between market power, political capital and economic outcome. Contrasting individual-level decisions across institutional domains representing various levels of marketization and state

¹⁴ For example, see Xie Yu and Emily Hannum. "Regional Variation in Earnings Inequality in Reform-Era Urban China." *American Journal of Sociology*, 1996(101): 950-92. & Bian Yanjie and John Logan. "Market Transition and the Persistence of Power". *American Sociological Review*, 1996(61):.739-757.

control, it is possible to examine the effect of political capital on distinct career outcomes.

The political nature of the market: before Nee's efforts to capture the transition dynamism, China's economy was commonly viewed as a state-orchestrated system that left little room for private initiative. For him, this picture ignores deep socio-economic changes occurring under the façade of state capitalism as he thinks private enterprise has been on its way to becoming the most dynamic economic sector since the 1980s and a rapidly growing population of private entrepreneurs, many of them newly wealthy, has been changing the system from below: as these people strive for legitimacy, social status and political influence, they have been reshaping the social and political landscape. Thus, this theory makes clear predictions on the declining value of political capital as a consequence of progressive marketization, which incrementally results in transformative change in the direction of more relative autonomy between the political and economic spheres, not dissimilar from established market economies.

Critically examining Nee's claims from a micro-individual-life-opportunity perspective, this thesis adds a strong piece of empirical evidence to the vast literature on the political economy of worldwide market transitions by illustrating how up and coming redistributive elites reacted to new life chances in transitional economies. They form a group that market transition theorists like Nee would find most interesting: they were closer to the centre of the redistributive political system than most people were, so if they did not choose to play to the market logic or jump into the market sector to earn a higher income, the market transition theory can become less coherent.

As the findings from this thesis will demonstrate, Nee's theory oversimplifies the political nature of the market transition process, creating an illusion of the emergence of a market economy in sharp departure from state socialism. He did not fully recognise the prospect of

people making life, career and economic decisions via the political process, i.e. the market's causal significance in enabling, motivating and guiding economic actions may only appeal to certain groups of people (e.g. private entrepreneurs) in Chinese society under transition but less to others (e.g. cadres) because the markets, even in the reform era, still rewards public sector employees handsomely, a phenomenon that will be reviewed in the following thesis chapters.¹⁵

Thesis contribution ③ an authoritarian update of Giddens' structuration theory: the relation of structure and agency is a central topic in the social sciences. The most influential modern attempt to combine the concept of structure with agency is Giddens' theory of structuration that emphasizes the duality of structure and agency in a democratic context, in the sense that structures and agency cannot be conceived apart from one another. This permits him to argue that structures are neither independent of actors nor determining of their behavior, but rather sets of rules and competencies on which actors draw, and which, they reproduce.¹⁶

In a way, Giddens emphasizes that people make society, but are at the same time constrained by it. He eschews extreme positions, arguing that although people are not entirely free to choose their own actions, they nonetheless are the agency which reproduces the structure.

This thesis uses these elites and non-elites' education and career choices to develop Giddens' structuration in an authoritarian context by proving that, multiple structures exist in China just when citizens struggle to exercise agency against shifting structural forces during market transition, compared with the pre-1977 periods, and thus the significance of individual agency action does not rest solely on one's capacity to reshape structure but also on one's capacity to

¹⁵ See a similar argument in Pei Minxin. *China's Trapped Transition: The Limits of Developmental Autocracy* (Harvard University Press, 2006). & Andrew Nathan, 'Politics: reform at the crossroad', in Anthony Kane, ed., *China Briefing*, 1989 (Boulder: Westview Press, 1989), p. 19.

¹⁶ Anthony Giddens. *The Constitution of Society: Outline of the theory of structuration*. (Cambridge, UK: Polity Press, 1984).

choose one structure over another, within which to engineer one's own mobility path: it establishes a social structure vs political structure framework to elucidate the significance of such individual decisions against structuring expectations in China's market transition era.

So what is social structure, and then what is political structure? Over decades, contemporary theorists of *social structure* continue to mean different things by the term which has often been identified as 1) enduring patterns of behaviour by participants in a social system in relation to each other (its relational aspects), or 2) institutionalized norms or cognitive frameworks that structure the actions of actors in the social system (its institutional aspects).¹⁷ This thesis is more in line with the latter that emphasizes strong programs of structural analysis by suggesting that *social structure in China's context refers to the institutionalized social norms that reflect what an average citizen in society has the capacity to achieve. It is about societal conventions and mainstream benchmarks for life choices and career advancement priorities.*

Political structure, is a hierarchical ordering principle, referring to institutions or groups or micro level individuals and how they stand in relations to each other.¹⁸ These individuals interact with political regulations, laws and the norms present in political systems in such a way that they constitute *the political landscape of the political entity, i.e. the political structure, which also refers to the way in which a government is run.*¹⁹ Thus, for this thesis, political structure refers to bureaucratic promotion logic, a "bird cage" that emphasizes political loyalty.

In the 1980s, Party elder Chen Yun's statement that the economy was like a "bird in a cage", that would die if held tightly and fly away if not controlled, became for advocates of further

¹⁷ Jose Lopez and J. Scott. *Social Structure*. (Buckingham: Open University Press, 2002).

¹⁸ Kenneth Waltz. *Theory of International Politics*. (CA: Addison-Wesley, 1979), p.72.

¹⁹ Avery Goldstein. *From Bandwagon to Balance-of-power Politics: Structural Constraints and Politics in China, 1949-1978*. (CA: Stanford University Press, 1991), pp. 26–34.

market opening the mentality symbol of economic conservatism.²⁰ This thesis argues that this bird cage mentality has also been well reflected in the bureaucratic promotion scheme that favours loyal Party hands in strategic sectors of the state and the economy. Top Party leaders might be well aware of the problems confronting the Chinese society in the 1980s but they perceived greater danger in political reform, as the 1989 student movement demonstrates that the total collapse of the government could be possible in the face of a rising opposition.

Therefore, *on a macro governance level*, the Party relied mainly on economic, legal and administrative, rather than political reforms, as solutions to the many existing social problems. When discussing the Maoist era personnel management policies, Shirk argues that China was a “virtuocracy” at the time, meaning jobs opportunities were more dependent on demonstrating one’s political virtue than on demonstrating one’s skills and accomplishments, as in a meritocracy. In the post Mao era, she claims, the emphasis has moved away from demonstrating political virtue towards advancement based on merit.²¹

This thesis argues against the assumption that the bureaucratic selection and promotion process turned from virtuocracy to meritocracy or technocracy after Mao died: the personnel management system has seen more continuity than change.

But as social scientists, we should not ignore the continued desire of the elites and the non-elites to participate in the decision making of their own life chances despite all these structural constraints and expectations, *on a micro individual aspiration level*. Therefore, this thesis elucidates how China’s bureaucracy as an organisation produces the allegiance of society’s

²⁰ Erza Vogel, “Chen Yun: his life”, *Journal of Contemporary China*, 14:45, 2007, p.759.

²¹ Susan Shirk. *Competitive Comrades: Career Incentives and Student Strategies in China*. (London: University of California Press, 1982), pp.183-197.

most educated members by shaping and tapping these elites' aspirations and goals for governance, thereby underpinning regime resilience. It argues that these cadres who have enjoyed accelerated promotions made choices throughout their schools and careers which reflect their capacity to go against mainstream societal conventions and consensus at the time (social structure), but more importantly, these moves demonstrated the necessity of playing to the bird cage mentality, a strong emphasis on the importance of commitment to the Party and its organisational promotion logic (political structure) if one wants to get ahead quickly.

If there are career paths that can be divided as mainstream (social structure) vs non-mainstream (political structure), then we should question why some non-mainstream choices lead to elite status and some mainstream choices lead to non-elite status.

What seems to be obvious career choices to us today may not be obvious choices of career advancement for people in the early reform era. On their ways to bureaucratic success, the elite population encountered opportunities in the *political structure* often dismissed by others and then mobilized resources for the necessary career investments for fast success: they achieved *poge tiba* only when their careers played more in tune with the political structural expectations than with economic incentives and monetary attractions, which were chased more closely by ordinary people in transitional economies from a micro individual aspiration angle, framed as the *social structure* that measures the prevailing social norms and mainstream benchmarks for life achievements and career advancements priorities in China's early reform era.

Therefore, the elites' unpopular moves to secure bureaucratic promotions were deemed by average citizens as unconventional and counter-intuitive at a time when higher and more immediate monetary rewards were preferred by majority societal choices.

In other words, my research investigates how these bureaucratic elites made such “sacrifices” to avoid more profitable careers in the emerging market sector, unlike what most people did at the time: the elite population under study succeeded as fast risers because they had often been on the outside of social conventions, of prevailing norms and values on what should have been the “right” moves in late school years and at the early stages of their careers just at a time when economic reforms kicked in, CCP leaders called for less attention to political incentives and placed more emphasis on market principles. These non-majority moves were working against market transition theorists’ conjectures that China’s economic reform is a process in which markets replace political authority in the distribution of opportunities and that human capital factors replace political factors as determinants of life capacities.

In sharp contrast to these conjectures, the counter-intuitive choices and moves made by the elite population had been one of the great driving forces behind their successes (statistically significant): in this vein, this thesis argues against the market transition presumption that economic principles have overtaken political incentives in deciding people’s career aspirations.

So why did they choose such unconventional moves? Because the strategies of getting ahead for the elites are the result of a conservative “bird cage” bureaucratic promotion mentality: the elite population’s almost counter-intuitive and non-majority decisions in their career strategies was due to a risk-averse political mind-set. In the 1980s, when the government gradually opened up the market, more and more people got greater say in choosing their education paths and work destinations, compared with the Cultural Revolution era. However, this did not mean that Chinese citizens got all the freedom to choose their life and career paths from the 1980s.

At least for the population and the sample, many were not trying to seize those newly opened

opportunities brought by the market, in sharp contrast to the general population's mainstream and conventional decisions to chase more immediate economic benefits in newly emerged sectors: the elites and the non-elites were more likely to accept politically-safe education and career routes, created by the state, as they believe those new economic opportunities were too risky to bear due to China's past record of turmoil brought by shifting state policies and politics.

In a sense, instead of feeling in control, the elites and the non-elites in society in transition as in the 1980s' China felt unable to cope with the new opportunities created by the market reform, a sense of learned helplessness from the past traumatic experience of the Cultural Revolution that affected their future motivation to try "new" things.

Therefore, from a social history stand, in China's unique early market transition era (late 1970s to late 1990s), counter-intuitively, individual choices can be unconventional and non-mainstream (against the social structure) yet politically risk-averse and conservative at the same time (in line with the political structure), indicating agency's prowess over structural constraints.

Thus, using this social vs political structure dichotomy, this thesis updates Giddens' structuration theory in an authoritarian context by demonstrating that even under authoritarian governance in China's early reform era, individuals can still choose between adhering either to social structural expectations or political requirements or neither or both, to be held responsible for their own agencies, at a time when incentives associated with diverse job opportunities have been shaping by the market and the polity. Paying enough attention to pre-existing structural constraints does not necessarily lead to an overwhelming emphasis on macro social and historical structure over process driven by individuals, just as Shue helpfully reminds us that that things we are able to learn about structures and state polity should not be allowed to obscure

our understanding of the significance of history and individual choice and action processes.²²

Indeed, from a micro-individual-aspiration perspective, the attractiveness of a certain career outcome differs among individuals, showing the significance of agency choices against structural expectations. One non-elite interviewee offers his account on how ambition shapes his choices as he argues that promotions are only for those people with high political ambitions:

I feel the competition to secure promotions in my unit is too intense and I cannot take it. Perhaps that's one of the reasons that I have not reached a high position in the hierarchy. I have political ambitions but not to the point of sacrificing all my spare time to attend countless meetings and dinner parties to build up the networks and court superiors. Many of my peers also went to the local Party school to enhance their academic credentials to prepare for the promotion fights. I could not have been bothered. I could not see how further promotion would enhance my happiness to a greater extent. High positions come with more responsibilities and less time for my families. I am more concerned with my daughter's education than with the political infighting within my unit.²³

Summary of key findings: the chapters trace the behavior of particular actors, clarify sequences, describe structures, and explore patterns of interaction. Major empirical findings suggest elite cadres achieving accelerated promotions made counter-intuitive choices throughout their careers, against prevalent social norms for individual accomplishments and mainstream advancement priorities (social structure), but these decisions reflected their capacity to follow the bureaucratic promotion logic (political structure): thus those who had the capacity to entertain the political structure and ignore the social structure, will of course chase such structure's specific expectations, and these life and career advancement choices set a statistically significant impact on their ways to a bureaucratic fast track, i.e. *poge tiba*.

Theoretically, this project contributes to the interdisciplinary fields of politics and sociology by operationalizing the significance of agency decision makings against shifting structural

²² Vivienne Shue. *The Reach of the State*. (Stanford: Stanford University Press, 1988), p.25.

²³ Non-elite cadre interviewee number 5.

expectations and constraints into a social vs political structure framework during China's market transition: studying bureaucratic elites formation, it develops Giddens' structuration theory which suggests agency action being shaped by structure also reproduces structure in democracies, by proving that, multiple structures started to emerge in China's reform era, compared with the pre-1977 periods, and thus the significance of agency action does not rest solely on one's capacity to reshape and transform structure but also on one's capacity to choose one structure over another, within which to engineer his or her own mobility path.

Why choose this particular age cohort: this age cohort of the 1960s born sixth generation of Chinese leadership suffered less during the Cultural Revolution than earlier age cohorts. For instance, the fifth generation of leaders—leaders who were born in the 1950s—constitute a majority of the current Central Committee in 2014. Many were elementary and middle school students during the Cultural Revolution—a period when the Chinese school system was largely paralysed and students engaged in political campaigns in place of academic studies.

Deprived of the opportunity for formal schooling, many of the fifth-generation leaders were forced to work in the countryside as farmers, thus acquiring the title “sent-down youths.” But most of the 1960s born cohort avoided the fate of being sent down to the countryside. They were too young during the high tide of the Cultural Revolution to have been directly affected, although the experience of their parents and older siblings certainly left a mark.²⁴

When the country reinstated the national college entrance examinations in late 1977, many of them enjoyed the benefits brought by college qualifications. More importantly, when they graduated in the 1980s, they witnessed and reaped the benefits associated with the reform era

²⁴ Thomas Gold, “Youth and the State”, *China Quarterly*, 127, 1991, pp.594-612

under Deng Xiaoping's political reform of the economy: their school and early careers were imbedded in this drastic reform period. They witnessed strong economic growth, high corruption, and the Tiananmen upheaval and protests.

In a sense, these elite cadres' careers mostly reflect the twists and turns of China's high politics, policy changes and the ideological struggles behind top leaders' conflicting visions of what a stronger China should look like since 1977 amid considerable social ambivalence towards life opportunities in the market transition era.

According to implicit rules of the CCP leadership promotion and stable succession patterns, the desired age difference between successive generations of top leaders should normally be 10 years.²⁵ When the fifth generation politburo leadership under Xi Jinping retires, the sixth generation of top leaders would most likely be drawn from this 1960s born age group of elite cadres (people who do not possess elite cadre status by 2022 are most likely to be excluded).²⁶ Therefore, this age cohort's political views, values and choices reflected in their distinct political career paths would provide useful insights on how China would evolve in the future.

The more precise definition of an "elite" cadre: cadres in the Chinese context include bureaucrats in Party and government agencies as well as managers in state-owned enterprises, collective firms and research institutes.²⁷ Broadly speaking, all management level staff members are cadres: from the Premier to the head of a village; even the group leaders in middle

²⁵ Li Cheng. *China's Leaders: the New Generation* (New York: Rowman & Littlefield Publishers, 2001), pp.8-9.

²⁶ BBC Chinese Service. "Zhonggong shibadashang diliudai lingdaoren jianghuotiba" (The sixth generation of top leaderships would be promoted). Accessed online in Feb 2014 at: http://www.bbc.co.uk/zhongwen/simp/chinese_news/2012/11/121102_new_leaders_18th_congress.shtml

²⁷ Zhou Xueguang. *The State and Life Chances in Urban China: Redistribution and Stratification, 1949-1994*. (New York: Cambridge University Press, 2004), p.55.

and elementary schools can be called cadres.

However, the definition of an elite cadre is more refined and strict by Party documents. A 1979 Party document points out, only when a cadre reaches the vice-ministerial/vice-provincial level in government (judges and prosecutors are recruited as cadres into the government)²⁸ and Party hierarchy along with equivalent positions in the national/local committees of National People's Congress (NPC) and Chinese People's Political Consultative Conference (CPPCC), can s/he be regarded as an elite cadre (*gaoji ganbu* 高级干部) with all the associated benefits in status as well as material gains (e.g. cars/housing, etc.).²⁹

In fact, in openly available documents, the CCP never clearly defined where an elite cadre post is located within the Party/government/NPC/CPPCC four spheres, and only in this 1979 file, did it mention that all the benefits associated with an elite cadre post could only be enjoyed by cadres on/beyond the vice-ministerial/provincial level in these mentioned four spheres. Therefore, for this thesis, an elite cadre would only include elite bureaucrats working for the government/Party/NPC/CPPCC in Feb 2014 no matter where they started their careers, be it in SOEs, universities/research institutes, the government/Party, its agencies, etc.

What constitutes accelerated cadre career advancement (*poge tiba* 破格提拔): social scientists interested in China find seniority contributed to promotion in the era under Mao whereas in the reform era, it often became a liability. Then how to define *poge tiba*?

The 1995 temporary personnel regulations stipulated that appointments to the level of

²⁸ Jonathan J. Kinkel and William J. Hurst. "The judicial cadre evaluation system in China: From quantification to intra-state legibility". *The China Quarterly*, 2015(224):933-954.

²⁹ CCP Central Committee and the State Council. "*Zhonggong zhongyang guowuyuan guanyu gaojiganbu shenghuo daiyu de ruogan guiding* (Rules and regulations regarding the benefits associated with elite cadre posts)". Published in 1979 and accessed online in Jan 2014 at: <http://cpc.people.com.cn/GB/64162/71380/71387/71591/4854968.html>.

division/county governance require at least five years of professional experience, including two at a lower level of government, in at least two distinct positions and: (1) for promotion to a leading position above the county (division) level, one must normally have had experience working in at least two posts at the next lower level; (2) for promotion to a leading position above the county (division) level, where a deputy is to be promoted to be the principal, one must have worked in the position of a deputy for at least two years; where a principal at a lower level is to be promoted to the position of a deputy at a higher level, one must have worked in the position of the principal at the lower level for at least three years.³⁰

Two senior officials from the Organisation Department of the CCP confirmed with me that such temporary rules were practiced throughout the 1980s before being firmly confirmed in the Party charter in 2002.³¹ In 2006, the Party modified this tenure rule by stating that cadres must fulfil a five-year term in each current position before being eligible for promotion to the next level.³² To serve less than the required amount of time to secure a promotion, a candidate is then regarded as breaking the rule of promotion under exceptional circumstances (*pogē tiba*).³³

Why *pogē tiba* matters – the age problem: because the speed of early career rises (from entry level to vice-ministerial/provincial level) determines the possibility of later promotions to top politics in China (ministerial/provincial level and higher), as in a tournament mobility

³⁰ CCP Central Organisation Department [1995] 2002. “Dangzheng lingdao ganbu xuanba zuoyong gongzuo zanxing tiaoli (Temporary Regulations on the Work of Selecting and Appointing Leading Party and Government Cadres)”. In *Xin Shiqi Dang de Jiceng Zuzhi Gongzuo Shouce* (Handbook on the Party’s Organisations: Party Committees and Party Branches in the New Era), edited by K. Zeng. Beijing: Red Flag Publishing, 2002: 946–954.

³¹ Elite interviewees 4 and 5.

³² People’s Daily. “Dangzheng lingdao ganbu zhiwu renqi zanxing guiding (Interim Provisions for Party and Government Leading Cadre Tenure)”, 7 Aug 2006, p.8, also accessible online at: <http://politics.people.com.cn/GB/1026/4671266.html>.

³³ CCP Central Committee. “Dangzheng lingdao ganbu xuanba renrong gongzuo zanxing tiaoli (Temporary regulation regarding CCP and government cadre appointment and promotion)”. Published in 1995 and accessed online in Jan 2014 at: http://news.xinhuanet.com/ziliao/2003-01/18/content_695418.htm.

model of career progression that emphasizes the importance of early rises, to be detailed in the Conclusion Chapter after all the findings and chapters have been laid out.³⁴

In fact, in career theory literature and empirical research, scholars often divide the career of a top executive into two major competitions in a very stratified age trajectory. The first contest takes about 15 years and determines who will reach the threshold to top management, e.g. the salaries of executives take a big jump at about this point.³⁵ This timeline, also used by this thesis to predict bureaucratic promotions in a political context, appears to be a breakpoint in career progression. Thus, the time taken to reach this level is a strong predictor of the time to reach the top. Those who have reached this level suddenly have much more responsibility and are much more visible to top management. They have a major piece of the action and are now close enough to the top to be considered seriously as contenders for top posts. The second major contest takes on average another ten years and decides who will be the chief leaders.³⁶

The Chinese bureaucratic hierarchy has four main levels (eight levels, if considering deputy/vice posts on these levels) below the Central Committee: ministry/province (省部级) > bureau/prefectural (厅局级) > division/county (县处级) > section/township (乡科级). According to promotion rules, cadres usually have to be younger than 35 to be a competitive candidate, if they aspire to be promoted to vice division/county level chief posts(副处); younger than 40 to be competitive for division/county level chief posts(正处); younger than 45, to be competitive to vice-bureau/prefectural level chief posts(副局长); younger than 50 for bureau/prefectural level chief posts(正局); younger than 55, if they want to be promoted to

³⁴ James E. Rosenbaum. "Tournament Mobility: Career Patterns in a Corporation". *Administrative Science Quarterly*, Vol. 24, No. 2 (Jun., 1979), pp. 220.

³⁵ Lester Korn. *The success profile*. (New York: Simon & Schuster, 1988).

³⁶ Douglas Hall. *Careers in organisations*. (Pacific Palisades, CA: Goodyear, 1976).

vice-ministerial/provincial level chief posts (副部长).³⁷

In the reform era, the Party has taken steps to emphasize the promotion of younger cadres. At the same time, a mandatory cadre retirement system has been installed on all levels.³⁸ In 2006, the CCP even specifically emphasised that “the main body of chief Party and government leaders at the county level should be below the age of 45.”³⁹ Kou and Tsai well document this age rule: cadres are no longer eligible for promotion to the ranks of section head, division head and bureau director once they reach the ages of 40, 50 and 55 respectively. Cadres cannot be promoted to the rank of vice-minister once they reach 58 years of age (to be a competitive candidate, you have to be younger than 55 though). Once cadres reach the upper age limit for their rank, they will be required to remain in their current position until retirement.⁴⁰

In Kung and Chen’s analysis of the biographies of 17,531 county officials during 1999 to 2008, only 1,216, a meagre 6.94%, have ever been promoted, a magnitude even lower than the

³⁷ For example, see Party guidance document from Sichuan on these normally “implicit” principles: Xinhua News Agency, “Sichuan guiding weian chengxu poge tiba xianchuj ganbu yilv wuxiao” (Sichuan Province points out rules regarding accelerated promotions on county/division level cadres), *Xinhua News Agency*, 12 Dec 2007, accessed online in Feb 2014 at: <http://cpc.people.com.cn/GB/64107/64109/6647540.html>. See also rules regarding bureau/prefectural level chief: Chinese Communist Party News, “Zhongzubu jiguan lianxu disinian mianxiang buwai gongkai xuanba juzhang fujuzhang” (Organisation Department of the Communist Party of China Central Committee has openly recruited cadres for vice-bureau level and bureau level posts in four consecutive years), *People’s Daily*, 21 Nov 2011, accessed online in Feb 2014 at: <http://cpc.people.com.cn/n/2012/0823/c347939-18817002.html>. See also rules regarding vice-ministerial/provincial level posts, as the Party introduced cadre retirement policy in 1982 stating that vice-provincial/ministerial level cadre must retire by the age of 60, and it makes no sense if someone over 55 would be promoted from bureau/prefectural level positions: CPC Central Committee, “Zhonggong zhongyang guanyu jianli laoganbu tuixiu zhidu de jueding” (CPC Central Committee’s decision on the establishment of cadre retirement policies), *News of Communist Party of China Archive*, 2 Feb 1982, accessed online in Feb 2014 at: <http://cpc.people.com.cn/GB/64162/71380/71387/71591/4854975.html>.

³⁸ Melanie Manion. *Retirement of Revolutionaries in China*. (Princeton, NJ: Princeton University Press, 1993).

³⁹ Xinhua News Agency, “Zhongzubu fachu ‘guanyu jinyibu jiaqiang xian (shi, qu, qi) dang zheng zhengzhi duiwu jianshe de yijian’” (Central Organisation Department Issued ‘Opinion on Further Strengthening the Building of the Group of Party and Government Leaders of Counties, Cities, Districts, and Qi’), *People’s Daily*, 27 January 2006, p.4.

⁴⁰ Kou Chien-Wen and Tsai Wen-Hsuan. “‘Sprinting with Small Steps’ Towards Promotion: Solutions for the Age Dilemma in the CCP Cadre Appointment System’, *The China Journal*, No.71 (Jan 2014), pp.157-158.

province's 8.93% and the prefecture's 10.84%. Moreover, they find that promotion rarely occurred beyond these people's first term of office (let alone achieving *poge tiba*), among those who failed to be promoted after the first term, 90.53% either stayed in the same position or transferred to a different locale of the same level and served in the same capacity ever since.⁴¹

Official statistics also confirmed such a trend as people on bureau/prefectural level and above (including all the vice/sub levels) occupied only 0.4% of the cadre workforce, demonstrating the difficulty of getting into an elite position in China's highly selective bureaucracy.⁴²

Table A.1: Cadre by Number and Percentage in 1997 in China

By bureaucratic level	Absolute quantity by unit:10,000	As a percentage of the total cadre workforce
Vice-ministerial/provincial level and above	0.2	0.03%
(Vice) Bureau/prefectural level and above	2.08	0.40%
(Vice) Division/county	28.8	5.43%
(Vice) Section/township	188.2	35.46%
No rank	311.2	58.64%
Total	530.7	100%

Poge tiba as a proxy to measure the timing of mobility events: as previous pages point out, little research has been done on the timing of mobility events. This thesis fills in such a gap by measuring early career promotion rates and patterns and designing a new variable as a proxy reflected in achieving accelerated promotions (*poge tiba*) for such measurements. As summary results below demonstrated, more than 90% of the elite population compared with the slightly over 40% of the non-elites enjoyed *poge tiba* in their careers up to 2014:

⁴¹ Ting Chen and James Kung. "Do Land Revenue Windfalls Create A Political Resource Curse? Evidence from China". *Working Paper presented at the Comparative Politics Workshop*, Department of Political Science University of California, Los Angeles, 2015, pp.6-7.

⁴² Editors. "Gongwuyuan an jibie huafen 1997" (Civil servant number by hierarchical rank). *Lingdao Wencui*, Vol 8, 1998, p.110.

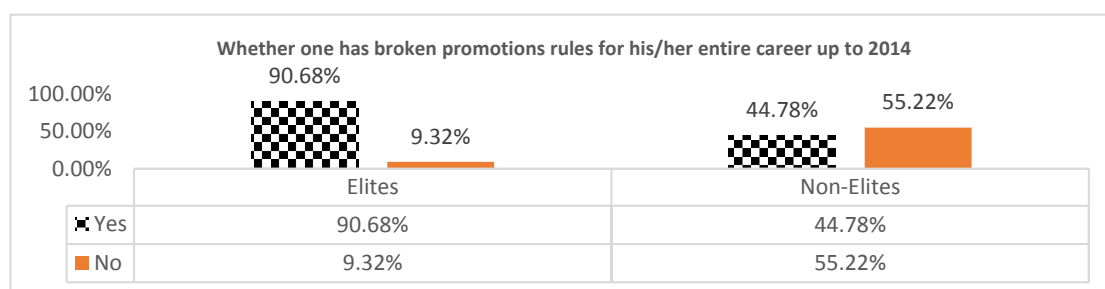


Figure A.1 Breaking promotion rules for the elites and the non-elites

Then the data breakdown shows similar percentages of the elites and the non-elites having had *poge tiba* in their first 15 years into work (early careers) while the percentages shrank to less than 20% for the elites and 4.4% for the non-elites after their first 15 years, up to 2014.

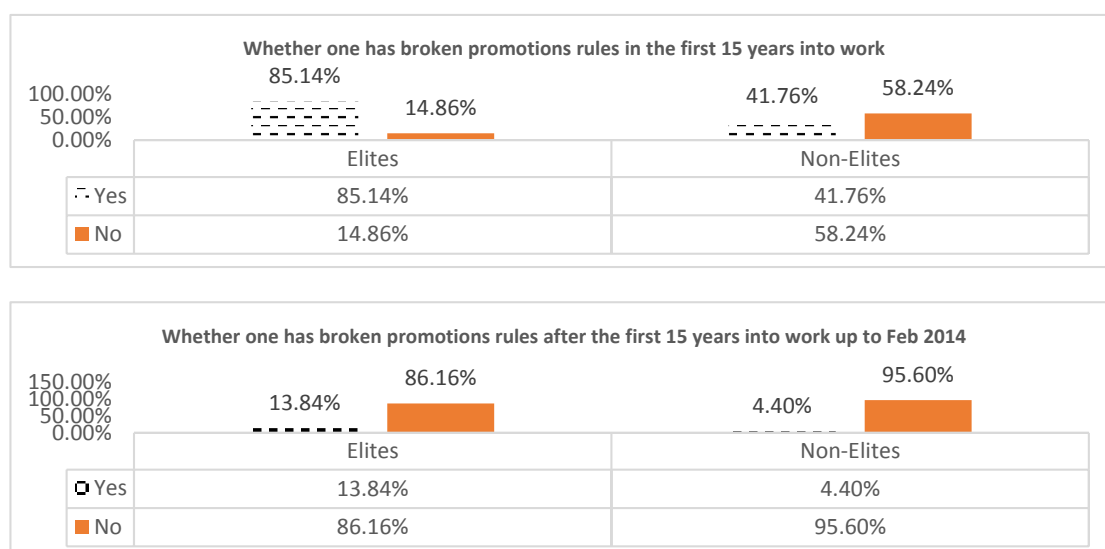


Figure A.2 Breaking promotion rules for the elites and the non-elites in different periods

This finding thus becomes the reason for why this thesis stops at these people's first 15-year into work as very few percentages of both managed to secure poge tiba in their later careers.

And how do early career *poge tiba* (or *poge tiba* on early career levels) influence later promotion chances? In a statistical sense using logistic regressions, the below table shows that, for the elites, achieving *poge tiba* on bureaucratic rank Level 1 positively influences the chance of securing such accelerated promotions on Level 2/4/6, while achieving *poge tiba* on Level 2 is related to achieving such type of promotions on Level 3/4/6/7; a similar story goes for getting

poge tiba on Level 3/4/5 as they influence people's later chances of securing accelerated promotions on higher levels in a positive direction, speedy moves for later success:

Table A.2 Early accelerated promotions' impact on later promotions for the elites

Influenced/Influencer	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
Level 1	.	.	.	.	.	.	.
Level 2	0.95**	.	.	.	.	.	.
Level 3	0.29*	0.77**	.	.	.	.	.
Level 4	0.59***	1.01***	0.52**	.	.	.	.
Level 5	0.19	0.37	0.1	0.78**	.	.	.
Level 6	0.63***	0.69***	0.78**	0.93***	0.79***	.	.
Level 7	0.29*	0.77**	0.14	0.56**	0.63***	0.67***	.
Notes: ***P<0.01 **P<0.05 *P<0.10							

For the non-elite sample, the situations are slightly different as we could only get a few positive significant results for the influence of achieving Level 1/2/4/5 accelerated promotions on later *poge tiba* chances (see below table):

Table A.3 Early accelerated promotions' impact on later promotions for the non-elites

Influenced/Influencer	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
Level 1	.	.	.	.	.	.
Level 2	1.37**	.	.	.	.	.
Level 3	0.91**	1.14***	.	.	.	.
Level 4	0.48	0.95*	0.68	.	.	.
Level 5	0.44	0.78*	0.63*	1.72***	.	.
Level 6	0.68	1.95*	0.08	1.85	2.15**	.

Overall, it is safe to conclude from these statistics, the influence of early career *poge tiba* is positively significant for predicting later career accelerated promotion chances, thus confirming this thesis' strong emphasis on early speedy climbs up the career ladder. It is evident to see why this 1960s born group of elite cadres are hailed as political stars of their generation by reaching the elite cadre level, very early in their careers than their peers. *But how did they land on the train of accelerated promotion track of poge tiba while others failed to secure such a track?*

Theoretical framework: bounded rationality under structuration

Before we proceed with the following chapters to answer such a puzzle, we need to become familiar with the theoretical framework to be adopted in analyzing *pogę tiba*:

1. Bounded rationality with historical institutionalism

This thesis adopts bounded rational choice theory, combined with historical institutionalism as the guiding framework (i.e. analytical narrative) to understand how these 1960s born elite cadre population deal with the market transition that has started in China since the late 1970s.

Canonical rational choice theory attaches “wanting more rather than less of a good” of individual actors to instrumental rationality, which involves seeking the most cost-effective means to achieve a specific goal.⁴³ Political actors spend huge amounts of time and energy and resources to further their political careers in a network of actors – because they see an opportunity to parlay this investment into something personally rewarding.⁴⁴

Over the years, the development of this particular theory has made us think more sophisticatedly about political purposes, beliefs and behaviour and more importantly, about the contexts in which political activity unfolds, and how contexts channel behaviour while behaviour maintains or alters contexts. As Shepsle points out, these contexts are occupied by political actors and organisations, but “it is the institutions that arise and persist there that provide scripts for political processes.”⁴⁵ The rules of the game in these institutions are

⁴³ Gary S. Becker. *The Economic Approach to Human Behavior*. (Chicago: University of Chicago Press, 1976).

⁴⁴ Richard Wagner, "Pressure Groups and Political Entrepreneurs: A Review Article", *Public Choice*, 1, Fall 1966, pp.161-70.

⁴⁵ Kenneth A. Shepsle, “Rational Choice Institutionalism” in R.A Rhodes, Sarah A. Binder and Bert A. Rockman, eds., *The Oxford Handbook of Political Institutions*. (Oxford: Oxford University Press 2006), pp.23-23.

provided by the political players; they are the ways in which these players want to play. These rules do not compel observance, but reflect the capacity of every actor to engage with one another according to particular patterns. As Calvert puts it succinctly, that under these rules, there is rational behaviour, “conditioned on expectations about the behaviour and reactions of others...we often collect these expectations and strategies under the heading institution...”⁴⁶

In this sense, institutions are equilibrium ways of doing things and if a decisive player wants to play differently, then the rules are not in equilibrium and the institutions concerned are fragile. But Calvert’s suggestion does not mean that decisive actors are not inclined to push for change.

Therefore, this paper tends to emphasize the importance of bounded rationality in applying rational choice mechanisms as both the assumptions and the behavioural predictions of rational choice theory have sparked criticism from various camps.⁴⁷ The developed models of bounded rationality is more psychologically plausible. Initiated by Herbert Simon and developed by Sidney Siegel, bounded rationality argues that being rational can be costly and is often constrained by cognitive limitations. Real human beings are therefore only approximately rational.⁴⁸ To further the argument that there are always constraints on rational actors, this thesis blends historical institutionalism into the analytic framework.

There is a division in political science between the “hard” type of analysis aiming at universal rules – as in rational choice and behaviourism – and the “soft” historically oriented analysis of political events.⁴⁹ This thesis holds a more holistic view of the developed models of bounded

⁴⁶ Randall Calvert, “Rational actors, equilibrium, and social institutions”, in J. Knight and I. Sened, eds., *Explaining Social Institutions*. (Ann Arbor: University of Michigan Press 1995), pp.73-4.

⁴⁷ Donald Green and Ian Shapiro. *Pathologies of Rational Choice Theory: A Critique of Applications to Political Science*. (New Haven: Yale University Press, 1994).

⁴⁸ Arthur Lupia and Mathew McCubbins. *The Democratic Dilemma: Can Citizens Learn What They Need To Know?* (New York: Cambridge University Press, 1998).

⁴⁹ Bo Rothstein, “Political Institutions: an overview”, in R.E. Goodin and H.D.Klingemann, eds., *A New*

rationality and historical institutionalism to engage in a more fruitful exchange of both camps.

In fact, as it turned out, rational choice theorists and historical institutionalists were in agreement on one essential premise that institutions often constitute the humanly devised constraints that shape human interaction, though scholars differ on the effectiveness of such constraints as Gerber argues that many individuals can perfectly resist the tyranny of institutions and they adroitly circumvent whatever new institutions come their way.⁵⁰

But in general, for historical institutionalism, scholars are more interested in the public construction, maintenance, and adaptation of institutions and less in individual preferences and self-interested dimensions.⁵¹ Rational choice theorists take self-interest preferences for granted, whereas historical institutionalists are inclined to understand more about how ideas, interests, and positions generate these preferences. But as Pierson has emphasised, there is no reason why these two approaches should be constituted as antithetical as they may well be complementary.⁵²

If we can learn from rational choice theory that the 1960s cadre population in focus are self-interested political actors with the aspiration to maximise their political careers (as Putnam assesses, positions of political prominence are held disproportionately by people of exceptional political sophistication⁵³) under bounded rationality and constraints, then we should also be able to understand, with the help of historical institutionalism, that the place to look for answers to larger questions about how power struggles and ideological conflicts shape the logic of

Handbook of Political Science. (Oxford: Oxford University Press 1996), p.156.

⁵⁰ Douglass North. *Institutions, Institutional Change, and Economic Performance*. (New York: Cambridge University Press, 1990).

⁵¹ Elizabeth Sanders, "Historical Institutionalism", in R.A Rhodes, Sarah A.Binder and Bert A. Rockman, eds., *The Oxford Handbook of Political Institutions*. (Oxford: Oxford University Press 2006), p.42.

⁵² Paul Pierson. *Politics in Time: History, Institutions and Social Analysis*. (New Jersey: Princeton University Press, 2004).

⁵³ Robert Putnam. *The Comparative Study of Political Elites*. (New Jersey: Prentice-Hall, 1976), p.9.

authoritarian institutions in China (in this case, the bureaucratic personnel system and promotion rules) is in historical/macro analysis of institutional arrangements over the timespan of the political reform of the Chinese economy since 1977.

1.1 The large effects of small career events

This thesis tackles the impact of macro contexts on the experience of the population and the sample under study, and consequently on the patterns of their career moves/strategies, ultimately linking macro structures with context-bounded rational humans.⁵⁴

Specifically, at macro-levels, this thesis aims to broadly examine the changing institutional arrangements, not only about ownership and governance structures of economic/political organisations but also about industrial policies of the state that specify rules, preferences, and strategies governing market developments and economic segmentation in the market reform era. At meso-levels, it explores the ways in which such macro-structural forces impact the capacities of organisations, which belong to different property-rights regimes. At micro-individual levels, and within and across property rights regimes, it then specifies the rise/decline of bargaining resources and strategies of individuals to follow/circumvent institutional constraints and the resulting patterns of distribution of life opportunities and chances.

In this vein, this thesis recognizes the large effects of small career events, bringing political science and sociology closer to history. As Romer states, “Any number of arbitrarily small perturbations along the way could have made the world as we know it turn out very differently. We are forced to admit that the world as we know it is the result of a long string of chance

⁵⁴ Julia Adams. “Principals and Agents, Colonialists and Company Men: The Decay of Colonial Control in the Dutch East Indies.” *American Sociological Review*, 96, 1996, pp.12-28.

outcomes.”⁵⁵ But in practice, how can structures turn agency aspirations into certain sets of practices? In this thesis, these cadres’ careers are viewed as outcomes not only of individual attributes but also of both organisational and historical contexts: at the intersection of history and biography is the career, just as Mills points out, “The facts of contemporary history are also facts about the success and the failure of individual men and women.... Neither the life of an individual nor the history of a society can be understood without understanding both”.⁵⁶

2. Agency vs structure

The focus on the large effects of small career events under a bounded rationality framework calls for the examination of the interaction between agency and structure, which is particularly important here because status-attainment research has tended to ignore the structure and operations of formal organisations, and the labor market context within which the career outcomes of individuals are most commonly determined. Nor have the effects of macro-level historical and structural forces on individual careers received much attention.

Therefore, for this thesis, getting a successful bureaucratic career emphasizes the organisational processes that characterize the operation of a formal organisation in given historical and structural contexts. In this view, success is a matter of being in the right place at the right time: i.e. success in an organisation is largely determined by the timing of career events.

Attention to structural influences on career success can improve our models of status attainment. Conversely, the understanding of historical events and of formal organisations can be improved by considering their effects on the careers of individuals. In Mills’ words, “no

⁵⁵ Paul Romer. “New goods, old theory, and the welfare costs of trade restrictions,” *Journal of Development Economics*, 1994, 43/5-38.

⁵⁶ C. Wright Mills. *The Sociological Imagination*. (London: Oxford University Press, 1959), p.3.

social study that does not come back to the problems of biography, of history, and of their intersections within a society has completed its intellectual journey.”⁵⁷

In essence, this PhD project depicts how individuals work through societal, social and political structures and succeed in a chosen terrain, i.e. the Chinese bureaucracy. Actors have agency. Humans act on private understandings with inevitably uneven individual choices.⁵⁸

In a somewhat parallel fashion, students of social sciences came to agree that all possible concepts of large scale social hierarchy had to be imposed, not discovered, and were therefore inevitably somewhat arbitrary.⁵⁹ This thesis challenges such a notion by stating that social, political and economic structures can be fluid, albeit with far less visibility.

Even Herbert Simon, whose invention of the idea of bounded rationality revolutionized the social science fields, concedes that his own career was settled at least as much by drift as by choice.⁶⁰ Therefore, the politics of getting accelerated promotions in these often fluid and invisible structures remind us that drifts with the structural tide as well as choices against systematic constraints could both influence career outcomes: in many ways, *drifts and choices* are the two sides of the same coin – they are both about human decision makings since drifts can also be regarded as a form of individual choices.

So to understand human decision makings, according to the behavioral tradition of the 1950s and 1960s, the interesting thing about bounded rationality analyses is not their emphasis on the

⁵⁷ C. Wright Mills. *Ibid*, p.6.

⁵⁸ For a thorough review of this trend, see Peter Blau. “A Macrosociological Theory of Social Structure.” *American Journal of Sociology*, 1977(83):25-53. & Randall Collins. “On the Microfoundations of Macrosociology.” *American Journal of Sociology*, 1981(86):984-1014.

⁵⁹ Bruce Mayhew. “Structuralism versus Individualism: Part 1, Shadowboxing in the Dark”. *Social Forces*, Vol. 59, No. 2 (Dec., 1980), pp. 335-375. & Bruce Mayhew. “Structuralism versus Individualism: Part II, Ideological and Other Obfuscations”. *Social Forces*, Vol. 59, No. 3 (Mar., 1981), pp. 627-648.

⁶⁰ The Economist. “Guru: Herbert Simon”. Accessed online on 25 Sep 2016 at: <http://www.economist.com/node/13350892>.

bounds. It is their emphasis upon adaptation to the bounds through individual choices.⁶¹

These choices can often be adaptive to high-complexity situations. Often “sub-optimal” when viewed globally (non-contextually) but perhaps optimal in local sense, e.g. individuals made the optimal choices in their own contexts as responses to localized problems.⁶²

So what are the premises and results of individual choices in this thesis’ context? They could involve agenda, perception, ambition, aspiration as well as conservatism. And to operationalize these ideas, this thesis uses six empirical chapters to gauge the significance of individual career choices. Adopting in-depth interviews and econometric statistics, it investigates how individual destinies may, or may not, be shaped by structural forces using the career trajectories and decisions of bureaucratic elites in China who achieved accelerated promotions as a case study.

2.1 Bounded by structural context?

In the earlier theoretical framework section, bounded rationality under historical institutionalism is adopted as the guiding principle for this thesis to examine the interaction between agency and structure: individual rationality becomes bounded when the constraints are imposed by the “macrostructure” on individual choices. The process and outcomes of the reform and the opening up since the late 1970s furnish social scientists with factual events to describe the range of human choices permitted by the existing socioeconomic structure; which choices would bring greater career success than others within a given socioeconomic structure; and what absolute limit is imposed by the socioeconomic structure on human choice so that if one oversteps the boundary, one runs into disaster.

⁶¹ John Conlisk. “Why bounded rationality?” *Journal of Economic Literature*. 1996(34):669–700. & Jonathan Bendor and Thomas H. Hammond. “Rethinking Allison’s Model”. *The American Political Science Review*, Vol. 86, No. 2 (Jun., 1992), pp. 301-322.

⁶² Roger Sibeon. *Rethinking Social Theory*. (London: Sage, 2004), Chapter 2 Agency-Structure.

Taking up this debate with historical samples, Tang Tsou focused on the issue of structure vs agency with rational choice and game theory applied in historical context. He argues that structures operate through agents operating in strategic interaction but accidental factors can interrupt the operation of structures in ways that change agents' strategic interactions. In this way, structures set outer limits to agency while agents discover the limits by trial and error.⁶³

In this vein, structures do not determine what agents do but only play the more modest role of providing outer limits to political action and of demanding adjustments by political actors. Moreover, at times, structures can be overthrown by the purposive action of revolutionaries. Agency can be so powerful, so unconstrained by structures, that revolutionaries can commit massive, disastrous mistakes before realizing the existence of structural limitations. In addition, structures can also be transformed by the accidents of history. In short, as Blecher well summarizes, Tsou focused on the fundamental rules of the structure: what they were, how they were formed, how they operated through human agents, and with what effects.⁶⁴

Tsou's understanding of how analysis must proceed from an understanding of both "macro-history" (including the macro structure of state and society) and "micro-action" (that is, the choices and actions of individuals at particular times in history) is particularly useful here.

For him, the macro structure of state and society circumscribes the perception and choices of individuals could make. In addition, the macro structure of state and society includes implicit understandings of the "rules of the game" as well as a sense of Party discipline and norms that limits the response of the political leadership.

⁶³ Tang Tsou. "Interpreting the Chinese revolution: macrohistory and micromechanisms." *Modern China* 26, 2 (April 2000): 205-38.

⁶⁴ Marc Blecher. "Structure and Agency, Intellectual 'Nationalism,' and Method: Tang Tsou's Contributions to China Studies and Social Science." *Modern China*, 26, 2 (April 2000): 239-247.

To use 1989 as a concrete example to illustrate Tsou's approach: although Tsou's analysis of the Tiananmen tragedy highlights the ways in which the macro structures of state and society conditioned the actions of both the political leadership and the student-led movement, he ultimately sees the tragedy as emanating from individual choices. So what were the individual choices made in the spring of 1989 that brought about the tragedy of June 4? A major choice was the decision on the part of student leaders not to accept implicit compromises offered by the reform wing of the Party and the hope that the political system would be reformed over time.

Thus, as Tsou points out, the reform wing of the CCP could not openly acknowledge the legitimacy of the spontaneously organized student organisations, but it implicitly recognized their legitimacy by negotiating, at least informally, with them. Dai Qing, who later spent a year in jail for her efforts to mediate between the Party and the students, was contemptuously dismissed by student leaders. The students' behavior was conditioned by the macro structure, but ultimately it was a matter of choice that determined the course of history.⁶⁵

Similar to Tsou's argument, Perry Link gave a very insightful take on how China's economic reform became "successful" and on the Communist Party's claim that it "has lifted hundreds of millions from poverty". For him, what has actually happened since the 1970s is more nearly the reverse: it has been the Chinese people, doing hard work at low wages, who have done the heavy lifting—benefitting themselves, to be sure, but in the process catapulting the elite to much more wealth, and a few of them to spectacular opulence. For Link, the Chinese people were unfree in almost all aspects of their lives during the Mao Era. After Mao's death in 1976, Deng relented and told the Chinese people, essentially, that they were still under wraps in the

⁶⁵ Joseph Fewsmith & Dali L. Yang. Book reviews, *Journal of Contemporary China*, 1995(4):8, 106-114.

areas of politics, but in money making were free to go all out:

So the people did—as would anyone when given only one channel for the application of personal energies. They worked hard—at low pay, for long hours, without unions, without workman’s compensation laws, without the protections of a free press or independent courts, and without even legal status in the cities where they worked. There were hundreds of millions of them and they worked year after year. Is it strange that they produced enormous wealth? The fine details of the picture are of course more complex than this, but its overall shape is hardly a mystery or a “miracle.”⁶⁶

But it is useful to acknowledge that even in Tsou’s framework, political power is still monistic rather than pluralistic; the macro structure of the Chinese state and society and the bounded rational choices of individual actors have reinforced each other to produce a politics that is not democratic and has yet to give rise to either a civil society or inner-party democracy.

Douglass North, a Nobel prizewinning economist, has written that in the Soviet Union, as in many other countries, access to valuable rights, economic activities and resources is determined by privilege enforced by the political and military elites. This system, which he calls a “limited access order”, relies on the ability of the elites to control rents, be it from land, raw materials or jobs for cronies. Its main objective is to preserve stability and prevent uncontrolled violence by giving those elites access to streams of rent.⁶⁷ But that state monopoly on rent and violence collapsed with the Soviet Union but not with reform in China as scholars have documented.⁶⁸

2.2 Agency vs structure interaction and Giddens’ structuration

However, even under these limited access circumstances, as Tsou sees it, individuals still have a choice to choose between adhering either to social structural requirements or political ones or neither or both, to be held responsible for their own agencies.

⁶⁶ Perry Link. “Preface” in Rowena Xiaoqing He. *Tiananmen Exiles: Voices of the Struggle for Democracy in China*. (Palgrave: Macmillan, 2014).

⁶⁷ Douglas North. “Limited Access Orders in the Developing World: A New Approach to the Problems of Development”, *Policy Research working paper*, WPS 4359(2007), World Bank, Washington, D.C.

⁶⁸ Andrew Wedeman. *Double Paradox. Rapid Growth and Rising Corruption in China*. (Ithaca: Cornell University Press, 2012), Introduction.

The term agency customarily refers to purposive human action or behaviour. It directs attention to the ways in which people take decisions and exercise choices in pursuit of their ends. The notion of agency, however, also raises issues of capacity, the personal qualities and the material and cultural resources people can draw upon to realize their life and career aspirations. The critical question, however, is how far people are able to act independently and how far their behaviour is constrained and shaped by structures.

At its simplest, the debate about agency and structure can, therefore, be seen as being about whether social phenomena lie in the behaviour of individuals, or whether broader structural issues are of relevance.⁶⁹

Indeed, the relation of structure and agency is a central topic in social sciences. As shown in the earlier thesis contribution section ③, the most influential attempt to combine the concept of social structure with agency is Anthony Giddens' theory of structuration which emphasizes the duality of structure and agency in a democratic context, in the sense that structures and agency cannot be conceived apart from one another. This permits him to argue that structures are neither independent of actors nor determining of their behavior, but rather sets of rules and competencies on which actors draw, and which they reproduce.⁷⁰

This duality argument has been well supported by political and social theorists. By arguing that recognition has to be given to the expertise with which people in diverse situations successfully negotiate their lives, despite inadequate resources and the indifference and disdain of many of their fellow citizens, Lister highlights that agency and structure need not been seen

⁶⁹ Michael Orton. "Understanding the exercise of agency within structural inequality: the case of personal debt". *Social Policy and Society*, 2009(8):4, 487–498.

⁷⁰ Anthony Giddens. *The Constitution of Society: Outline of the theory of structuration*. (Cambridge, UK: Polity Press, 1984).

as mutually incompatible approaches.⁷¹ Further extending such a theoretical thread, Williams and Popay argue that there is an unhelpful dichotomy in which either everything is blamed on the system (structure) or everything is blamed on the subject (agency).⁷²

Jencks usefully suggests that rather than taking an “either-or” approach, what is required is a “both-and” approach to understand the interaction between agency and structure.⁷³

This thesis is a study of individuals’ attainment over time in China’s bureaucracy. And this particular “both-and” approach will be tested for studying the specific issue of organisational promotions in China’s case, just as Granovetter suggests, studies of careers should investigate the dynamics of structure on how the process of matching individuals with job changes over different periods of a career and over different historical and contextual circumstances.⁷⁴ Moreover, as Spilerman notes, “career lines constitute an intermediary structure, relating the behaviors and the life chances of individuals to ‘macro’ organisational units”.⁷⁵

2.3 Social structure vs political structure

Thus to examine the interaction between agency and structure in China’s bureaucratic context regarding the actions to pursue accelerated promotions, there is need to recognize that cadre promotion patterns necessarily rest upon assumptions about the capacities people possess. This thesis uses these elites and non-elites’ education and career choices to update Giddens’ structuration that is often applied in democratic contexts by proving that, multiple structures

⁷¹ Ruth Lister. *Poverty*. (Cambridge: Polity Press, 2004, p.127).

⁷² Fiona Williams and Popay, J. “Balancing Polarities: Developing a New Framework for Welfare Research,” in F. Williams, et al. (eds) *Welfare Research A Critical Review*. (London: UCL, 1999).

⁷³ Christopher Jencks. *The Homeless*. (Cambridge, MA: Harvard University Press, 1994).

⁷⁴ Mark Granovetter. *Getting a job: a study of contacts and careers*. (Chicago: University of Chicago Press, 1995).

⁷⁵ Seymour Spilerman. “Careers, labor market structure, and socioeconomic achievement”. *American Journal of Sociology*, 1977(83): 586.

exist in authoritarian China just when citizens struggle to exercise agency against shifting structural forces during market transition, compared with the pre-1977 periods, and thus the significance of agency action does not rest solely on one's capacity to reshape structure but also on one's capacity to choose one structure over another, within which to engineer one's own mobility path, through a working social structure vs political structure framework, to elucidate the significance of individual decisions against structuring constraints.

As shown in the earlier contribution section③, this thesis emphasizes strong programs of structural analysis which seeks to include process and agency within the realm of structure.

Thus specifically, for this thesis and for the study of bureaucratic promotions, social structure is referring to societal conventions and mainstream benchmarks (prevalent institutionalized social norms or dominating cognitive frameworks in society at certain time) for individual life accomplishments and career advancement priorities while political structure refers to the bureaucratic promotion logic, an institutional "bird cage".

So how does this social vs political structure dichotomy explain career promotion patterns? This thesis uses six chapters to analyze such interaction between agency and structure.

But at last, one cautious note. Formal theory aims to capture essences of population dynamics while empirical models incorporate as many empirical complexities as possible to describe population dynamics in the closest possible manner. And, the purpose of this study is not to develop a formal theory that but to gain an empirical understanding of the causes of elite cadre promotion patterns in a way that is as close to reality as possible, to make both people and structures real and to develop an empirical rather than a formal model.

Literature Review

The central question of this thesis concerns the career patterns of elite cadres in China since 1977. The following section will first present reviews of literature themes relevant to this thesis covering market transition, before hitting on a China exclusive literature review regarding the country's bureaucratic personnel system and the politics of getting ahead.

① Market transition literature

It is natural to investigate the specific contexts influencing the elite population to accelerated promotion? This thesis argues that the various market economy initiatives gradually tested and approved by the Communist leadership since 1977 were of particular importance to the understanding of how a bounded rational individual makes life decisions and designs career tactics under shifting macro arrangements. Along the same timeline, most state socialist countries in Europe and Asia adopted sweeping market reforms during the 1980s and 1990s.

The relevant market transition literature started off as a theory being proposed in the early 1980s to look at the implications of increasingly marketized patterns of resource allocation on stratification. Much of the survey work carried out by market transition theorists like Nee was done in rural areas. Much of the debunking of market transition theory argued that what was happening with respect to stratification was not as a result of a shift from plan to market, but as the result of increasing industrialization and off-farm economic growth.

For instance, in a broader context of the market transitions of some European socialist societies, in three of his most noted books, Ivan Szelenyi first entertained the idea that a new dominant class of technical and humanistic intellectuals may be in the making from the former

bureaucratic estate in *Intellectuals on the Road to Class Power*.⁷⁶

His second book *Socialist Entrepreneurs* acknowledged that this class project failed because he did not see the love affair between the bureaucratic ruling estate and the intelligentsia, and instead the bureaucratic estate retained its power monopoly by creating spaces for a new petty bourgeoisie (the small private sector and the rapid growth of the informal economy) - “the socialist entrepreneurs”, finding a middle ground between the socialist redistributive economy and market capitalism in a “socialist mixed economy”(public sector to remain dominant and the private sector to play only a supplementary role.).⁷⁷ For instance, David Stark also noted in the 1980s in Hungary, workers still showed up at their place of work, usually in state firms, they pretended to work, the government pretended to pay them. But the real action began after hours, in the “second economy”.⁷⁸ In this sense, the rise of the private sector offered opportunities to ordinary workers and peasants to make a decent living and the bureaucratic estate, instead of making a deal with the intelligentsia, was buying political peace by opening up the informal economy to this new petty bourgeoisie of workers and peasants.

However, in *Making Capitalism without Capitalists*, he conceded that the “third way” also failed as a result of state socialism breaking down in late 1980s. “Socialist entrepreneurs” was not the main winner of the transition from socialism to capitalism. The socialist mixed economy in Central and Eastern Europe did not last, the new petty bourgeoisie did not emerge as the winner of the transition, and capitalism did not grow from below as it was implemented from

⁷⁶ George Konrad and Ivan Szelenyi. *The Intellectuals on the Road to Class Power*. (New York: Harcourt, 1979).

⁷⁷ Ivan Szelenyi. *Socialist Entrepreneurs*. (Madison: University of Wisconsin Press, 1988).

⁷⁸ David Stark. “The micropolitics of the firms and the macropolitics of reform – new forms of workplace bargaining in Hungarian enterprises”. In: P. Evans, D. Rueschemeyer, and E. Huber, ed. *States vs. Markets in the World-System*. (Beverly Hills: Sage, 1985, pp. 257–273).

above. Former Communist technocrats and former dissident intellectuals, as fellow travellers with the bureaucratic estate played a formidable role in the fall of socialism when they turned themselves into pro-capitalist vanguards.⁷⁹

So who is making capitalism if there are no capitalists (here he means: no private ownership and no class of private proprietors)? Szelenyi argues that the communist nomenklatura transformed itself into a new grand bourgeoisie.⁸⁰ And what happened to intellectuals?

They were not on their road to class power, not even on the road to become a propertied bourgeoisie. They won the 1989 revolution, but “only in alliance with the former communist technocracy”.⁸¹ During post-communist transition of the 1990s they belonged to the dominant elite, but they were only a “subordinated faction of the dominant elite – the lead is taken by the technocratic-managerial and the new political elite”.⁸²

*Nevertheless, post-communist transition is not a single destination. China provides a sharp contrast to the big-bang or Central/Eastern European approach to market transition. On the one hand, China’s incremental reform strategy represents a much less drastic measure in eliminating the formal institutional basis of political advantages. It is not surprising that researchers have documented systematic evidence for continuities in the stratification order.*⁸³

On the other hand, the central government’s reform plan has not only proved effective in

⁷⁹ Ivan Szelenyi, et al. *Making Capitalism without Capitalists*. (London: Verso, 1998).

⁸⁰ See also this type of argument in: Elemer Hankiss. *East European Alternatives*. (Oxford: Clarendon Press, 1990).

⁸¹ Ivan Szelenyi. “An outline of the social history of socialism or an auto-critique of an auto-critique”. *Research in Social Stratification and Mobility*, 2002(19):60-61.

⁸² Ivan Szelenyi. 2002, Ibid:60-61.

⁸³ Victor Nee. “Social Inequalities in Reforming State Socialism: Between Redistribution and Markets in China”. *American Sociological Review*, 1991(56):267–282. & Bian Yanjie and John Logan. “Market Transition and Income Inequality in Urban China”. *American Sociological Review*, 1996(61): 759–778. & William L. Parish and Ethan Michelson. “Politics and Markets: Dual Transformations.” *American Journal of Sociology*, 1996, 101(4):1042–1059. & Zhou Xueguang. “Economic Transition and Income Inequality in Urban China: Evidence from a Panel Data”. *American Journal of Sociology*, 2000(105):1135–1174.

promoting economic performance, but also allowed various market elements to develop in tandem. In essence, the state continues to regulate and incubate the market economy.

For market transition theorists like Victor Nee, the transition to a market economy from an economy in which markets were suppressed or eradicated by the state means that incentives and social relationships are to be reshaped. Such a process “gives rise to improved returns to individual performance, evidenced in increases in returns to investments in human capital, new opportunity structures that are beyond the reach of the state, and economic mobility through private entrepreneurship and labor market.”⁸⁴

Therefore, the growth of markets – domestic and global – give rise to new structures of opportunities in which education and work experience (human capital), as opposed to political capital (e.g. party membership and cadre status), provide the primary sources of life advantage.

His analyses of data collected in 1985 in Fujian, a coastal province in South-East China, lend support to this market transition theory. Village cadres, whether former or current, had no advantage over others in terms of household income. Cadre position, in fact, had a negative effect when entrepreneurs were included in his statistical model. In contrast, entrepreneurs had clear advantages over other groups, although surprisingly it was cadre entrepreneurs, not private entrepreneurs, who had the largest advantage.⁸⁵

Walder questions Nee’s position by stating the erosion of cadre power may have captured the early transition when the commune system was disbanded, and local government enterprises had yet to expand. Moreover, private business had a high political risk at that time.⁸⁶ Not

⁸⁴ Victor Nee and Cao Yang. “Postsocialist inequality: the causes of continuity and discontinuity” in Kevin Leicht, ed. *The Future of Market Transition*. 2002(19): 9-10.

⁸⁵ Victor Nee. “A Theory of Market Transition”. *American Sociological Review*, 1989, 54(5): 663–681.

⁸⁶ Andrew Walder. “Markets and Income Inequality in Rural China: Political Advantage in an Expanding Economy”. *American Sociological Review*, 2002(67):231–253.

surprisingly, a few years later, local cadres adapted to market transition by creating township and village enterprises, which became a new source of cadre advantage.

And market transition theory soon acknowledges the persistence of cadre advantage, seeing the lingering cadre advantage as a result of imperfect transition.⁸⁷ When the market was bounded by political institutions, access to resources depended more on formal positional power and informal personal connections than on rational market principles.

According to Nee, market transition theory only implies “more upward mobility of poor peasants than downward mobility of the rich”⁸⁸, or that “the earnings of many economic actors in society increase at a faster rate than that of political actors”.⁸⁹

But advocates of the persistence-of-cadre-power thesis were not satisfied with this modification when they claimed that markets were not a threat to cadre advantages at all. Bian and Logan (1996) use urban data collected in Tianjin in 1988 and 1993, and analyse income change between 1977 and 1988. Consistent with the prediction of market transition theory, they find a decline in the income gap between different groups, but this decreased inequality was accounted for by an egalitarian wage policy that gave salary increases to workers at the low end of pay scale.⁹⁰ Therefore the decreased income gap was not due to market transition. In this sense, what happened in the name of market transition served the purposes of redistribution.

Xie and Hannum (1996) analyze the impact of economic growth on returns to human capital and political capital in the urban sector. Using data from the 1988 Chinese Household Income

⁸⁷ Victor Nee. “Social Inequalities in Reforming State Socialism: Between Redistribution and Markets in China”. *American Sociological Review*, 1991(56): 267–282.

⁸⁸ Victor Nee. 1991. Ibid: 274..

⁸⁹ Victor Nee. “The Emergence of Market Society – Changing Mechanisms of Stratification in China”. *American Journal of Sociology*, 1996, 101(4):916.

⁹⁰ Bian Yanjie and John Logan. “Market Transition and the Persistence of Power”. *American Sociological Review*, 1996(61):739-757.

Project, they find no evidence that the faster the economic growth, the greater the returns to education. Returns to Party membership did not decline with economic growth either. Instead, they find a negative association of human capital and economic growth.⁹¹

Using nationally representative survey data collected in 1996, Walder (2002) finds that cadre household advantages did not change with economic growth or market expansion. In contrast, returns to entrepreneurship declined markedly with the growth of labor market.⁹² While Nee regards market as the agent of change, his critics argue that politics, too, is an undeniable source of transformation. For these researchers, absolute marketisation never occurred in China because marketisation itself has been a dual transformation of political and economic institutions.⁹³ Market reform has been found to be subject to a political logic of control and stability.⁹⁴ The growth of economic markets has been accompanied by political markets, i.e. bargaining between interest groups active in emerging market economies.

Such a co-evolutionary process, as Zhou calls it, is governed by two mechanisms simultaneously: market forces that compete against and undermine the redistributive economy and interest politics that influences market development through institutional arrangements.⁹⁵

Nee's original position also suggests that more market means more equality. But not all neo-liberals would necessarily agree with this position since they may argue that economic dynamism requires inequality, but they will also tend to believe that in a well-functioning

⁹¹ Xie Yu and Emily Hannum. "Regional Variation in Earnings Inequality in Reform-Era Urban China." *American Journal of Sociology*, 1996(101): 950-92.

⁹² Andrew Walder. "Markets and Income Inequality in Rural China: Political Advantage in an Expanding Economy". *American Sociological Review*, 2002(67): 231-253.

⁹³ Andrew Walder. "Local Governments as Industrial Firms: An Organisational Analysis of China's Transitional Economy". *American Journal of Sociology*, 1985(101): 1060-1073.

⁹⁴ Susan Shirk. *The Political Logic of Economic Reform in China*. (California: University of California Press, 1993).

⁹⁵ Zhou Xueguang. "Economic Transformation and Income Inequality in Urban China: Evidence from a Panel Data". *American Journal of Sociology*, 2002(105):1135-1174.

market, the effects of economic growth will trickle down and therefore those at the bottom of the social hierarchy will also benefit from more markets.⁹⁶ And Nee's later position becomes more consistent with this neo-liberal theory, expecting benefits for all from market expansion.⁹⁷

In short, since its introduction, the market transition theory by Nee has stimulated persistent skepticism when its theoretical logic has been challenged as a tautology (declining-significance-of-redistributive-power hypothesis) and its empirical claims have generated skepticism. But Victor Nee and his students fight back:

Discontinuity with the past stemming from market forces most frequently commences from small beginnings through changes at the margins, which are often difficult to discern in empirical studies, especially in the early stages of transitions from state socialism. By contrast, continuity is more readily apparent since the processes that sustain equilibrium conditions embedded in long-standing formal and informal institutional structures are more resilient than many assume. Not until a tipping point is reached do changes at the margins move the stratification order towards a more decisive shift in the direction of discontinuous transformation. Both endogenous and exogenous factors, in complex, interactive sequence of events, can trigger a tipping point.⁹⁸

However, Nee and his followers did not specify what constitutes a partial reform or a genuine transition or the so-called "tipping point". Market transition theory is vague about the process of transition: is it self-reinforcing or is it conditional on other changes?

In the last ten years, researchers were increasingly looking at outcomes other than income (e.g. human capital) when testing market transition theory. Thus this thesis is not going to measure the distance to such a presumed "tipping point" but to cover other often neglected aspects of the market transition debate – to explore the evolving opportunity structures of people's life courses and to investigate their options, choices and decisions in career advancement as an dependent variable to be explained, using China's economic reform period

⁹⁶ Deepak Lal and H.Myint. *The Political Economy of Poverty, Equity and Growth – A Comparative Study*. (Oxford: Clarendon Press,1996).

⁹⁷ Victor Nee. Ibid,1996.

⁹⁸ Victor Nee and Cao Yang. Ibid:4.

as a case study to contribute to the wider worldwide market transition literature.⁹⁹

It adds a strong piece of empirical evidence to the market transition literature by illustrating how soon-to-be redistributive elites reacted to fresh market opportunities in transitional economies, than focusing on income in stratification terms. The elites and non-elites under study form a group that market transition theorists like Nee would find most interesting: they were closer to the centre of the redistributive political system than most people were, so if they did not choose to play to the market logic, such a theory would become less convincing when some core features of the state socialist redistributive order can be proved to persist.

Changes in post-socialist order in different countries are both complex and nonlinear and each country deserves our individual attention. This thesis agrees with the argument that the emergence of market economies in China has indeed fundamentally changed the ways in which resources are allocated in the last three decades. But this is not the whole story. The salience of human capital in the reform era cannot be completely attributed to the emergence of a market economy. Instead, politics also play an important role in such a transition process. If the market logic and the political logic of redistribution are fundamentally incompatible, as often posited in market transition theory, we would expect opposite changes in returns to these two types of capital in the reform era: the increasing role of human capital (e.g. work experience and education credentials) is associated with the prevalence of market mechanisms, which in turn should diminish returns to political capital (e.g. Party membership and cadre status).

⁹⁹ For example, see relevant market transition literature in other countries such as Jadwiga Staniszkis. "Political Capitalism in Poland". *East European Politics and Societies*, 1991(5):127–141. & Bronislaw Oyrzanowski and Magda Paleczny-Zapp. "From One Economic Ideology to Another: Poland's Transition from Socialism to Capitalism". *International Journal of Politics, Culture, and Society*, Vol. 7, No. 1 (Autumn, 1993):43-55. & Akos Rona-Tas. "The First Shall Be Last? Entrepreneurship and Communist Cadres in the Transition from Socialism". *American Journal of Sociology*, 1994(100): 40–69.

However, this thesis points to the coexistence of both in the processes of institutional changes, emphasising the continuing role of the state and redistributive institutions in resource allocation and the sustained importance of political capital in enhancing people's life chances, i.e. political and market processes interact in ways that are not necessarily undermining each other.

Hungarian economist Kornai defines two ideal types of coordination mechanism: bureaucratic and market. Bureaucratic coordination is characterised by a vertical relationship between multilevel bureaucracies and individuals or firms. Bureaucracies allocate resources and redistribute incomes. Market coordination is characterised by a horizontal relationship between profit-seeking economic entities of individuals or firms. This thesis argues such two opposite types of coordination are ideal terms and practically, they work together in China.¹⁰⁰

In the following chapters, we would witness how markets (social structure) and politics (political structure) have coevolved with each other when both human capital and political capital exert persistent and significant effects on life rewards and career attainment over time, from the dual track economy that prevailed in the 1980s and early 1990s to the more private sector friendly periods in the 2000s.¹⁰¹

¹⁰⁰ Janos Kornai. *The Road to a Free Economy*. (New York: W. W. Norton & Company, 1990). & Janos Kornai. *Contradictions and Dilemmas*. (US: The Massachusetts Institute of Technology Press, 1986).

¹⁰¹ Gregory Chow. *China's Economic Transformation*. (Oxford: Blackwell Publishing, 2015), chapter 3 and 4.

② China exclusive bureaucratic personnel management literature

Concerning literature with sole focus on the Chinese bureaucratic personnel management system, we have scholars like Burns who aims to explain general policy changes in China's personnel management system and the politics behind these changes.¹⁰² Chinese officialdom has experienced dramatic changes that constituted both causal and consequential relationships with the bigger changes of political economy. For Deng Xiaoping, his new vision of a modern China needed a new generation of cadres with modern skills. Starting from late 1970s, he systematically retired many senile revolutionaries who became administrators in 1949.

Manion showed us that Deng's strategy worked relatively well because he either offered them higher official rank but less power, or bought them off with extra salaries, perks unchanged and some benefits for their children.¹⁰³

In Deng's eyes, new cadres should be politically reliable, younger, more knowledgeable and professionally competent. Scholars like Hong Yung Lee have characterised this change as one from "revolutionary cadres" to "Party technocrats," or from "ideologues" to "technocrats".¹⁰⁴ And as Andreas, Baum, and Vogel have demonstrated, Deng's strategies of modernization suffered some setbacks over the years due to leadership splits and ideological differences but the area of personnel management system reform never reverted back to the Cultural Revolution political mentality that had an almost exclusive focus on ideological loyalty

¹⁰² John Burns, "Chinese Civil Service Reform: The Thirteenth Party Congress Proposals", *China Quarterly*, 120, Dec 1989, pp. 739-770. & John Burns, "Strengthening Central CCP Control of Leadership Selection: The 1990 Nomenklatura", *China Quarterly*, 138, June 1994, pp.458-491.

¹⁰³ Melanie Manion. *Retirement of Revolutionaries in China*. (Princeton, NJ: Princeton University Press, 1993).

¹⁰⁴ Hong Yung Lee. *From Revolutionary Cadres to Party Technocrats in Socialist China*. (Berkeley: University of California Press, 1991).

to Mao Zedong with a ferocious distrust of intellectuals and educated elites.¹⁰⁵

On the one hand, several studies including the one by Bell suggest that political selection in China is based on meritocracy: provincial leaders are more likely to be promoted if they achieve higher economic growth in their provinces.¹⁰⁶ On the other hand, anecdotal evidence and some systematic empirical analysis such as the one by Shih et al imply that patronage is key: it is the social connections to top leaders that determine the chance of promotion.¹⁰⁷ Using a biographical database of Central Committee members, they find no evidence that strong economic growth performance was rewarded with higher Party ranks at any of the post-reform Party congresses. Instead, they argue factional ties with various top leaders, educational qualifications, and provincial revenue collection played substantial roles in elite ranking, suggesting that promotion systems served the immediate needs of the regime and its leaders, rather than encompassing goals such as economic growth.

This debate over meritocracy versus patronage in political selection is puzzling. If China's political system is based on patronage, how has the system been successful at selecting leaders

¹⁰⁵ See Joel Andreas. *Rise of the Red Engineers: the Cultural Revolution and the Origins of China's New Class*. (California: Stanford University Press, 2009). & Richard Baum. *Burying Mao: Chinese Politics in the Age of Deng Xiaoping*. (Princeton: Princeton University Press, 1994) & Erza Vogel. *Deng Xiaoping and the Transformation of China*. (Cambridge: Harvard University Press, 2011).

¹⁰⁶ For example, see Daniel Bell. *The China Model: Political Meritocracy and the Limits of Democracy*. (New Jersey: Princeton University Press, 2015). & Eric Maskin, Qian Yingyi, and Xu Chenggang. "Incentives, Information, and Organisational Form." *Review of Economic Studies*, 2000(67): 359-378. & Li Hongbin and Zhou Li-An. "Political Turnover and Economic Performance: the Incentive Role of Personnel Control in China." *Journal of Public Economics*, 2005, 89(9-10): 1743-1762. & Ye Chen, Li Hongbin, and Zhou Li-An. "Relative Performance Evaluation and the Turnover of Provincial Leaders in China." *Economics Letters*, 2005(88): 421-425. & Xu Chenggang. "The Fundamental Institutions of China's Reforms and Development." *Journal of Economic Literature*, 2001, 49(4): 1076-1151. This type of argument also exists in Chinese literature: the well-cited ones include Yao Yang and Zhang Muyang. "Guanyuan jixiao he jinsheng jinbiaosai" (Economic performance and promotion tournament), *Jingji yanjiu*, 2013(1): 137-150. & Zhou Li-An. *Zhuanxing zhong de difangzhengfu: guanyuan jili yu zhili*. (Local governments in transition: political incentives and cadre management). (Shanghai: Gezhi publishing house, 2008). & Zhou Li-An. "Xingzheng fabao zhi" (Government subcontracting). *Shehui*, 2014, 34(6): 1-38.

¹⁰⁷ Victor Shih et al, "Getting ahead in the Communist Party: examining the advancement of central committee members in China", *American Political Science Review*, 106(1), Feb 2012, pp.166-187.

who have played a critical role in promoting growth? In addition, as a cadre rise to senior position through several career steps, how reliable is it to attribute a locality's economic performance to a cadre's early work experience when s/he was a junior vice-township/county/bureau level bureaucrat? What about if s/he started out in a central ministry as an office administrative clerk and remained in such a role until elite seniority?

Conversely, if China's political selection is essentially a meritocracy, why do so many observers emphasise the roles of connections? Plus, how possible is it to assess whether a (vice) ministerial level bureaucrat belongs to a certain faction without relying too much on sketchy political gossip? S/he may also change his/her affiliation to adjust to the political tides.

Concerning the specific topic of this thesis, four major trends on the study of elite promotion patterns and logics in China stand out, emphasising the particular importance of 1) political factions and connections, 2) local economic performance/ fiscal contribution, 3) education credentials, and 4) a dual-path career imperative. Each has its own merits and limits and taken together, they paint a more comprehensive picture and help complement the approaches to be taken by this thesis to answer the research puzzle.

1. Factionalism/connections: using factionalism as an explaining factor to cadres' promotion patterns is common in the existing literature.¹⁰⁸ How does the power struggle among factions relate to the formal institutions and processes of the Party-state? In one of the most noted works, Jing Huang uses a memoir style of literature and a series of interviews with highly-placed,

¹⁰⁸ For example, see Gerald Easter, "Personal Networks and Post-revolutionary State Building: Soviet Russia Reexamined", *World Politics*, 48 (4), 1996, pp. 551–78. & Andrew Nathan, "A Factionalism Model for CCP Politics", *China Quarterly*, 53, 1973, pp.33–66. & Lowell Dittmer, "The modernization of factionalism in Chinese politics", *World Politics*, No. 4, June 1995, pp. 467-494. & Alexandre Debs, *The Wheel of Fortune: Agency Problems in Dictatorships*. (NY: University of Rochester, 2007).

anonymous informants and Party historians to resolve a number of historiographical debates from 1935 to about 1987.¹⁰⁹ The subtlety of his analyses should warn us that we are almost never going to get it right when we try to interpret CCP factional conflicts contemporaneously, when we lack reliable inside stories and the full context of events that can be gained only from multiple sources decades later. Things are never what they seem on the surface. If we want to adopt his approach to the current analysis, we might have to wait for another 20 or 30 years. Plus, his analytical framework along with other scholars who study connections only covers politics at the very top level without touching down on the general bureaucracy below the Central Committee level, where firm evidence on people's connections are even harder to attain.

Furthermore, scholars often use people's shared experience in a certain department or locality or a school network as evidence of their connections. For example, they argue that Jiang Zemin and Hu Jintao, the two previous general secretaries, promoted their respective former colleagues once they became the top leader of China: those formed in the Shanghai municipality government for Jiang and in the Communist Youth League for Hu are regarded as loyal connections captured by data.¹¹⁰ This thesis casts doubt on this strategy's validity when it can be obvious that shared presence in a certain place does not necessarily lead to friendship or mutual benefits (e.g. Bo Xilai and Wang Lijun have been connected all the way since Dalian but they almost "killed" each other in the end¹¹¹). In other words, this thesis argues connections

¹⁰⁹ Jing Huang. *Factionalism in Chinese Communist politics*. (New York: Cambridge University Press, 2000).

¹¹⁰ Ruixue Jia, et al. "Political Selection in China: Complementary Roles of Connections and Performance". *Journal of the European Economic Association*, 2015, vol. 13 (4), 631-668.

¹¹¹ Keith Zhai. "Police chief Wang Lijun loved my wife, says Bo Xilai". *South China Morning Post*, 27 August, 2013, accessed online on 16 April 2015 at: <http://www.scmp.com/news/china/article/1299655/police-chief-wang-lijun-loved-my-wife-says-bo-xilai>.

based on education, birth place and work relationship do not automatically lead to trust.

2. Local economic performance/budgetary contribution: in a survey of township cadres in Anhui province, over two-thirds of the respondents believed that official promotion is based on personal connections.¹¹² Personal connections are certainly useful, but scholars like Guo Gang ask if that is the whole story, why would county leaders bother to strategically time a surge in government spending during crucial points in their tenure? His paper demonstrates that local leaders in China also have the incentive to manipulate government spending to improve their prospect of political advancement.¹¹³ Thus economic or fiscal performance explain promotion.

Authoritarian regimes are typically thought of as centralised. Landry's study shows that in some ways, China is not. His analysis demonstrates that the CCP assigns extensive power (budgetary/political authority) to mayors and Party secretaries in more than 700 municipalities, the level at which most of the functions of local government are performed. But the designed system of promotion incentives under which they work keeps these senior local officials responsive to central orders such as local economic growth and stability, which are read by them as keys to their career advancement.¹¹⁴ However, his work pays more attention to the distribution of power than to how these senior local officials are evaluated for promotion.

Scholars like Bo Zhiyue argue that the political mobility of a cadre is determined by the amount of his/her locality's financial contribution to the central budget, not by a locality's economic performance, referring to the amount of provincial representation at the Central

¹¹² Zhong Yang, *Local Government and Politics in China: Challenges from Below*. (NY: M. E. Sharpe, 2003), p.115.

¹¹³ Guo Gang, "China's Local Political Budget Cycles", *American Journal of Political Science*, Vol. 53, No. 3, July 2009, pp. 621–632.

¹¹⁴ Pierre Landry, *Decentralized Authoritarianism in China: The Communist Party's Control of Local Elites in the Post-Mao Era*. (New York: Cambridge University Press, 2008), pp.163-5.

Committee and the politburo between 1969 and 1997.¹¹⁵ Landry extends the data to sub-provincial level jurisdictions and covers the period between 1990 and 2000. Similarly, his analysis of cadre mobility patterns rejects the “performance-hypothesis.”¹¹⁶ Shih echoing Landry’s argument, also finds no evidence that provincial officials who generated higher-than-average growth or higher than expected growth were rewarded with higher Party ranks in any year and on any measure. In terms of formal performance criteria, they argue, raising revenue collection earned advancement.¹¹⁷

The problem with this type of advancement argument lies in its vagueness of measurement. For example, in light of the extreme diversity in regional endowments and the fact that some places are naturally better positioned for growth than other places, one might expect that central leaders, if rational, would take such diversity into consideration in assessing local performance.

Plus, decision on local spending or economic initiatives is a collective decision than someone who is solely responsible for it. The economic performance and *guanxi* connections along with other factors are not separate sources of support but interconnected ones. So this type of argument makes it difficult to distinguish “mobility” from *guanxi* connections or other factors.

What about cadres who worked their way up in central ministries, courts, or procuratorates in Beijing (judges and prosecutors are recruited as cadres and civil servants)? Economic performance and fiscal contribution fail to explain these patterns of promotion. Furthermore, cadre performance often evaluated not only includes economic performance or fiscal contribution but also involves keeping local society away from mass protests, birth control, and

¹¹⁵ Bo Zhiyue. *Chinese Provincial Leaders: Economic Performance and Political Mobility since 1949*. (New York: M.E. Sharpe, 2002).

¹¹⁶ Pierre Landry. “The political management of mayors in post-Deng China,” *The Copenhagen Journal of Asian Studies*, Vol. 17(2003), pp. 31–58.

¹¹⁷ Victor Shih et al.2012. Ibid.

environmental protection targets. How should we weigh each of them when considering which factor contributes most to a cadre's promotion?

In addition, scholars have not come across any firm evidence of the criteria for evaluating the economic performance of provincial leaders. Although it was fairly common to find cadre evaluations tied to economic and financial performance between townships and villages, it was still far from universal practice for top county leaders to be assessed for meeting certain targets and even rarer for top provincial leaders to be thus assessed.¹¹⁸ More important, when the township and county-level cadre evaluations are examined closely, it is never explicitly stated that economic performance is the sole or even one of the important criterion for official promotion. In various central directives on cadre evaluations issued since 1988, the Chinese Communist Party emphasizes the need to evaluate cadres in multiple areas, including virtue (德), capability (能), diligence (勤), performance (绩) and integrity (廉).¹¹⁹

Still, another problem with this type of argument is the difficulty in assessing the overall pattern of political mobility in the careers of "soon-to-be" top elite cadres. What is lacking is a step-by-step analysis of the cadre movement from villages, townships to provincial level, from the provinces to Beijing, and from the centre to the regions. The early career parts of these elite cadres, as this thesis argues, are equally valuable for the analysis of cadre career mobility when the existing literature only focuses on people's rise from provincial/ministerial chiefs to higher posts or mobility within these super-elite ranks.

¹¹⁸ Fubing Su, Ran Tao, Lu Xi, Ming Li. "Local Officials' Incentives and China's Economic Growth: Tournament Thesis Reexamined and Alternative Explanatory Framework". *China & World Economy*, 2012, 20(4): 1-18.

¹¹⁹ Tao Ran, Fubing Su, Lu Xi and Zhu Yuming, 2010, "Can economic performance bring promotion?" *Guanli Shijie* (Management World), No. 12, pp. 13-26 (in Chinese). &

3. Education credentials: educational qualification as a merit-based selection variable is also a dubious criterion used by many scholars to explain cadres' promotion patterns.¹²⁰ For example, Li Cheng attributes one's education to one's success in the promotion game when he writes about the general rise of the education level among senior cadres on the Central Committee level.¹²¹ As some sociologists have demonstrated, the youngest cohort benefits more from returns on education than do older cohorts in the era of reform in China.¹²²

But as there were so many college graduates within a certain age cohort from mid 1980s onwards, how could a college education as a variable sufficiently explain the reason behind one's jumping ahead of another in a particular cohort like the one chosen by this thesis? The deputy chief of Chinese Education Commission wrote in 1989 that 487,000 university graduates (295,000 bachelors and 192,000 associates) plus 40,000 graduate students would face the job market.¹²³ The fact could just have been that the level of education was playing an increasingly important role in the appointment of cadres, but not in their mobility.

In fact, as Bo Zhiyue's research has already demonstrated that over the timespan from 1949 to 1998, provincial leaders with a college education were *less* likely to get promoted to a higher post than with those without a college education even in the era of economic reforms.¹²⁴ Bo suggests this may be due to the fact that when leaders devoted their time and energy in their

¹²⁰ For example, see Hannes Alfven, "Science, Technology, and the Political-Economic Power", *Impact of Science on Society*, 22, Jan-June 1972, pp.85-94. & Bian Yanjie and John Logan, "Market Transition and the Persistence of Power: The Changing Stratification System in Urban China", *American Sociological Review*, 61(5), Oct 1996, pp.739-758. & Zhou Xueguang. 2004. Ibid. & Daniel Bell. *The China Model: Political Meritocracy and the Limits of Democracy*. (New Jersey: Princeton University Press, 2015).

¹²¹ Li Cheng. 2001, *ibid*.

¹²² Zhou Xueguang. 2004. Ibid, p.280.

¹²³ Zhu Kaixuan, "Jianchi gaige fangxiang, jiji wentuo di zuohao 1989 nian gaoxiao biyesheng fenpei gongzuo" (Support GPS Reform and Better Manage 1989 Placement Tasks), *Zhongguo gaodeng jiaoyu* (China Higher Education Journal). Vol 3, 1988, pp.2-5.

¹²⁴ Bo Zhiyue. Ibid, pp.50-55 and pp.113-115.

specialities obtained through college education, these people might have lost opportunities to familiarise themselves with the local conditions of their provinces and with the operations of the bureaucratic systems when China's provinces were all large administrative units and jobs of provincial leaders were mostly administrative. This findings makes a sharp contrast to the theory of the rise of the technocrats, raised by Hong Yung Lee.¹²⁵

4.Dual-path career model: the power of Party administrators to offer career opportunities has long been recognised as a central pillar of communist rule either as a system of social control (to reward loyalty) or as a means of fostering ideological conformity.¹²⁶ We have scholars like Walder who aims to distinguish two distinct paths to elite positions under social stratification. One path requires both educational and political credentials and leads to administrative posts with considerable authority and high prestige; the other path requires education but no political credentials and leads to professional positions with little authority but high prestige.¹²⁷

These credentials are treated as signals to decision makers in the bureaucracy: political credentials such as Party membership signals that a person meets the organisation's standards for political trustworthiness whereas educational credentials testifies to technical competency. Education qualifications have become important in communist states as evidence suggests¹²⁸ but does this mean that the significance of political loyalty has declined?

The answer here, at least for the reform period, is no, backed up by Walder's dual-path model

¹²⁵ Hong Yung Lee. *Ibid.*

¹²⁶ Milovan Djilas. *The New Class: An Analysis of the Communist System of Power*. (New York: Praeger, 1957).

¹²⁷ Andrew Walder, "Career Mobility and the Communist Political Order", *American Sociological Review*, 60 (3), June 1995, pp.309-328.

¹²⁸ Peter Blau and Ruan Danching, "Inequality of Opportunity in Urban China and America", *Research in Social Stratification and Mobility*, Vol 9, 1990 issue, pp.3-32.

that implies that those who have not obtained the necessary political credentials are denied access to become elite administrators who possess the greater power and privilege. He also aims to demonstrate that educational credentials are associated with increased organisational authority, but the association of Party membership with authority is much stronger: administrators enjoy income and housing advantages over professionals.

Professionals, on the other hand, are screened according to educational but not political credentials, and “they are not preferentially incorporated into the Party.”¹²⁹ Then in 2000, Walder and his colleagues find again that Party membership was a prerequisite for access to good administrative jobs, and that the importance of educational credentials became salient only in the “late” reform era, namely 1988–1996 in their 1996 data set.¹³⁰

Furthermore, using surveys done in Tianjin and Shanghai in 1993, Bian, Shu and Logan compare mobility into elite positions of managerial authority in the state and non-state sectors. They find Party membership significantly increases the mobility into elite managerial positions in both sectors, but non-Party members have little chance of moving into such positions in the state sector and plenty of opportunities to do so in the non-state sector. And college education increases non-Party members' chances of moving into elite positions in the non-state sector, but this effect never exists in the state sector.

In addition, Dickson and Rublee, using a 1989 Chinese Household Income Project survey data of 31,827 individuals, find that to become a professional or a technician, human capital (i.e. education) is clearly the most important consideration. However, a college degree increases

¹²⁹ Andrew Walder. 1995. Ibid, p.323.

¹³⁰ Andrew Walder, Li Bolai Li, and Donald. J. Treiman. “Politics and Life Chances in a State Socialist Regime: Dual Career Paths into the Urban Chinese Elite, 1949 to 1996.” *American Sociological Review*, 2000, 65 (3): 191–209.

a person's chances of becoming an official, but not as much as Party membership.¹³¹ These findings in line with Walder's argument reveal that Party membership may not be a necessary condition, as it appears to be in the state sector, for someone to gain managerial authority in the non-state sector. Instead, college education has become a viable alternative path to authority positions within non-state organisations. The presence of divided elite trajectories could point to the changing nature of China's state and non-state sectors as an institutional mixture of political influences and market openness.¹³² But this thesis argues that Walder's type of argument can go a bit too far by laying out a clear distinction between elite professionals and elite administrators in China, in segmented career lines, a model also championed by Zang.¹³³

This divided elite assumption is problematic in two aspects. First, in reform-era China, it may be relatively easy to detect the difference between a professional post and an administrative post but it is practically difficult to distinguish between a professional and an administrator. As Andreas has demonstrated, from the late years of the Cultural Revolution, we could witness the merging of the intellectual and bureaucratic class on university campuses when the two identities could become interchangeable at times. And this merging trend extended to the first job attainment patterns.¹³⁴ Each individual within the CCP's nomenklatura system in the reform era could be trying to maximise their political and societal gains under certain

¹³¹ Bruce Dickson and Maria Rublee. "Membership Has Its Privileges: The Socioeconomic Characteristics of Communist Party Members in Urban China". *Comparative Political Studies*, 2000(Feb), 33(1): 87-112. The survey was conducted in 1989 by a team of American, British, and Chinese scholars. Interviewees were members of 9,009 urban households representing 31,827 individuals in 10 provinces. The survey was conducted by using a multistage probability sample to be representative of urban conditions in different regions of China and in cities and towns of varying sizes.

¹³² Bian Yanjie, Shu Xiaoling and John Logan. "Communist party membership and regime dynamics in China". *Social Forces*, 2001, 79(3), pp. 805-841.

¹³³ See also: Andrew Walder, Li Bobai, and Donald Treiman, "Politics and Life Chances in a State Socialist Regime: Dual Career Paths into the Urban Chinese Elite, 1949 to 1996", *American Sociological Review*, 2000(65), pp.191-209. & Zang Xiaowei. *Elite Dualism and Leadership Selection in China* (London: Routledge, 2004).

¹³⁴ Joel Andreas.2009. Ibid.

institutional constraints, and they could take on whatever opportunities and strategies to enable themselves to get ahead.¹³⁵ It was perfectly plausible and desirable for “technical or professional or intellectual” new recruits in a bureaucracy to try to turn themselves into “administrators” at whatever stage of their careers.

Second, even very large surveys, such as the 1996 study of Chinese life histories used by Walder – are not designed to capture the upper tier of the administrative elite. As Landry calculates, even if Walder takes a broad definition of cadres that combines all grassroots officials, enterprise managers, and leading cadres, his study in 1996 includes only 9.2% cadres (or 461 individuals) among 5,000 or so employed respondents.¹³⁶ And since at mid-to-high levels of the bureaucracy, virtually most of the people are CCP members, the filtering effects of Party membership may have already occurred, it becomes important to ask who gets *further* ahead and why. Plus, does the dual path model, even if it is empirically valid, only matter for the beginning years of people’s careers? Since most of these studies used surveys in a specific time period, they could lack the depth and breadth of this thesis that covers the life histories of the elites from their schooling time to 2014, with 40 years of individual career trajectory data.

¹³⁵ John Burns. *The Chinese Communist Party’s Nomenklatura System*. (New York: M.E. Sharpe, 1989).

¹³⁶ Pierre Landry. *Ibid*, 2008, pp.163-5.

Data and Methodologies

To address the deficiencies of the four models discussed and combine their respective strength, this thesis adopts a unique dataset (A) + multiple methodologies (B) to answer the research puzzle.

A. Research Data

A1. Cadre resume data sampling: 354 elite cadres born in the 1960s reached the vice-ministerial/provincial level and higher by Feb 2014 as this thesis investigated all the (vice) ministerial/provincial units' websites in government/Party/NPC/PPCC spheres (courts and procuratorates are regarded as government units in China but are administratively one-tier lower than same-level government and Party units¹³⁷) to search all the vice-ministerial/provincial cadres from 118 State Council units¹³⁸, 21 central Party units¹³⁹, 15 central NPC units¹⁴⁰, 10 central PPCC units¹⁴¹, 4 Supreme People's Procuratorate units, 5 Supreme Court units and 186 local (vice) provincial units in these four spheres (each unit may have one to several vice-ministerial/provincial level cadre upon investigation).¹⁴²

¹³⁷ For a detailed explanation on this administrative rank system, please see: Nie Huihua. "Zhongguo guanyuan jibie de zhengzhi luoji" (The political logic behind China's administrative ranking system). *Financial Times* online at: <http://www.ftchinese.com/story/001063796?full=y>, accessed online 10 Oct 2014. For example, the top high court judge in Zhejiang would be on vice-ministerial/provincial level while the provincial chief and party secretary are one tier higher, i.e. ministerial/provincial level.

¹³⁸ See the State Council's official website for its organisational structure, at: http://www.gov.cn/guowuyuan/gwy_zzjg.htm and http://www.gov.cn/gjjg/2005-08/01/content_18608.htm, both accessed online on Feb 25 2014.

¹³⁹ See the official Xinhua coverage of the Party apparatus at: http://news.xinhuanet.com/ziliao/2002-11/15/content_630715.htm, accessed online on Feb 19 2014.

¹⁴⁰ See the official NPC website for its structure at: http://www.npc.gov.cn/npc/rdjg/node_507.htm, accessed online on Feb 21 2014.

¹⁴¹ Please find the official PPCC website for its organisational layout at: <http://www.cppcc.gov.cn/2011/11/23/ARTI1322013701379833.shtml>, accessed online on Feb 24 2014.

¹⁴² Among the 31 provinces including the four municipalities directly under the central government while excluding Hong Kong and Macau, each province/municipality holds six (vice) provincial level units representing local government, Party apparatus, NPC and PPCC, plus the court and the procuratorate. For a detailed list, see the sampling frame if requested as it is more than 8,000 words.

All these elite cadres' resumes are on government websites, covering when/where they were born, schools attended, when they got Party membership, each career step, job function and specifications, etc. This dataset coupled with media biographies of many of them provide comprehensive information on the entire 1960-born elite cadre population, not just random samples of this entire population.

More importantly, the resumes of these 354 elite cadres ("successes as the elites") would be compared with a random sample of 364 1960s born cadres ("failures as the non-elites"), who did not make it to vice-ministerial/provincial level of elite cadre status by Feb 2014. The choice to select Feb 2014 as an end date of the examined time interval was due to *two factors*: 1) the National People's Congress is held in March each year and during that month and in April, many appointments, transfers and sackings would be thrown into the limelight as the Party and government reshuffle its elite cadre personnel. Some elite cadres' positions in the population under study might experience changes and for the consistency of measurement, this thesis argues that their positions held before the Congress often reflect a more established state of their long career trajectories. 2) This author had to start writing this thesis in Feb 2014; for the convenience of constructing a database, a date has to be established for measurement accuracy.

The *target population* for this random sample is the entire set of 1960s born cadres who failed to make to elite cadre status by Feb 2014. However, even when China is increasing the transparency of its cadre personnel management by putting up millions of cadre resumes online, many in the target population remain in the dark as the government cites confidentiality and other reasons to not release all of them on a timely basis.

However, at the time of writing, all the resumes of bureau/prefectural cadres (and cadres

above bureau/prefectural levels) are either checkable online or can be requested through open information acts enquiries. And according to the CCP document mentioned above, only cadres in the Party/government/NPC/CPPCC spheres are regarded as elite cadres, therefore, the *accessible population* for the sample, serving as a valid comparison group to the elite corps, would be the entire 1960s born cadres who reached bureau/prefectural level in the Party/government/NPC/CPPCC but did not manage to cross the elite threshold.

It is also very important to underline what has been left out in the *accessible population* in relation to the *target population*. In the Chinese bureaucratic hierarchy, there are seven levels below vice-ministerial/provincial level posts: bureau/prefectural > vice bureau/prefectural > division/county > vice division/county > section/township > vice section/township > entry level.

The accessible population (bureau/prefectural level) is the only one of these seven clusters of cadres that can be practically sampled because of the lack of information and accessibility on the other six clusters. Nevertheless, as the sample is to make a contrast to the elite cadre population in terms of how certain (work) experience help get some people ahead of others in bureaucratic rank, the relevance of the excluded clusters can be minimised if we are comparing people whose work experience offer more variability and spread to people whose work experience cross significantly far fewer barriers and provide much less variability and depth for analysis (e.g. think about comparing a professor's research experience with a post-doc researcher's vs comparing a professor's research experience with an associate professor's, when it would be more fruitful to compare the latter two as their research careers offer more investigable steps and variability for analysis if the desired research objective is to test whether a diverse range of research experience contribute to publication productivity).

In other words, if the excluded clusters interfere with the quality of the study, we should drop them. Their inclusion could make the accessible population more representative of the target population but they would also contaminate the study group (elite cadre population) with the exposure of interest and jeopardise the internal validity of this study. Therefore, it is reasonable to assume that interrelationships inferred from the sample are stable and informative of the *target population* as the excluded clusters compared with the included cluster(s) do not add much depth and width of information and variability to a comparative study like this thesis.¹⁴³

Regarding the sampling frame for the non-elites: China, by the end of 2013, has 333 prefectural level local units (each unit has 2-4 prefectural level cadres in local government/Party/NPC/CPPCC when top local judges and prosecutors are on vice-prefectural levels so this thesis takes in judges and prosecutors who are one administrative rank above the prefecture – these people are vice-provincial chiefs of their respective units which each employs around 4-8 people on such an admin rank) plus 4 directly administered municipalities that govern 62 prefectural level districts (4 prefectural level cadres for each); and 31 provincial level governments each directs 35 to 45 bureau level government institutions.¹⁴⁴

The State Council is another dimension that governs 86 ministerial/vice-ministerial level units (each directs 5-20 bureau level units that have 1-2 bureau level chiefs for each unit – Party secretary and bureau chief are sometimes the same person). NPC has 10 bureau level units and CPPCC has 8 (two heads for each unit). And the Supreme People's Court has 25 bureau units while the Supreme People's Procuratorate has 21. Thus, by calculation through these units,

¹⁴³ D.R. Cox and C.A. Donnelly. *Principles of Applied Statistics*. (UK: Cambridge University Press, 2001), p.36.

¹⁴⁴ Ministry of Civil Affairs. *Zhonghua renmin gongheguo xingzhengquihua jiance 2014*(China's administrative regional units overview in 2013). (Beijing: SinoMaps Press, 2014).

6,828 people are on chief bureau/prefecture level administrative rank by Feb 2014.¹⁴⁵

According to random sampling formula: $n = (z^2 * \sigma^2) / ME^2$, if the population size goes over 6,000, the optimal random sample size does not have to go over 361 (with the margin of error of 5% and confidence interval of 95%).¹⁴⁶ Most of these people's resume are already on the government's websites. But using all the elements in the population may be prohibitively expensive or unnecessary. So after assigning each of these 6,828 population units a random number, the researcher then randomly draws 400 names from the population using random selection commands of STATA, a statistical software.¹⁴⁷ It is also understandable that cadres who were born in the 1940s already retired by 2014 except only a few on the Politburo central committee level while cadres born in the 1950s and 1960s currently occupy the central stage of the bureaucracy so continuous random drawings were performed until all 400 1960s born bureau/prefectural level cadre were eventually picked out from the 6,828 accessible population.

Out of these 400 non-elite sample names, 81% had their resumes openly online for access. Since China joined more than 70 countries with access to information regimes in adopting its Open Government Information regulations, this thesis made formal requests to ask the respective government agencies to disclose the biographical information of interests that were not available online yet in 2014/5. These regulations establish two methods of accessing government information: dissemination by government agencies on their own initiative and

¹⁴⁵ It is important to note that in China's administrative system, there are deputy provincial municipality/divisions(副省级市/地区) whose administrative status is below that of municipalities but above other regular prefecture-level divisions. So the mayor or chairman of a deputy provincial division is equal in status to a vice-governor of a province. This phenomenon has been taken into account during calculation.

¹⁴⁶ James Bartlett II, Joe Kotlik and Chadwick Higgins, "Organisational research: Determining appropriate sample size for survey research". *Information Technology, Learning, and Performance Journal*, 19 (1), Spring 2001, pp.43–50.

¹⁴⁷ Sally Kerry and Martin Bland, "Statistics notes: The intraclass correlation coefficient in cluster randomisation", *British Medical Journal*, 316, 1998, pp.1455–1460.

disclosure in response to requests for information within 15-30 business days, free of charge. The Chinese government set forth basic procedures for requesting and providing information, grant individuals the important new right to request and correct information about themselves that is contained in government records, require an explanation when information disclosure is denied, call for periodic inspections of how government is implementing such disclosure work by supervisory agencies and periodic public appraisals, and specify the basic remedies of complaint, administrative appeal and filing a lawsuit in court in the event of non-disclosure or alleged infringement rights and interests by government officials.¹⁴⁸

With regard to the kinds of information for disclosure, the Chinese government defined them as information relating to government structure, functions and procedures as well as information that affects the “vital interests” of the public and matters that society broadly needs to know about or participate in. More specifically, local governments at different levels are instructed by the central government to make available information on matters within their purview of particularly great interest to the public, such as key personnel reshuffles, regulations and regulatory documents and information regarding emergencies and emergency planning, specific fees for public services and education, results of investigations into environmental protection, public health, and food and drug safety, economic and social programs, government budgets and decisions, demolition plans, etc.¹⁴⁹

But it is important to bear in mind that the Chinese government’s specific mandate of proactive disclosure is subject, however, to conditions and exemptions of various aspects.

¹⁴⁸ For more information on how China joined the roughly 70 countries with access to information regimes in adopting its Open Government Information regulations, see <http://www.law.yale.edu/intellecualife/openinformation.htm>, accessed on March 14 2014.

¹⁴⁹ Li Wanxin. “Self-Motivated versus Forced Disclosure of Environmental Information in China: A Comparative Case Study of the Pilot Disclosure Programmes”, the *China Quarterly*, 2011(206):331-351.

Fortunately, out of these 76 requests for selected cadres' biographical information (or the remaining 19% who did not have their resumes online), the Chinese government responded to 40 of them or 52.63% of these requests or soon updated their resume webpages accordingly, therefore making the final list of the valid non-elite sample to 364 people.

A2. Surveys: there are more than 50 social surveys in journals and academic books done in the 1980/90s/2000s, available on CNKI (China Knowledge Resource Integrated Database) and through several books, covering a variety of topics from college students' job preferences, opinions on getting Party membership in college, on the civil service profession, to societal attitudes on the importance of education attainment, social stratification, job prestige rankings, job shift preferences, etc. These surveys have sampling scales ranging from a few hundred to more than a few thousands. They provide valuable information for us to gauge social mood.

A3. Media archives: newspapers, magazines and journals in the 1980/90s/2000s carried investigative reports on a variety of issues including general societal/student attitudes towards job prospects, social/career aspirations, cadre nepotism/corruption, meritocracy/technocracy, etc, all available on CNKI. Media reports can also be found on some of these 354 elite cadres who shared their life experiences with journalists.

B. Multiple Methodologies

B1. Descriptive summary of cadre resume data: collective characteristics of the population and the sample would be summarised in tables and graphs to gauge the general level of their education, whether they obtained Party membership during college or during the first few years

of their careers, the first job type/function they held, the sectors they started in, did the first job involve more generalist/administrative work than professional/specialist work, how many of them jumped from professional posts to administrative posts in the first/second half of their careers, and when they changed jobs, did their job functions/types also change? In which sectors? And the duration of time they spent on each of their respective posts.

B2. Coding resume data: as each chapter has its own independent variables to be analysed, different coding practice were adopted. For instance, Chapter 2 uses **BreakPromo1** (as a binary dependent variable to indicate whether someone has broken promotion rules from their fresh entry into bureaucratic work up to Feb 2014 when 0 means no and 1 means yes) and **BreakPromo2** (that covers whether someone has broken promotion rules in the first 15 years into careers); **Edu** (full-time highest degree obtained, excluding part-time degrees and vocational degrees sponsored by the work units) as an independent variable is coded as 0) No degree 1)Associate degree 2)Bachelor degree 3)Masters' 4)PhD; **EduSub** is an independent variable on college education subject : 0)No college degree 1)Arts and Humanities 2)Social Science 3)Law 4)Medicine 5)Engineering and Applied Sciences 6)Sciences 7)Business related 8)Architecture and related 9)Others; **TopU** is about if your highest degree is from a top university: 1) Yes 0) No.¹⁵⁰ For another example, Chapter 4 uses the variable **FirstOrg** to measure the extent of this transition in China's case as it will be divided into the following

¹⁵⁰ There was no official list of university rankings in the 1980s; the first list was published in 1987: <http://edu.sina.com.cn/l/2012-10-28/0914220608.shtml>; and its reflections correspond almost seamlessly with the current list of top universities in China ranked by third-party agencies in China, in equivalence of the QS, *the Times* and *US News* that made up university rankings in the Western world: <http://edu.sina.com.cn/gaokao/2013-12-30/1508405768.shtml>. These top 20 universities mostly include: 1.中国科大, 2.清华大学, 3.北京大学, 4.复旦大学, 5.上海交大, 6.同济大学, 7.南开大学, 8.南京大学, 9.北京师大, 10.人民大学, 11.浙江大学, 12.对外经贸, 13.武汉大学, 14.西安交大, 15.厦门大学, 16.哈尔滨工业大学, 17.吉林大学, 18.中山大学, 19.北航, 20.协和医科大学

categories when 0) means No job, 1) Self-employed, 2) Farm, 3) Private firm, 4) Collective firm, 5) Hybrid firm, 6) Joint venture, 7) State firm, 8) Public organisation or 9) Government, as the first job organisation property rights type. It is also interested in the elites and non-elites' first job attainment locations, designing a variable **FirstJobLevel**, to mean that 0) as Rural side, 1) Township, 2) County, 3) Prefectural and 4) as Provincial Level including Beijing/Shanghai/Tianjin (Chongqing is not included as it was established as a directly-controlled municipality in 1997 when the elites/non-elites had entered into the workforce).

B3. Quantitative analysis of cadre resume data: binary logistic regression analysis will be used to classify the accelerated promotion dependent variable into achiever and non-achiever. Binary logistic regression is most useful in cases where we want to model the event probability for a categorical response variable with two outcomes. Since the probability of an event (achieving accelerated promotion or not) must lie between 0 and 1, it is impractical to model probabilities with linear regression techniques, because the linear regression model allows the dependent variable to take values greater than 1 or less than 0.¹⁵¹

In short, logistic regression was selected as the most suitable technique to employ for the available data type since a person either has achieved accelerated promotion or s/he has not, justifying the dichotomous treatment of the dependent variables in **BreakPromo1** and **BreakPromo2** when bivariate logistic regressions were run using different independent variables. These independent characteristics would finally determine the outcome of whether or not an accelerated career move has been achieved. Let *Y* be a binary dependent/outcome

¹⁵¹ For a detailed discussion of the logistic regression methodology, see Scott Long and Jeremy Freese. *Regression Models for Categorical Dependent Variables Using Stata*. 2nd Edition. (College Station, TX: Stata Press, 2005) & Daniel Powers and Yu Xie. *Statistical Methods for Categorical Data Analysis*. 2nd Edition. (Bingley, UK: Emerald Press, 2008).

variable denoted in **BreakPromo1/2** and $Y_i = 1$ if the trait is present in observation i and $Y_i = 0$ if the trait is NOT present in observation i ; $X = (X_1, X_2, \dots, X_k)$ be a set of independent variables just set out in the earlier sections, which can be discrete, continuous, or a combination or a set of interaction terms. x_i is the observed value of the independent variables for observation i .¹⁵²

$$\ln L = \sum_{i=1}^n [y_i(\beta_0 + \beta_1 X_{i1} + \dots + \beta_p X_{ip}) - \ln(1 + \exp(\beta_0 + \beta_1 X_{i1} + \dots + \beta_p X_{ip}))]$$

B4. Conducting interviews: through contacts and networking using snowball sampling, I interviewed 45 cadres, to gather inside information on the inner working of promotional schemes within the CCP and their life stories. Out of these 45 cadres, 21 were from the elite cadre population, 22 from the non-elite sample and the remaining two were retired Organisation Department senior cadres (also on elite cadre rank). The majority of these elite interviews were conducted face-to-face with 19 interviews conducted over the telephone during my 2014-2015 year China field trip. And the geographical/industry/sector distribution of these interviewees covered major cities including Beijing, Tianjin, Shanghai, Guangzhou, Chongqing, Chengdu, Xining, Gansu and Changchun in northwest, northeast, southwest and southeast China. Their work sectors include propaganda and media, personnel management, NPC, CPPCC, courts, procuratorates, railway, banking, education, Reform and Development Commission, etc.

B5. About elite interviews: elites for this thesis mean someone of high social, economic, or political standing; the term indicates a person who is chosen by name or position for a particular reason, rather than randomly or anonymously. A central purpose of elite interviews is to acquire

¹⁵² Barbara G. Tabachnick and Linda S. Fidell. *Multivariate Statistics*, 6th ed. (Boston: Pearson, 2012), p.440.

information and context that only that person can provide about some event or process (i.e. for this thesis, their career decisions that led to accelerated promotions): what did that person do and why? How does he or she explain and justify his/her own behavior? What does the person remember of how others behaved, and why? How does the person understand and explain the trajectory of a process?

As scholars show, elite interviews can have several purposes. As the research content itself, a set of these interviews is clearly appropriate for the study of recent historical change, process-tracing studies of policy enactment or implementation, and of the career trajectories of elites (broadly defined) in a political, social, or economic process. And most generally, elite interviews can give substance and meaning to prior analyses of institutions and structures.¹⁵³

Of course, no feasible number of intensive elite interviews could constitute a genuine cross-section or panel examination of the Chinese elites, as Lampton has pointed out when he was analysing the paths to power of Chinese elites using interviews and biographies, “the whole is more than the sum of the parts”.¹⁵⁴ But the significance of this thesis is not simply historical or descriptive or even statistical. Each biography and interview has been designed to help generate hypotheses about accelerated political mobility in reform China and to provide a rich empirical base against which to test the propositions of others.

And as a former journalist, I have some thoughts about how to proceed with elite interviews: few interview subjects think in the ways that social scientists think, so posing one’s own analytic puzzle to the subject usually just elicits puzzled stares or stammers. Another purpose

¹⁵³ Joel Aberbach and Bert Rockman. “Conducting and Coding Elite Interviews”. *PS: Political Science and Politics*, Vol. 35, No. 4. (Dec., 2002), pp. 673-676. & Sharon Rivera et al. “Interviewing Political Elites: Lessons from Russia”. *PS: Political Science and Politics*, Vol. 35, No. 4 (Dec., 2002), 683-688.

¹⁵⁴ David Lampton. *Paths to Power: Elite Mobility in Contemporary China*. (Michigan, Ann Arbor, 1986): xv.

of this sort of interview is to leave enough space between the researcher's initial preconceptions or frameworks and the subjects' particular framework so that the researcher stays open to surprise and anomaly. Doing too much to set up the interview in terms of one's own theoretical logic once again moves interviews too far in the direction of survey research as elites do not like being put in the straightjacket of close-ended questions. Therefore, I adopted open-ended questions, which provided a greater opportunity for respondents to organize their answers within their own frameworks. This increased the validity of responses and was best for the kind of explanatory and in-depth work I was engaging in.

And what is particular to interviewing elites is that elites are less accessible and more conscious of their self-interest than less prominent respondents. This is exactly why elite interviews are relatively rare. As a consequence, the notes I collected are unique but they should be handled with care as well. As some scholars well point out, it would be naive to act overly trusting in individuals who are very well quipped to "spin" facts and events, "play" interviewers, and dominate and take over conversations entirely.¹⁵⁵

In fact, they would never have become government elites had they not developed such skills. Thus to probe deep elite attitudes, values, and beliefs, I started each interview by asking the respondent to describe in detail a series of crucial job decision-making processes in which he or she was closely involved. I then used these decisions as contexts to discuss at length about their motivations and capacities. So far, all conversations were open, critical, and often quite intense. My judgement is that these people were frank in their answers, especially because my questions focused on general views and not information that might jeopardize the respondents'

¹⁵⁵ David Richards. "Elite interviewing: Approaches and pitfalls". *Politics*, 1996, 16(3), 199–204.

interests. A comprehensive discussion will follow in B7 section on reducing interview biases.

B6. Interviewee sampling strategies: one limitation of elite interviews is that it is infeasible (without enormous resources and connections) to get in-person interview data for large samples of elite cadres, and they do not respond to kinds of survey instruments used for the mass public (responses that do come are normally from their staffers). Thus, as is common in qualitative interview research, I had to sacrifice breadth for depth, with in-person interviews averaging over 30-40 minutes: the practical choice for researchers interested in elite cadre decision approaches may be between gathering imperfect evidence and conducting no research.

So I chose imperfection due to the snowball sampling strategies adopted as I can only get access to these elites via personal networks. Some may wonder about the research value of such random chats, in which the subjects are somewhat haphazardly selected; others may ask how many such interviews are sufficient to amount to a project completed. Indeed, a nonprobability sampling technique like snowballing where existing study subjects recruit future subjects from among their acquaintances has its problems. But this sampling technique is *the best possible and available method* used in hidden/elite populations which are difficult for researchers to access, due to lack of resources and network availability. And as the sample builds up, enough data are gathered to be useful for research despite such data's potential biases.

As for the number of such conversations to seek, the more the better. On numerous occasions I have gained insights and a sense of how things operate from talking informally to dozens of people of all strata in China; almost always these insights have informed my reading of other kinds of data and have been confirmed as I review material of different sorts.

B7. Reducing interview biases: indeed, using snowball sampling strategies with my contacts leads to a potential limitation of my interviews as I should offer a more critical reflection on the nature of my interview data, and my role in the co-production of these interview data when I got all these contacts through friendship, personal, family and university networks.

As Solinger reveals, a maxim to do field research in China is to try to draw upon any relationship one might have with any person willing to be of help in one's ploy to meet potential subjects.¹⁵⁶ Through family and social networks, I got the precious opportunities to interview many of the elite/non-elite figures that are not accessible to other researchers because I got initial introductions via these networks.

Retaining old work and school contacts, however trivial they may seem, has also worked to my advantage. For example, when I was trying to interview a senior cadre in one of China's west regions, I came to knock on the door of my former work mate in Hong Kong because I knew he was from that region. In fact, luckily, as it turned out, his father is a senior figure in the Organisation Department of that particular province in that region and his family was immensely useful for helping set up an interview.

And it is always useful to acknowledge the impact of the identity and background of the researcher on the interview data collected. First, I tried to remedy these potential personal biases through triangulation of research methods. In qualitatively-conducted research, as a way to validate and double check the interview findings, I employ as many different sorts of research material and data as I can find, including statistical data from yearbooks and specialized

¹⁵⁶ Dorothy J. Solinger "Interviewing Chinese People: From High-level Officials to the Unemployed". In Maria Heimer and Stig Thøgersen, ed. *Doing Fieldwork in China*. (Denmark: NIAS Press, 2006), pp.153-167.

volumes, as well as that found in survey research by others reported in journals; official documents; daily newspapers from China in both Chinese/English; and Western media reports, in addition to secondary sources and interviews in China.

Second, I tried to rectify these possible deficiencies and limitations through rigorous and disciplined interview methods: my standard set of questions allowed counting and comparison. Once our mutual authority had been thus cemented, I proceeded to describe the nature of my current research, and then let them know how knowledgeable I already was on the topic so that they understood what the starting point in their own speech should be.

As they spoke, I often stopped them, raising every question that comes to mind: there were many things they would take for granted that were unknown to me unless I asked when I aimed to utilize the full wealth of the evidence without being constrained by existing expectations.¹⁵⁷

I have never gone into the “field” without having done a great deal of prior reading which helps me put the issues at hand into a larger context, whether historical, comparative, or theoretical. One is then in a position to uncover more information by revealing what one already knows than if one is forced to put merely vague, generalized inquiries to one’s subject.

For instance, in one occasion when I was interviewing a non-elite cadre in one of China’s inner provinces, I spent nearly 20 minutes feigning patience, while I heard of all of the proper, official procedures and bureaucratic agencies involved in dealing with issues of cadre promotion and evaluation in the region. Obviously, it seemed, the interviewee had no intention of discussing my subject, which was on the importance of *guanxi* in the game of getting ahead. Just at the very end of the interview, I remember saying, “If it were not for the complex

¹⁵⁷ Barney Glaser and Anselm L. Strauss. *The Discovery of Grounded Theory: Strategies for Qualitative Research*. (Chicago: Aldine Publishing Company, 1967).

relationship brought by *guanxi* in your unit, many of your colleagues could have achieved speedier promotions because they had better education credentials.” That released the floodgates that had blocked off the anger and frustration that were attending my informant’s daily work. In this way, I used the understanding about the difficulties of his agency’s responsibilities (information that I had already acquired from reading Chinese newspapers and journals) to offer a sympathetic comment that led to an opening.

During all of my interviews, I never used tape recorders, but only wrote notes. I have consequently always asked my subjects from the start if they would mind my taking notes.

Indeed, one of my largest concerns when interviewing is that I do not make my informants feel uncomfortable. For this reason I do not try to compel them to give me information that runs directly contrary to Party policy or government directive, nor do I bluntly ask questions that would put them on the spot. Instead, I push, but only so far as it appears they are willing to go. Sometimes the very discovery that the answer will not be given can alert one to the sensitivity of the issue, and, later and in a different setting with a new informant, the initial lack of reply might form the basis for further inquiries.

In addition, since I guaranteed total anonymity, the quotes to be provided will not give any information about age, sex, party, or department as this may allow identification. In rare cases I even slightly adapted quotes, made them vaguer, to make sure their origin cannot be traced. All these protective procedures would allow my interviews some peace of mind so that they could more openly discuss with me over the questions that I put forward.

To conclude, I believe patterns of many of the findings via in-depth elite interviews to be presented in the following chapters are clear enough and these results are not simply noise.

However, because of the limitations regarding the research design just mentioned, my results could be regarded as suggestive only. They are intended to continue a conversation, not end it.

B8. Coding semi-structured elite interviews: it can be a major undertaking to secure an interview but success is only the beginning. Semi-structured and open-ended interviews elicit subtle and rich responses, particularly in elite interviewing, where responses to questions are almost always coherent and well-formulated. Respondents can productively answer questions in their own ways and the analyst can then build a coding system that maintains the richness of individual responses but is sufficiently structured. In my study, I developed *manifest coding items* that involved direct responses to particular questions such as their education timeline, college subjects as well as Party membership dates, etc. Then *latent coding items* were designed to capture those responses that were not explicitly called for by the questions themselves (for example, I coded variables dealing with positive and negative references towards the role of *guanxi* from questions about the nature of *guanxi* in China's bureaucratic ladder). I also adopted *global coding items* when I formed judgments from the interviewees whose general traits and styles demonstrated certain characteristics, e.g. coding whether respondents employed a coherent political framework in responding to political questions.¹⁵⁸

During a process of going back and forth, further definitive coding methods were established as new codes were created or old ones adapted. Because qualitative data analysis is as much data reduction as quantitative data analysis, I gauge the respondents' feedbacks to my questions in a very selective way, relying most on manifest coding items, less on other coding items.

¹⁵⁸ Mathew Miles and Huberman, A. M. *Qualitative data analysis: An expanded sourcebook*. (London, UK: Sage, 1994), Introduction.

Chapters Outline

To investigate the link between accelerated bureaucratic promotion patterns and individual life chances from the late 1970s onwards, we begin our journey in the area of educational attainment. Educational attainment is an appropriate starting point because it is the earliest major event and driving force in one's status attainment and is likely to have a lasting impact on one's subsequent life course. **Chapter 1/2** will dismiss the presumption of market transition theory that economic principles have overtaken political incentives when the elites had to make education choices in the market reform period. It will argue that although education credential as an independent variable influences a cadre's promotion chances and speed in the bureaucratic game of getting ahead, more importantly, it provides a solid platform for the elites (not for the non-elite sample) to join the CCP in an early stage of their lives, setting a statistically significant impact on their early career promotional mobility, thus pushing them onto a career fast track.

In short, Chapter 1/2 highlight early educational trajectories and Party membership as factors that have enabled elite cadres to enjoy rapid promotions. They will demonstrate that these elite individuals chose to pursue academic-track education at a time when such education were regarded as not so useful, when the economic benefits of a non-applied subject were unclear and when the earning opportunities offered by academic education were limited. It also shows that these elites entered the Party while still studying, much earlier than the non-elite cadres. Moreover, they opted to join the Party at a time when Party membership was unattractive and unavailable to the wider population and to educated people in particular. All these moves would then be proved to be against social structure but are in line with the political structural expectations at the time.

As youngsters came to the end of their educational journey, they faced the next critical stage in their life course: getting a job. This is a critical stage because, until the 1990s, job mobility across work organisations in China was very low. In this sense, for many employees, location in the first workplace can often mean their only and life-long work destination. And types of work organisations are associated with significantly different economic benefits, welfare programs, and career prospects under market transition. Therefore, entry into the labour force often had lasting impacts on subsequent events in one's life course including one's accelerated promotion chance and **Chapter 3/4** deal with the elites and non-elites' first job attainments.

The results show that to the elites/non-elites, they saw a job's prestige as a coercive institution, politically safer (*political structure*) than a job's earning prowess (though some politically safer jobs could have greater rent-seeking potential but also incur more CCP Disciplinary Commission attention and higher cost of punishment if found out), in contrast to the prevailing social norms to chase immediate material rewards, as defined by the *social structure*.

And these tendencies and their following first job choices to chase the political structural expectations, reflected in five first job attainment variables, including first job occupation, job sector, job organisation, job function and job level, held statistically significant influence on one's chances of achieving accelerated promotions.

In **Chapter 5/6**, this thesis moves on to examine the first 15 years since these people's entry into the workforce, with a special focus on job shift patterns. Job shifts deal with movements of employees from one workplace to another, involving changes in one's work environment and career. A focus on job shifts among different types of organisations, occupations, location levels and sectors provides an excellent vantage point to assess institutional changes in China.

Job shift patterns reflect not only employee preferences and the attractiveness of different workplaces but also the relative strength of these competing institutions.

As the hierarchy of workplaces and the structure of political authority in China are linked, job shift patterns could well reflect the arrangements of China's economic and political institutions in market transition and how they influence the elites and the non-elites' chances of securing accelerated promotions. Findings will suggest that who benefited most from China's redistributive economy (cadres and employees in government agencies) tended to maintain jobs in types of organisations and economic sectors closest to the redistributive economy: the elites and the non-elites had adopted unconventional decisions for switching jobs, compared with the mainstream societal preference to chase more and bigger immediate economic rewards in the private sector at the time (*against social structure*). However, these unconventional and conservative moves were proved to have had statistically significant effect on the elites and the non-elites' chances of breaking promotion patterns to get ahead (*within political structure*).

Essentially, the whole thesis will ask, before the market reforms goes on in the 2000s, a period branded as late reform stage by many market transition theorists, if and how economic principles have eroded political incentives in these people's accelerated promotion patterns starting from the "very early stages" of market transition in 1980s as Walder used to call it.¹⁵⁹

The Conclusion Chapter will summarize the main findings by suggesting that early career accelerated promotions are crucial for ones' later ventures into high politics in China, as under a career tournament model. And this governance model is very useful for relating organisational structure at the "macro level" to employee perceptions and behaviors at the "micro level".

¹⁵⁹ Andrew Walder. "Markets and Income Inequality in Rural China: Political Advantage in an Expanding Economy". *American Sociological Review*, 2002(67):231–253.

Research Limitations – Political Capital and Family Background in Reform China

Ascribed vs achieved factors to elite cadre status - Political scientists and sociologists classify two major types of factors that lead to career successes or failures: achieved factors and ascribed factors. Similar to the sociological term “achieved status” or “achievement”, achieved factors are acquired on the basis of merit and personal efforts; they are earned or chosen and reflect a person’s skills, abilities and attributes.¹⁶⁰ Variables belonging to this category often include one’s education, job occupation, sector, job function, work performance, etc.

An ascribed factor like “ascribed status” or “inheritance”, on the other hand, is one that is beyond an individual's control. It is not earned, but rather something people are either born with or had no control over. Examples of ascribed factors include gender, a family’s social status or socioeconomic status, one’s parents’ education, their political affiliations, and the family’s inherited political capital and social networks, etc.¹⁶¹

Legacies of the 1949 Communist revolution defined ascribed status in a political perspective, making family class origin an important dimension of inheritance in addition to parental education and occupation. Estimating these status attainment models requires census or survey data that are extremely difficult to obtain in China even today.

Earlier efforts by Whyte and Parish were based on a “sample of neighbouring households” (581 families and 2,865 members), established through interviewing 133 Chinese emigrants in Hong Kong.¹⁶² This sample found strong status inheritance in educational attainment; children

¹⁶⁰ Jon Shepard and Robert W. Greene. *Sociology and You*. (Ohio: Glencoe McGraw-Hill, 2003). pp. A–22.

¹⁶¹ Ralph Linton. *The Study of Man: An Introduction*. (New York: Appleton-Century-Crofts, 1936), p. 115.

¹⁶² Martin Whyte and William Parish. *Urban Life in Contemporary China*. (Chicago, IL: University of Chicago Press, 1984).

achieved higher education when their fathers had higher education or high-income jobs. Family class origin was found to significantly affect occupational attainment; one obtained a high-income job when his/her father was a capitalist, merchant, or staff, rather than a worker or peasant before the 1949 revolution. All of these effects, however, became almost zero for the cohort of the Cultural Revolution (CR), a pattern that resulted from Mao's policies of destratification of the decade.

Davis, based on occupational histories of over 1,000 individuals from 200 families in Shanghai, found that as of the late 1980s, the CR policies had reduced middle-class reproduction, and more generally the bureaucratic allocation of labour and economic and political rewards favoured older birth cohorts, into the post-1949 era.¹⁶³

Large-scale, representative sampling surveys began to be conducted by US-based sociologists in Chinese cities from 1985 onwards, and they have enriched our understanding about Chinese status attainment processes. A 1986 survey of Tianjin showed that a decade after the CR neither father's education nor father's occupation affected a child's job status and that occupational attainment was a result of one's own education, which seemingly implies an opportunity structure in which status inheritance was eliminated.¹⁶⁴

When work-unit sector was used instead as an indicator of attained status in a 1985 survey of the same city, Lin and Bian found a strong father-son link in work-unit sector and a strong sector-to-occupation link within the generation: state redistributive resources were differentially allocated through a hierarchy of state and collective organisations, thus workplace

¹⁶³ Deborah Davis. "Job mobility in post-Mao cities: increases on the margins". *China Quarterly*. 1992(48), pp.1062-85

¹⁶⁴ Peter Blau and Ruan Danqing. "Inequality of opportunity in urban China and America". *Research in Social Stratification and Mobility*, 1990(9), pp.3-32.

identification became a primary criterion of social status than the occupation of wage work.¹⁶⁵

Both of these Tianjin surveys showed that education and membership in the Communist Party increased a person's chance of getting assigned to a state sector job under varying degrees of ascribed effects.¹⁶⁶ A multicity sample by Zhou and others broadened research scope beyond the city of Tianjin. Their event history analyses showed that an unfavored family class origin significantly lowered one's chance of getting a state-sector job in all periods through to 1993.¹⁶⁷

A superior education, however, countered such unfavored influence, by increasing one's chance of working in public/government organisations in all periods. Thus, a clear pattern showed by Zhou et al. is that stratification dynamics were greatly altered by shifting state policies at all times.

Aside from political capital just covered, scholars are also left wondering whether ascribed capital in family background can contribute to the discrepancies in achieved status for different people. Economists provide some answers. Bleakley et al using randomized experiments in the US, suggest only a limited role for family financial resources in the formation of human capital in their next generation: they reject effects implied by the cross-sectional gradient of child outcomes by paternal wealth.¹⁶⁸

But research from this perspective on China is scarce due to data limitation.

In short, ascribed factors in political capital and family background that help decide people's

¹⁶⁵ Lin Nan and Bian Yanjie. "Getting ahead in urban China". *American Journal of Sociology*, 1991(97), pp.657-88. & Andrew Walder. "Property rights and stratification in socialist redistributive economies". *American Sociological Review*, 1992(57), pp.524-39

¹⁶⁶ Bian Yanjie. *Work and Inequality in Urban China*. (Albany, NY: SUNY Press, 1994).

¹⁶⁷ Zhou Xueguang, Nancy B. Tuma, and Phyllis Moen. "Institutional change and job-shift patterns in urban China". *American Sociological Review*, 1997(62), pp.339-65.

¹⁶⁸ Hoyt Bleakley and Joseph Ferrie. "Shocking Behavior: Random Wealth in Antebellum Georgia and Human Capital Across Generations". *The Quarterly Journal of Economics*, 2016, 131 (3): 1455-1495.

life chances have already been carefully studied by sociologists using large-scale social surveys, showing various statistically significant yet diverse results.¹⁶⁹

However, the key flaw of using these broad social survey research to study cadre promotions is that in practice, only a very small number of elite/senior cadres can be captured in general surveys. Indeed, political sociologists have produced considerable research on career mobility in communist regimes, including China, as the earlier literature review parts have shown. For example, Andrew Walder (1995) relied on a survey of Tianjin residents to test the proposition that access to the administrative elite requires political credentials, namely, Party membership, whereas access to non-bureaucratic professional jobs requires educational but not political credentials.¹⁷⁰ These findings were refined with a national survey of Chinese adults conducted in 1996, confirming the dualism in the career paths of urban Chinese.¹⁷¹

These findings are extremely important for understanding the early selection process, from ordinary citizen to Party member and then on to bureaucratic posts. Such mechanisms are best captured by general social surveys. However, as political scientist Landry points out, broad surveys – even very large ones, such as the 1996 study of Chinese life histories by Walder – are not designed to capture the high tier of the administrative elites. Even if one takes a broad

¹⁶⁹ For example, see Bian Yanjie. “Chinese Social Stratification and Social Mobility”, *Annual Review of Sociology*, Vol. 28 (2002), pp. 91-116. & Bian Yanjie. *Work and Inequality in Urban China*. (Albany: State University of New York Press, 1994). & Cao Yang. “Careers inside Organisations: A Comparative Study of Promotion Determination in Reforming China”, *Social Forces* 2001(80), pp.683–712. & Deborah Davis. “Job Mobility in Post-Mao Cities.” *China Quarterly* 1992(84), pp.1062–85. & Andrew Walder. “Career Mobility and the Communist Political Order.” *American Sociological Review* 1995(60), pp. 309–28. & Andrew Walder, Li Bobai and Donald J. Treiman. “Politics and Life Chances in a State Socialist Regime: Dual Career Paths into the Urban Chinese Elite, 1949 to 1996.” *American Sociological Review* 2000(65), pp.191–209. & Zhou Xueguang, Nancy B. Tuma, and Phyllis Moen. “Stratification Dynamics under State Socialism: The Case of Urban China, 1949–1993.” *Social Forces* 1996(74), pp.759–9.

¹⁷⁰ Andrew Walder. “Career Mobility and the Communist Political Order.” *American Sociological Review*, 1995, 60 (3): 309–328.

¹⁷¹ Andrew Walder, Li Bolai and Donald. J. Treiman. 2000. “Politics and Life Chances in a State Socialist Regime: Dual Career Paths into the Urban Chinese Elite, 1949 to 1996.” *American Sociological Review*, 2000, 65 (3): 191-209.

definition of cadres that combines grassroots officials, enterprise managers, and leading cadres, their study includes only 9.2% cadres (or 461 individuals) among employed respondents.¹⁷²

In this vein, it can be safely argued that the population and the sample of interest of this thesis are almost impossible to trace in mass-level surveys of the general population.

In addition, it is important to acknowledge that in the political science field, inter-generational mobility is rarely studied, unlike in the sociology discipline that has a long tradition to examine the mechanisms of mobility and inequality.¹⁷³ To study elites' career trajectories, political scientists often focus on other aspects of a cadre's life and career history, such as those involved in their work environment, to gauge how people got ahead. The absence of this inter-generational mobility focus in political science could be due to the lack of large social surveys that deal with representative cadre population only, especially in a regime like China that always fights accountability and transparency to be less accountable to the ruled.¹⁷⁴

The inter-generational mobility issue is also beyond the scope of this political science thesis when all the collected resumes in the database contain very little information on these ascribed factors such as one's parents' socioeconomic status, political affiliation and education level.

In this vein, this thesis only deals with potential achieved factors that could drive people to accelerated promotions. But this does not imply that family background and political capital, not only as a source of contacts and influence but also as a source of advice and orientation, do not influence a person's political trajectory and career attainment. For instance, as Susan Pharr has demonstrated in her work on women politicians in Japan, family background well

¹⁷² Pierre Landry. Ibid, p. 163.

¹⁷³ For a thorough review of the relevant literature on the politics of getting ahead, see the literature review section.

¹⁷⁴ Jesse Owen Hearn-Branaman, *A Political Economy of News in China*, (US: Lexington Books, 2015), Introduction Chapter.

shape women's job orientations with respect to their decisions to enter politics.¹⁷⁵ We could also find such examples in China's context. The current Party Secretary Xi Jinping, among many other princelings (descendants of prominent and influential senior communist officials) including the disgraced Bo Xilai, have followed their family steps to a political career.¹⁷⁶

Through the interviews I conducted during my fieldwork in China in 2014/5, I tried to collect as much information as I could to gauge my interviewees' ascribed background. But the information I collected is far from comprehensive (and may not constitute a genuine cross-section/panel examination of these elites' inherited characteristics) and should only be used to help complement a better-rounded picture of a person's individual efforts (achieved factors) to secure accelerated promotions to elite status in the market transition era.

The limited findings via more than 40 in-depth interviews suggest that family background and its associated political capital could have some influence on one's decision to enter politics and strategy to navigate within the bureaucratic marketplace for getting ahead. Many of the people being interviewed and many others among the elite population and the non-elite sample (some of their career stories have been covered by the media so I got a sense of their upbringings) have family relatives who have work experience in the government and the Party. Some of these parents and relatives or even friends have provided advice or suggestions on their career moves and strategies. But almost none of them have as politically significant parents or relatives as those already on the very top of the bureaucratic hierarchy as Xi Jinping or Bo Xilai does.

Even though this limited finding suggests no explicit or significant family and political

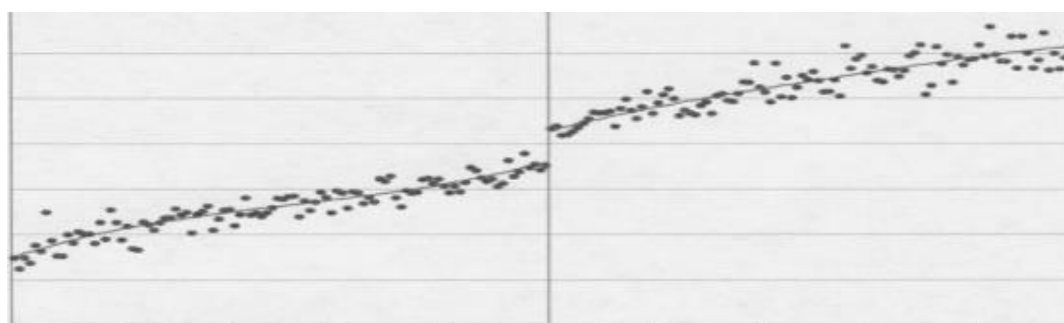
¹⁷⁵ Susan Pharr. *Political Women in Japan: the Search for a Place in Political Life*. (CA: University of California Press, 1981).

¹⁷⁶ Kerry Brown. *The New Emperors: Power and the Princelings in China*. (London: I.B.Tauris, 2014).

capital effects on these people's career decisions and trajectories, the omission of these ascribed factors could impact this thesis' findings in important ways. Thus, some sampling and statistical strategies were adopted as the best possible remedies.

*Regression discontinuity design (RDD): in addition to these fieldwork interviews, it is worth mentioning the specific sampling and statistical strategies this thesis adopted to minimise this lack of data on these cadres' family background, other related ascribed factors and their corresponding influence on these cadres' career trajectories: it adopted a statistical logic in the form of RDD to elicit the causal effects of interventions by assigning a cut-off or threshold above or below which a random intervention is assigned. By comparing observations lying closely on either side of the threshold, it is possible to estimate the average treatment effect in environments in which randomization is unfeasible.*¹⁷⁷

Figure A.3 Regression discontinuity design (RDD)



In this thesis' context, the randomly-assigned cut-off line, as in the above picture, is the vice-ministerial/provincial elite cadre threshold that separates the non-elite sample (on its left) and the elite population (on its right) as both groups have no capacity to decide where the threshold is to be set, i.e. only people who rank much higher than both in the political hierarchy such as those in the politburo standing committee could decide where the elite cadre threshold lies, i.e.

¹⁷⁷ Guido Imbens and Lemieux, T. "Regression Discontinuity Designs: A Guide to Practice". *Journal of Econometrics*. 142 (2): 615–635.

where this threshold lies can be considered as a random intervention or randomly assigned to the average cadre population in China and to both cadre groups of interest.

Therefore, by comparing observations lying closely on either side (bureau/prefectural level cadres on the left side of the threshold vs vice-ministerial/provincial cadres on the other side), this thesis can understand how different sets of explanatory variables covered in the following six chapters influence one's chance of getting accelerated promotions.

The statistical intuition here is that if all cadres above a given threshold—the vice-ministerial/provincial gate—are given the elite cadre status, it is possible to elicit the local treatment effect by comparing people around the elite cadre cut-off threshold: the RDD econometrical logic would then assume that most characteristics of a cadre on the bureau/prefectural level are likely to be very similar to those of a cadre on the vice-ministerial/provincial level, and they are randomly separated by the pre-defined and assigned elite cadre threshold (i.e. the family background and influence of both groups are therefore very similar and their effects would cancel each other out in a statistical sense). Thus, comparing the outcome of the elite population (treatment group) to the outcome of the non-elite sample (control group) when both were regressed against the independent variables of interests will hence deliver the local treatment effect of these explanatory variables in different chapters on the chances of securing accelerated promotions.

Chapter 1 – Education and Bureaucratic Careers in China: Setting the Scene

Bureaucratic promotion patterns give us insight into the processes that are changing the characteristics of Party state cadres. To examine the link between accelerated promotions and individual life chances since the 1970s, we begin our journey in the area of educational attainment. Educational attainment is an appropriate starting point as it is the earliest major event in one's status attainment and is to have a lasting impact on one's subsequent life course.

This chapter adds another dimension to the literature on education attainment and its relevance to career mobility by exploring the schooling stories of cadres in post-Mao China under market transition. As discussed in the introduction, it would focus on the entire elite population of cadres who were born in the 1960s and who reached the vice-ministerial/provincial level (defined as the elite cadre threshold by the Chinese Communist Party - CCP) and higher by Feb 2014. And the careers of these 1960s born elite cadres (*"the elite population"*) would be compared with a random sampling of 1960s born cadres (*"the non-elite sample"*) on the bureau/prefectural level, who failed to cross the elite cadre threshold.

The educational examination system in China has often been credited as providing one of the most effective and direct channels of upward mobility.¹ China was not alone in this regard. Across societies all over the world, education often helps individuals open doors to good jobs, gain higher salaries, and have better promotion chances at work.²

However, it is also important to note that in the political history of the People's Republic of China, education was at times a political liability.³ On the one hand, the socialist state

¹ Deborah Davis, "Job Mobility in Post-Mao Cities". *China Quarterly*, 1992, Vol.84:1062–85.

² Stephen Machin, et al. "Education and mobility". *Journal of the European Economic Association*, 2012, 10(2):417–450.

³ Zhong Deng and Donald J. Treiman. "The Impact of the Cultural Revolution on Trends in Educational

recognized the importance of education and knowledge in economic development. Like other state socialist societies, the CCP has used educational institutions to allocate educational opportunities among social groups. On the other hand, top leaders, especially Mao Zedong, had a deep suspicion and political mistrust towards intellectuals, with understandable reasons: many political upheavals from the Hundred Flower Movement of 1957 to the student protests in 1989, were initiated by intellectuals or on university campuses. It is no surprise that major political campaigns targeted intellectuals, and took place in those areas related to education. In the Mao era, educational credentials as a symbol of being politically suspect, may have had a negative effect on one's career development. Fluctuations in the role of education in China mirrored its turbulent political history and captured variations in life chances for individuals.

As a result, to develop a parallel argument between capitalist and state socialist societies is problematic. In the former, the marketplace provides the arena for families to transmit their status to their children through "marketable skills."⁴ But in state socialist societies, both educational opportunities and labour "markets" are organized by the state. Macro-political processes and state policies play a decisive role in creating and allocating educational opportunities.⁵ Has market transition changed the prospect of education for people after Mao? Where do market and politics come into play in the education arena in this transitional era? And more relevant to Chapter 1/2, how do these interactions influence people's chances to get ahead?

Attainment in the People's Republic of China." *American Journal of Sociology*, 1997, 103:391–428.

⁴ Max Weber, *From Max Weber: Essays in Sociology*. Translated by H. H. Gerth and C. W. Mills. (New York: Oxford University Press, 1946), p.182. & Frank Parkin, *Marxism and Class Theory: A Bourgeois Critique*. (New York: Columbia University Press, 1979), pp.55-63.

⁵ Theodore Gerber and Michael Hout. "Education Stratification in Russia during the Soviet Period." *American Journal of Sociology*, 1995, 101:105–51. & Eric Hanley and Matthew McKeever. "The Persistence of Educational Inequalities in State-Socialist Hungary: Trajectory-Maintenance versus Counterselection." *Sociology of Education*, 1997, 70:1–18.

Before we proceed to answer such questions with cadre career data analysis in Chapter 2, it is important to gauge the social and historical settings of the late 1970s and 1980s when the population and the sample started to make their schooling choices as Chapter 1 is designed for setting such a context. Therefore, the following sections will argue in sequence that the majority of the people in the elite population and to a slight lesser extent the non-elite sample, chose to go to college at a time when university education was neither a popular nor an affordable option under the circumstances that only a tiny minority of the young people in the same age cohort nationwide were willing and could afford to go.

Then this chapter will argue that these elites' unconventional decisions continued when they entered university as more than half of the elites (not for the non-elite sample) joined the CCP, as compared to the 2-3% of college students nationwide who were able and eager to join in the 1980s, signifying the elites' readiness and capacity to play around the Party hierarchy to enhance their promotional chances, in line with the political structural expectation.

In the last section, this chapter will analyze the population and the sample's psychological mind-sets to understand why they chose such an unconventional and non-majority route to pursue further education opportunities and related political credentials when the CCP tried to convince a citizenry that the economy in transition in the 1980s offered a variety of new education and life chances, unlike the Cultural Revolution (CR) era when the education system and political establishment were more severely disrupted: before Deng began to reform China, the "default" options on every facet of life were so powerful that few perceived themselves to be making choices especially when the most important effect of this CR brush with anarchy was not political but psychological. The government tried to turn a new page in the late 1970s

so that individuals would once again feel relatively safe from political victimisation, trust the equity and efficiency of their political institutions, and respect the authority of the Party state.

Indeed, more people got greater say in choosing their education paths and work destinations in the new era when the Party provided Chinese citizens with negative liberty one step at a time. However, this did not mean that these citizens got positive liberty in the 1980s. At least for the population and the sample, many were not trying to seize those newly opened economic opportunities brought by the market (against social structure) as transition theorists like Nee would like to presume under a rational choice framework. More importantly, there were so many uncertainties involved in those new potential opportunities: as this chapter will show, the elites and the non-elites were more likely to accept stable education and career routes in line with political structural expectations, created by the Party state as they believed those new economic opportunities were too risky to bear due to China's past record of turmoil brought by shifting state policies, in sharp contrast to the general population's mainstream and majority decisions to chase more immediate economic benefits in newly emerged sectors.

In short, Chapter 1 and 2 will highlight early educational career trajectories and party membership as factors that have enabled elite cadres to enjoy rapid promotion. It demonstrates that these elite individuals chose to pursue academic-track education at a time when such education could be a political liability, when the economic benefits of a non-applied subject were unclear and when the earning opportunities offered by academic education were limited. It also shows that these elites entered the Party while still studying, much earlier than the non-elite cadres. Moreover, they opted to join the Party at a time when Party membership was unattractive to the wider population and to educated people in particular.

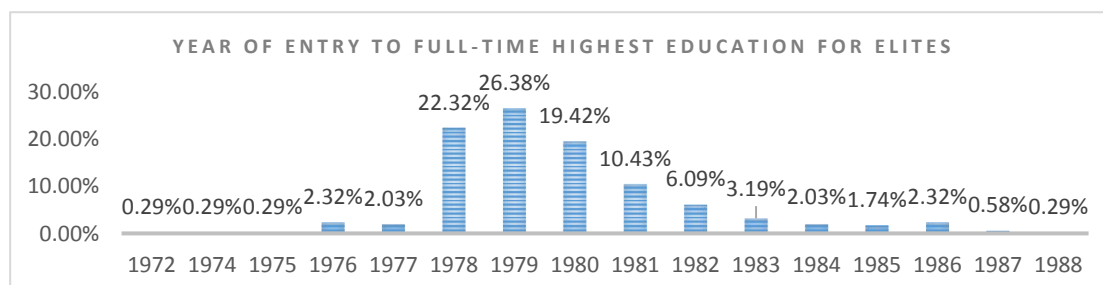
1. Historical settings and swimming against the flow in the education arena

Relying on education as my key variable to study for this chapter has several advantages. The level of education and, for those who attended university (or school), the discipline of the degree pursued are types of biographic information that are not very difficult to obtain: since everyone receives some education and does so early in life; so these are types of information that I can potentially acquire about everyone, even top bureaucrats.

Second, as scholars argue, there is more to education level and type: they reflect actual behavior rather than self-reported attitudes, and, unlike other biographical data that are often available—such as gender, age, or place of birth—they are at least to some extent the result of the subjects' choice. There are theoretical grounds to suggest that certain political and ideological orientations can be either promoted by the discipline one chooses to study or be the reason why certain individuals are attracted to a discipline in the first place.⁶

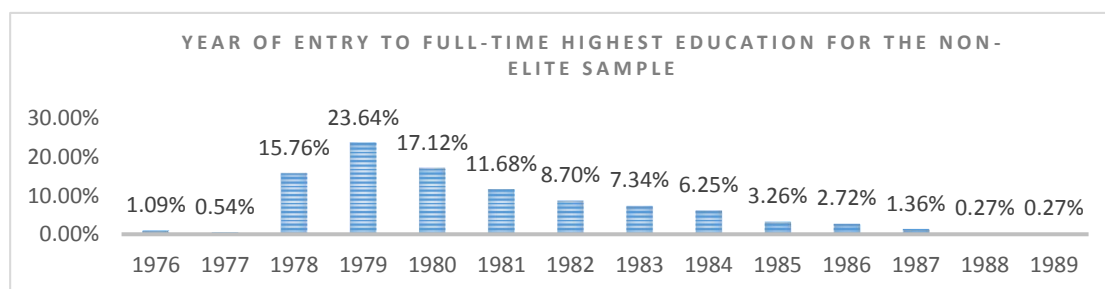
People who were born in the 1960s began to enter high schools and universities in the late 1970s and 1980s. For the elite population, we could see that the majority of them entered into full-time highest education from 1977 to 1981:

Figure 1.1 Year of entry to full-time highest education for elites

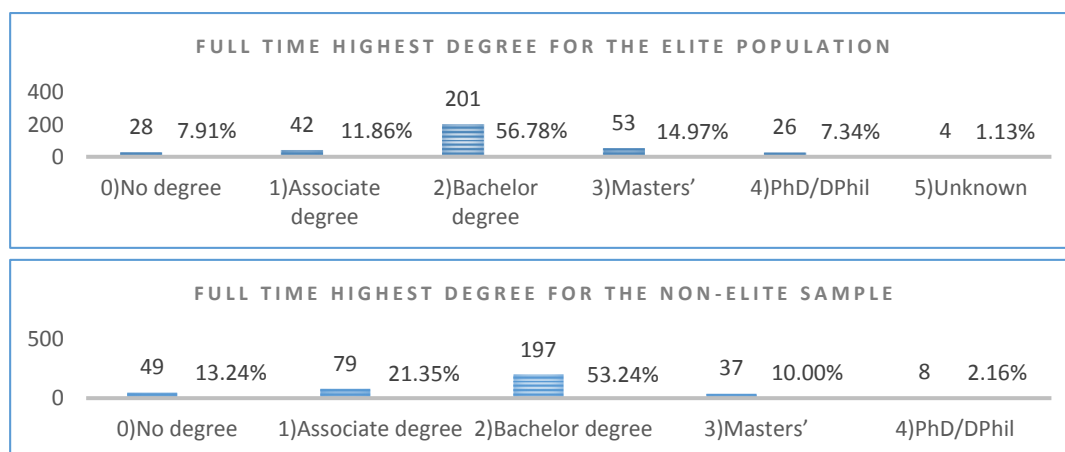


The findings for the non-elite sample showed similar entry-year patterns:

⁶ Diego Gambetta and Steffen Hertog. *Engineers of Jihad: the Curious Connection between Violent Extremism and Education*. (Princeton: Princeton University Press, 2016), pp.vii-ixi.

Figure 1.2 Year of entry to full-time highest education for non-elites

On average, the elite population received 4.22 years of full-time higher education compared with 3.47 years for the non-elites. For the highest education qualification a cadre received full time, and for these two groups of 1960s-born people, fewer percentages of the elites hold no college degree (7.91% vs 13.24% of the non-elites) or associate degree (11.86% vs 21.35%) than non-elites while they obtain a higher percentage of bachelor degrees (56.78% vs 53.24%), masters' degrees (14.97% vs 10.00%) and PhDs (7.34% vs 2.16%) than the non-elites:

Figure 1.3 Full time highest degree for the elites and the non-elites

This chapter argues that these 56.78% of the people in the elite population and 53.24% of the non-elite sample possessed a college degree at a time when going to college was neither a popular nor affordable option under the circumstances that only a tiny minority of the young people in the same age cohort nationally were eager and could afford to go at the same time, student number nationwide as a percentage of total population also showed a downward trend

in the 1980s. The following sections would put this hypothesis into context with comprehensive social surveys: in the late 1970s and 1980s, university qualifications were not highly valued by the Chinese general population (Section 1.1), for whom going to college was also an elite option to pursue in front of other more immediately rewarding opportunities in the newly emerged economic sectors (Section 1.2).

1.1 “Study was useless”

The elites and the non-elites’ schooling decisions correlate with the larger societal context in the late 1970s and 1980s. According to national statistics and 45 interviewee accounts, in the 1980s, choices for further schooling of junior high graduates indicated that it was much harder and more attractive to get into a vocational/skilled worker training/secondary technical school that did not lead to university entrance than a senior high school that had been designed for university preparation. More significantly, after 1983, only college graduates and vocational-school students would be guaranteed jobs after graduation, i.e. no automatic job assignments for high school graduates.⁷ No wonder from 1977 to 1985, the number of students graduating from senior/junior secondary schools were in deep decline while the number of students graduating from vocational schools more than doubled:

Table 1.1 Number of graduates by level and type of school

Year	University	Senior secondary school	Junior secondary school	Vocational secondary school	Primary school
1977	16.5	682.7	2375.3	5.4	2287.9
1979	8.5	726.5	2381.4	6.2	2087.9
1980	14.7	616.2	1581.1	7.9	2053.3
1981	14.0	486.1	1640.3	9.4	2075.7
1982	45.7	310.6	1342.7	13.1	2068.9
1983	33.5	235.1	1195.4	21.6	1980.7
1984	28.7	189.8	1140.2	27.8	1995.0
1985	31.6	196.6	1194.9	41.3	1999.9
1986	39.3	224.0	1057.0	57.9	2016.1
1987	53.2	246.8	1117.3	75.0	2043.0
1988	55.3	250.6	1157.2	81.0	1930.3
1989	57.6	243.2	1134.3	86.3	1857.3

Source: *China Statistical Year Book 1981, 1983, 1984, 1985, 1986, 2011*

Unit: 10,000 persons

This thesis interprets this trend as demonstrating that people at the time were seriously

⁷ Bian Yanjie. *Work and Inequality in Urban China*. (Albany: State University of New York Press, 1994), p.59.

concerned with the worthiness of additional investment in education as many came to regard vocational education more highly than senior high school education that would only lead to university entrance (a college degree's additional earning power was deemed as minimal),⁸ a sign of market principles overtaking political incentives of the pre-reform era that stress Party loyalty, as market transition theorists like Nee argue.

It was not hard to find surveys and journal articles in the 1980s that dealt with the argument of “读书无用论”(“study was useless” theory): one of China's famed sociologists Fei Xiaotong (an LSE alumnus) even wrote in 1982 that the devaluation of degrees should be rectified as it would pose serious obstacle to the modernization drive of the Deng Xiaoping administration, arguing that the importance of education should be better highlighted.⁹ Journal articles also covered the fact that many valuable job positions were grabbed by people with no college grades and many youngsters dropped out senior secondary schools to pursue these opportunities.¹⁰ The devaluation of degrees extended down to junior secondary school levels as many youngsters opted out to work for private business in a golden era for the private sector until the early 1990s.¹¹ Using school advancement/enrolment ratio, another revealing statistic demonstrated the low rates of advancement into universities from primary school level:

Table 1.2 Advancement into universities from primary school level

⁸ See fieldwork interview accounts in the 1980s: Zhu Wentao, “Lingren shensi de xiaoyuan xinchao” (The worrisome new waves on campuses). *Shehui* (Society Journal), no. 8, 1988, pp.8–11. & Cao Rida, “Ershijiufen zhenduanshu: dangdai daxuesheng xintai yipie” (Twenty-nine diagnoses: a glance at the psychology of contemporary university students). *Shehui* (Society Journal), no. 7, 1989, pp.29–31.

⁹ Fei Xiaotong, “Cong zhishi he zhishifenzi tanqii”(The importance of education and intellectuals). *Dushu* (Reading Journal), 1982(12), Feb, pp.5-8.

¹⁰ Liang Zhaosong, “Yiyannanjin hua xueli” (Let's talk about education qualifications). *Youth Studies*, 1984(2), pp.43-44.

¹¹ For this type of argument of the booming 1980s for the private sector, see Huang Yasheng. *Capitalism with Chinese characteristics: Entrepreneurship and the State*. (Cambridge: Cambridge University Press, 2008).

Year	1977	1980	1985	1986	1987	1988	1989	1990
From primary school to middle school	87.7%	75.5%	67.5%	68.8%	68.2%	69.4%	70.5%	73.5%
From middle school to high school	40.9%	39.7%	25.8%	24.3%	22.8%	21.1%	21.3%	22.5%
From middle school to vocational school	2.6%	4.9%	6.7%	6.4%	6.4%	6.7%	6.5%	6.6%
From high school to university	5.9%	4.6%	31.5%	25.5%	25.0%	26.7%	24.5%	26.1%
From primary to university	2.1%	1.3%	5.5%	4.3%	3.9%	3.9%	3.7%	4.3%

Source: Lu Xueyi, ed. *Social Mobility in Contemporary China* (in Chinese). (Beijing, Social Sciences Documentation Publishing House, 2004), p.86 & National Bureau of Statistics of China. *China Statistical Yearbook of 2003*. (Beijing: China Statistics Press, 2003) – combined by this author.

From **Table 1.2**, we could see that the advancement rate for primary school graduates to eventually entering universities had seen a gradual climb from 2.1% to 4.3% across the 1980s. However, we should also note that the percentages of primary school graduates to enter middle school and high school respectively had seen a sharp decline (over 40%) while the percentage of middle school students to enter vocational school had seen an over 250% jump.

A survey done on an urban middle school campus in 1982 revealed that as many as 100% of the respondents aspired to attend universities while a similar survey done on the same campus in 1989 found out that only 45.3% of the respondents aspired to do the same.¹²

This trend can also be found on many university campuses. For instance, in 35 Shanghai universities, more than 386 dropped out in their first year. Some students told reporters that quitting was the best way out as “university degree was worthless and a waste of time and efforts”.¹³ This was not just an urban phenomenon. A survey done in Heilongjiang province’s

¹² Shi Huinong, “Guanyu zhongxuesheng yanxue de sikao” (Middle school students do not like to study). *Youth Studies*, 1989(05), pp. 40-42.

¹³ Liu Xiangyang, “Disanci Langchao: Wenpingre (The third wave: the diploma fever)”, in *Wuci Langchao* (Five Waves), ed. Xiao Qinfu. (Beijing: People’s University Press, 1989), p.113.

rural part covering 117 counties' middle and primary schools revealed a similar pattern when more than 50% of a local top primary students preferred to finish off degree pursuit once and for all.¹⁴ These sentiments register well with many of my interviewees from the non-elite sample. One of them told me that the reason that he chose not to attend a university but opted to do an associate degree was that he saw no added value for a bachelor degree:

Many of my classmates in junior secondary school chose to go to vocational schools to learn some technical skills which can help them earn some quick money than going to senior secondary school for the preparation of entering college.¹⁵

Another non-elite bureaucrat cited his similar experience:

I did not attend high school because in my time, along with my friends and primary school classmates. There were so many opportunities to earn monetary rewards outside classrooms while college graduates were not paid that well, e.g. if you wanted to become an engineer with hand-on skills, it was much better and economical to go to a vocational school than a university.¹⁶

A non-elite bureaucrat even recalled the “bizarre” behavior of her junior secondary school teacher when the teacher would tell the class which kind of food commodities she was selling before she began her teaching, expecting every student to visit her after the class.¹⁷

Even elite bureaucrats who did receive college degrees agreed with such an assessment. An official told me that while he was in college, many of his tutors and lecturers spent most of their time on outside jobs that they paid almost no attention to mentoring college students:

They all got second jobs and their class presentations were careless. Some scholarly stars even quit universities and went into the market to earn big cash. One started an electronic goods retail store without using his classroom expertise while another managed a tea shop surprisingly well. And most of my classmates found their university experience a waste of time.¹⁸

Another elite bureaucrat in Beijing told me of his experience with professor's poor pay:

In Beijing in the 1980s, a college lecturer earned around 250RMB per month while a professor

¹⁴ Ma Chi et al, “Qitan xuesheng yanxue liushi yuanyin ji jiejuebanfa”(The search for answers and solutions to the problems of youngsters dropping out of schools), *Journal of The Chinese Society of Education*, 1989(1), p.53.

¹⁵ Non-elite interviewee number 5.

¹⁶ Non-elite interviewee number 3.

¹⁷ Non-elite interviewee number 6.

¹⁸ Elite interviewee number 15.

earned less than 600RMB. This amount was not enough to support a nuclear family if no other family member was at work. One of my friends dropped out of senior secondary school to work as a waiter in a restaurant and he earned as much as a full-time college professor with ten years of teaching and research experience did.¹⁹

No wonder in the 1980s, there were reports saying that in one of the class cohorts of China's best universities, Renmin University, more than 90% of its students were doing business while in University of Science and Technology Beijing, the situation was no better.²⁰

Chinese people's concern over the importance of education degrees were justified. Take the example of the influence of education on income, for which the Mincer equation of return rate of education is often used. The education return rate was 2.43% in 1990: on average, one year of schooling increases future income by 2.43%, which was low if compared with other countries (e.g. the Mincer rate for the U.S was around 10% at the time).²¹ Scholars estimate a lower rate of return of 1.4% for each additional year of schooling in China using data from a 1986 survey of industrial workers in Nanjing.²² Others find slightly higher but still low returns to education of 2.5% in 1981 and 2.7% in 1987, with no significant fluctuation in the between years.²³

¹⁹ Elite interviewee number 12

²⁰ Liu Xiangyang, "Disanci Langchao: Wenpingre (The third wave: the diploma fever)", in *Wuci Langchao* (Five Waves), ed. Xiao Qinfu. (Beijing: People's University Press, 1989), p.198.

²¹ Li Qiang. "Transformation in Social Stratification Structure in China after Thirty Years of Reform", in Li Qiang, eds. *Thirty Years of Reform and Social Changes in China*. (Leiden: Brill, 2010), pp.64-65.

²² Raymond Byron and Evelyn Manaloto. Returns to education in China. *Economic Development and Cultural Change*, 38(4), July 1990, pp. 783–796.

²³ Xin Meng and Michael Kidd. Labor market reform and the changing structure of wage determination in China's state sector during the 1980s. *Journal of Comparative Economics*, 25 (3), 1997, pp.403–421.

1.2 The elitism of getting into college

The earlier section indicates that the average person in the elite population who chose to go to college in the 1980s focused on getting better reward by additional years of schooling, against mainstream social preferences influenced by market initiatives to earn quick monetary rewards (“study was useless”). Equally important, their schooling decisions (and their capacity to choose a higher education route) were also elite, compared to the major social choices.

Since 1949, education has been a consistent focus of China’s national goals for development. The Cultural Revolution (CR) was a major interruption in the country’s education as college curricula were cut in half. Since the end of the CR in 1976, the education system has stepped up towards economic reforms after Deng Xiaoping’s modernization strategy provided the demand and justification. Party leaders in the early 1980s came up with the idea that China should have a university enrolment number of at least two million students according to its size.²⁴ The aim of education for modernization overrode everything and the country’s education system achieved this target in 1988:

Table 1.3 Higher education enrolment number

Year	Number of universities	Total student enrolment number	Teacher/Student ratio in universities
1977	598	856,322	0.241
1979	633	1,019,950	0.232
1980	675	1,143,712	0.216
1981	704	1,279,472	0.195
1982	715	1,153,956	0.249
1983	805	1,206,823	0.251
1984	902	1,395,656	0.226
1985	1016	1,703,115	0.202
1986	1054	1,879,994	0.198
1987	1063	1,958,725	0.197

²⁴ Yang Yi, “Tiananmen Square Protest and College Job Placement Reform in the 1980s”, *Journal of Contemporary China*, Vol 23(88) 2014, 739.

1988	1975	2,065,923	0.19
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Source: State Statistical Bureau, China Statistical Yearbook. (Beijing: China Statistical Press, 1990).

However, these statistics do not deny the fact that the university entrance examination system restored after the CR was accessible only by a tiny minority of the population. Seeberg documents that university/college student population was largely urban youth from the middle classes during the Nationalist period while during the Communist era, the population was mainly made up of the children of government cadres and intellectuals with a limited number of working class and peasantry young people finding entry in this system. Even after a decade of rapid expansion of the 1980s, the national age cohort participation was still estimated to be around 2% in 1990.²⁵

The World Bank in 1986 urged China to consider a more drastic expansion of its higher education system towards the threshold of mass higher education, i.e. 15% of the age cohort of young people between the age of 18 and 22 for the year of 2000.²⁶ However, the Chinese government resisted such outside policy advisories with a plan to stabilize enrolment size, partly a reaction to the Tiananmen events, for fear that further expansion would contribute to greater political unrest. As a result, the ratio of Chinese population aged over 15 becoming a college student was only gradually going up, to 3% in 1997, 4% in 2000 and 7% in 2006.²⁷

Furthermore, according to the population censuses done by the Chinese government, only 6.4% of the cadres working in government/CCP/NPC/CPPCC possessed university education

²⁵ Vilma Seeberg, "Access to Higher Education: Targeted Recruitment Reform under Economic Development Plans in the People's Republic of China", *Higher Education*, 25(3), (March 1993), p.178.

²⁶ World Bank, *China: Management and Finance of Higher Education*. Report Number 5912-CHA, Projects Development, East Asia and Pacific Regional Office, (1986), p.11.

²⁷ Zeng Xiaodong, et al. *Zhongguo jiaoyu gaige 30nian: guanjian shuju ji guoji bijiao juan* (30 Years of Education Reform in China: Key Stats and International Comparison), (Beijing Normal University Press, 2009), p.21.

in 1982 and this figure only mildly increased to 6.6 % in 1990.²⁸ Therefore, it is fair to conclude that 56.78% of the people in the elite population and 53.24% of the non-elite sample chose to go to college at a time when going to college was not a preferable, popular and affordable option under the circumstances that only a tiny minority of the young people in the same age cohort nationwide were willing and could afford to go.

²⁸ See: National Bureau of Statistics. *1982 and 1990 Population Consensus of China*. (Beijing. China Statistics Press).

1.3 Humanities and social science subjects

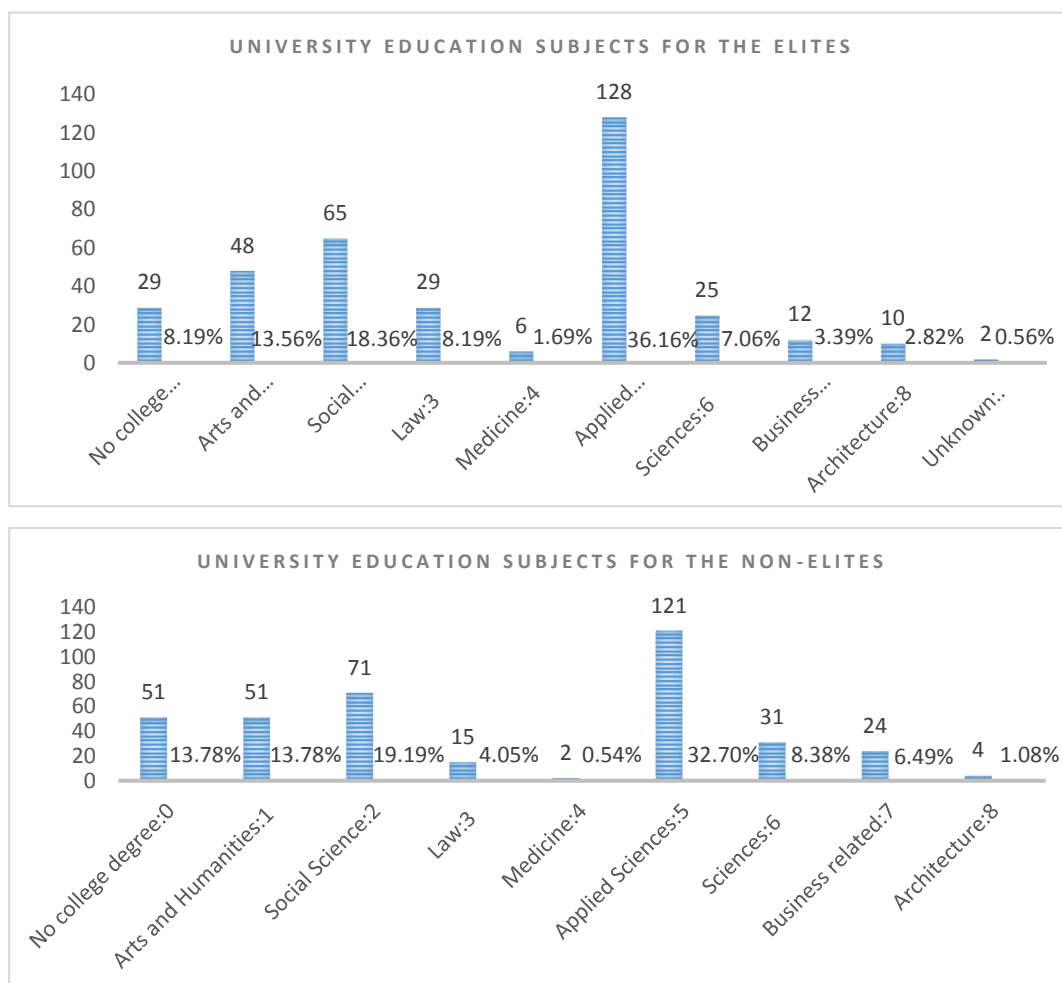
What about the elites and the non-elites' college subject choices, comparing to the national average? The importance of college subject has been highlighted by economists. For instance, as Kirkeboen et al have demonstrated, different fields of study have substantially different labor market payoffs, after accounting for institution and peer quality. And the effect on earnings from attending a more selective institution tends to be small compared to payoffs to fields of study.²⁹ Research have also demonstrated that education subject mismatch (when a job does not utilize the skills an employee has acquired during education) could affect human capital development and lower job satisfaction.³⁰

Adding to these findings, this thesis will not focus on income as a dependent variable but on education subjects' effects on securing accelerated promotions. For both the elite population and the non-elite sample, around 40% of each chose to pursue humanities and social science degrees in politics, economics and law (40.11% of the elite population vs 37.02% of the non-elite sample), against the prevailing Party neo-Stalinism emphasis on the importance of big science and high technologies to rebuild the country (only 43.22% of the elite population studied applied and hard science degrees including engineering vs 40.45% of the non-elite sample who did the same – as calculated by the author using the gathered statistics):

Figure 1.3 University education subjects for the elites and the non-elites

²⁹ Lars Kirkeboen, Edwin Leuven and Magne Mogstad. "Field of Study, Earnings, and Self-Selection". *The Quarterly Journal of Economics* (2016), 1057–1111.

³⁰ Briana Stenard and Henry Sauermann. "Educational Mismatch, Work Outcomes, and Entry Into Entrepreneurship". *Organisation Science*, 2016, <http://dx.doi.org/10.1287/orsc.2016.1071>.



These unusual moves were set against the contrasting backdrop that the largest majority of university students (by enrolment number) were reading science/engineering degrees, despite the fact that this large majority dropped from an overwhelming 92% in 1977 to 82% in 1988.³¹

Other findings suggest that engineering was the number two national choice for the 1980s after teacher training, and if combined with science, it would take the number one spot while interests in arts/humanities went up with a total 3.2% for the whole 1980s on average:

Table 1.4 Percentage of university graduates by field of study nationwide

Subject/Year	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Engineering	30.12	8.7	37.7	33.2	34	31	30.4	29.3	31.4	32.4
Agriculture	2.73	5.7	7.12	5	5.4	5.5	5.6	5	4.5	4.4
Forestry	0.85	0.7	1.2	0.8	1	1	1	0.94	0.9	0.93

³¹ Zhao Dingxin. *The Power of Tiananmen: State-Society Relations and the 1989 Beijing Student Movement*. (Chicago: University of Chicago Press, 2001), p.82.

Medicine	12	6.8	5.7	16.5	11.1	9.2	7	6	6.9	6.7
Teacher training	42.24	74.1	28.31	26.9	29.6	29.7	29.9	30.7	32.4	31.7
Humanities	4.24	0.9	6	5.3	5	7.1	8.8	9.3	6.3	5.6
Science	5.74	1.4	8.9	6.3	6.2	5.9	5.5	4.6	4.6	4.7
Economics	0.86	1.5	2.9	4	5.2	7.6	8.3	10.14	9.3	9.8
Politics and Law	0.07	No Data	0.2	0.9	1.1	1.7	1.9	2.4	2.3	2.3
Physical Education	0.69	0.05	1.2	0.81	0.8	0.8	0.9	0.8	0.7	0.7
Arts	0.41	0.2	0.7	0.37	0.5	0.52	0.6	0.8	0.72	0.7

Source: China Statistical Year Book 1991 – Percentage calculated by the author according to the Book's raw numbers

Social sciences subjects in economics, politics and law also demonstrated an upward trend to attract student interests from less than 1% in 1980 to slightly less than 10% in 1985 and around 12% in 1989, but they still only registered less than 4% of national student interests on average for the whole decade. This statistics is in sharp contrast with the fact that 40.11% of the elite population studied social science while 37.02% of the non-elite sample did so as well. Zhao Dingxin even finds that in the 1989 demonstration, social science and humanities students were over-represented among movement leaders: twenty one student leaders were on the most wanted list of the Public Safety Ministry, 66.7% of them majored in social science subjects.³²

So why did many in the population and the sample choose to study these non-mainstream subjects in hard-earned college places? Was it because of the top leadership's shifting emphasis to a deeper commitment to social science/legal/humanities thinking for the benefit of the country's future bureaucratic governance? For instance, it would be highly problematic to assume that a top leader's legal education can guarantee a genuine commitment to the law and thus contribute to the rule of law as part and parcel of that country's governance. But it would be also too simplistic to overlook the importance of the occupational and education composition of governing elites. For instance, in a given country the rise of lawyers often parallels socio-

³² Zhao Dingxin. Ibid, p.83.

political and legal transformation. The strong representation of lawyers in democracies around the world is arguably an essential component of a democratic political system. An important theoretical proposition in Western social science literature on political elites is that the occupational identities of political leaders usually have some bearing on other characteristics of a country's political system.³³

Several of my interviewees offered interesting insights as one elite bureaucrat told me that choosing to study social science was an easy decision for him because competition to study engineering and science subjects through the national college entrance examination was much fiercer at the time when China still used an examination system of three compulsory subjects of Chinese, mathematics and a foreign language while students got to choose another two tests in either sciences or liberal arts (in Chinese schools, liberal arts include social science subjects):

During my high school years, a student cohort was usually divided into six classes with only one class preparing for liberal arts (文科) subjects in politics, history and geography while the other five opted to do physics, chemistry and biology (all of the classes had to do compulsory subjects of Chinese, mathematics and a foreign language such as English/Russian). I was not good at numbers so I chose to do liberal arts. This was a good decision for me as the competition to study liberal arts subjects in college was much less fierce when only high school students who studied liberal arts subjects were encouraged to apply. Most of my schools' top students chose to do sciences and engineering in college so they must study hard subjects including physics, chemistry and biology.³⁴

Others chose to study social science and humanities for different reasons as one elite told me that choosing to study social science was the best decision of his school years:

Choosing to study politics lighted up my understanding of how society is and should be better governed and I never regretted my high school and college subject decisions. I was one of the top students of my high school cohort and when I decided to do liberal arts, most of my teachers tried to persuade me to do sciences and even my parents joined their rank. But I had the final word and this was one of the best decisions I ever made. The option of being able to choose to study non-engineering and science subjects (理科) in college was a new thing in my high school time when the country reiterated the importance of studying liberal arts to help build up the country's upper

³³ For example, see Robert D. Putnam. *The Comparative Study of Political Elites* (New York: Prentice Hall, 1976).

³⁴ Elite interviewee number 19.

infrastructure in Marxist term after the crusade against intellectuals in the Cultural Revolution era.³⁵

Another elite bureaucrat spotted the good career prospect offered by liberal arts subjects in college when China needed social science students to help with its intellectual modernization:

When I was in high school, my parents sensed that China at the time needed more than engineers and scientists to help the country prosper. Economists, political scientists and lawyers were in sharp shortage and studying law seemed to be an unconventional yet promising option in terms of its career prospects. These choices were outlier and non-majority options but I listened to their advice. When I joined the government after graduation, I found Party secretaries in my unit enjoyed talking to social science graduates as we could offer them something new and refreshing and we could also provide better speech drafting service. We were deemed as more flexible and less rigid in our skills and mind-sets, as compared to nerdy science and engineering graduates.³⁶

In sum, these non-mainstream schooling and subject choices have reflected the remarkable elite transformations China has witnessed over the past three decades. These transformations are not only generational, but also occupational and educational. Communist revolutionary veterans with peasant and soldier backgrounds comprised the first and second generations of the CCP leadership, while engineers-turned-technocrats made up the third and fourth generations.³⁷ A technocrat is usefully defined as a bureaucrat who concurrently holds specialised training in engineering (applied sciences) or natural science and a science/engineering-related job, often in a senior position. Both the fifth generation that has now begun to run the country and the emerging sixth generation covered by this chapter consist of many senior figures who are trained in political science, economics, law, arts and humanities.

The CCP rose to power as a military organisation. During the late 1920s and early 1930s, a large number of poor peasants, many illiterate, joined the Red Army and the CCP. Some formed the ruling elite—the first and second generation of the leadership—of the PRC after the Communist victory in 1949. Therefore, for the first three decades of the PRC regime, the

³⁵ Elite interviewee number 1.

³⁶ Elite interviewee number 13.

³⁷ Li Cheng, *Ibid*, *China's Leaders*, pp.1-24.

educational background of Party cadres was very poor.³⁸ In 1955, for example, only 5% of the high-ranking officials held a junior high school education or above.³⁹ As North and Pool have shown, there was a complete absence of specialists, such as engineers, on the CCP Central Committee during the period of the Communist takeover.⁴⁰ This limited occupational composition of the political elites remained largely intact in the PRC until the “technocratic takeover,” which was initiated by Deng Xiaoping in the 1980s. As Li Cheng has well documented, in the 1980s and 1990s, China experienced a rapid “technocratic turnover” in the State/Party top leadership. But over the past few years in the 2000s, the country has witnessed an equally rapid decline of technocrat representation on various levels of the civilian leadership.

The fifth generation of leaders—leaders who were born in the 1950s—constitute a majority of the current Central Committee. In contrast to the third/fourth generation of leaders, most of whom completed their college education (often in engineering or natural sciences) prior to the CR, members of the fifth generation were elementary and middle school students during the CR—a period when the Chinese school system was largely paralyzed and students engaged in political campaigns and ideological indoctrination in place of academic studies. Deprived of the opportunity for formal schooling, fifth-generation leaders belong to the so-called lost generation. This age cohort suffered extraordinary hardships during adolescence, with many having been forced to work in the countryside as farmers, thus also acquiring the title “sent-down youths.”⁴¹ As a result of Deng Xiaoping’s policy initiatives, in 1977, China resumed the

³⁸ Paul Wong, *Chinese Higher Leadership in the Socialist Transition*. (New York: Free Press, 1976).

³⁹ Franz Schurmann, *Ideology and Organisation in Communist China*, 2nd enlarged edition. (Berkeley: University of California Press, 1968), p. 283.

⁴⁰ Robert North and Ithiel Pool, *Kuomintang and Chinese Communist Elites*. (Stanford: Stanford University Press, 1952).

⁴¹ Helena Rene. *China's Sent-Down Generation: Public Administration and the Legacies of Mao's Rustication Program*. (Georgetown University Press, 2013).

use of college entrance exams. Many fifth-generation leaders entered college at that time, when they were in their mid- or late 20s. They majored in a wide range of newly resumed or established academic disciplines rather than concentrating on engineering and the natural sciences as the third- and fourth-generation leaders had done.

As some scholars argue, the era of technocratic dominance of power is coming to an end in China, as those fifth-generation leaders trained in social sciences and law have now moved to the centre stage of Chinese politics (full members of the Central Committee who were trained in the social sciences increased from 5.6% in 1997 to 38.2% in 2012, while those who held law degrees increased from 1.7% to 14.1% in the same period.).⁴²

The sixth-generation of leaders as studied by this thesis is likely to continue this new trend of social science/law/humanities training when 40.11% of the elite population and 37.02% of the non-elite sample majored in such subjects. And this new trend is particularly striking because, throughout the history of the PRC, people trained in social sciences have been marginalized and have occasionally become political targets. Jiang Zemin's well-publicized 2002 visit to Renmin University of China, a school renowned for programs in social sciences and humanities, apparently contributed to this dramatic shift in elite recruitment and promotion thinking. During his visit to this school, Jiang explicitly stated that in the future, "Chinese social scientists should be valued as highly as natural scientists."⁴³

In short, in the sixth generation, compared with the fifth generation, an increasing proportion of these elite individuals have studied social science and humanities subjects which confer more

⁴² Li Cheng. "The rise of the legal profession in the Chinese leadership", *China Leadership Monitor* (at the Hoover Institution), No.42, pp.1-26.

⁴³ See the comment from People's Daily online edition at: <http://www.people.com.cn/GB/shizheng/16/20020428/719838.html>, accessed in Sep 2014.

general skills and are associated with better language mastery. Western scholars often tend to believe that graduates in the humanities and the social sciences are seen to be more politically open and liberal than technocrats.⁴⁴ However, in China's situation, such beliefs have found no firm ground. One senior college professor in China told me that these liberal arts subjects can still be regarded as politically conservative despite their relative unpopularity in the 1980s:

Chinese political science/public administration studies were very different from their Western counterparts because they still claim to represent the interests of the Party above anything else. Students reading for such subjects were often regarded as politically acute, correctly indoctrinated, and loyal to communist ideals; many of them had high political ambitions and were suspicious of Western democratic theories and practices.⁴⁵

⁴⁴ For such type of discussion from a western perspective, see Diego Gambetta and Steffen Hertog. *Ibid*, 2016.

⁴⁵ A citizen interview conducted in Beijing with a college professor on 15 Feb 2016.

2. The politics of joining the Party before/in college

Earlier sections demonstrate that the majority of the people in the elite population and to a lesser extent the non-elite sample, chose a non-majority option to go to college at a time when university education was neither a popular nor an affordable option under the circumstances that only a tiny minority of the young people in the same age cohort nationwide were willing and could afford to go. *This section further argues that these elites' unconventional decisions continued when they entered university as more than half of the elites joined the CCP during college time, as compared to the 2-3% of college students nationwide who were able and willing to join the Party in the 1980s, signifying the elites' readiness and capacity to play around the Party hierarchy to enhance their promotional chances.*

Market transition theorist' rational behaviour presumption assumes that people join the Party, primarily to enhance their career prospects rather than for political or ideological reasons (this perspective would be examined in detail). At the same time, the CCP also seeks support from the people it relies on for the success of its economic reform agenda.

Indeed, throughout the history of the CCP, a key focus of the Party's organisational work has been Party building – recruiting new members and managing their activities. As Dickson recounts, during the Maoist era, recruitment was targeted at “reds” and “experts” at different times: during Mao's mass campaigns, the CCP recruited new members who could demonstrate their support for the campaigns' goals, but during periods after the campaigns ended, the Party was in favor of more professional and technically trained people. In the market transition era after Mao, the CCP shifted its objectives from class struggle to economic development, and changed its recruitment strategy to reflect this new economic goal. Beginning in the 1980s, it

adopted the “four transformations” (*ganbu sihua* 干部四化) policy for recruiting new members after Deng Xiaoping’s urgent calling in 1980: it sought people who were revolutionary(革命化), young(年轻化), intellectual(知识化), and professional(专业化).⁴⁶

Dickson argues that in practice, the importance of being revolutionary was downplayed in favor of the other three transformations.⁴⁷ This change in recruitment strategy also entailed a change in how the CCP screens applicants for political loyalty. In the past, the CCP recruited people in their late 20s and 30s, by which point the Party organisation had opportunities to evaluate not only their socio-economic background but also their work performance.

In the new era to recruit the young, it was college students, not graduates, who were targeted for recruitment. They must be judged on their potential for loyalty, rather than their demonstrated loyalty. Those in charge of recruitment could still use some of the traditional indicators of loyalty (for example, one’s participation in the Communist Youth League), but have little information on whether student recruits will be loyal Party members.

Therefore, as some scholars have demonstrated, the CCP encountered difficulty recruiting young talents in the 1980s and 1990s even at a time when there were more college students and graduates to choose from.⁴⁸ In this period of tremendous economic, social and demographic transition, tens of millions of people made job shifts due to SOE reform and the expansion of the private sector. Under these conditions, the advantages of Party membership were not readily apparent. In addition, the state’s brutal response to the 1989 demonstrations in Tiananmen

⁴⁶ CCP Party Literature Research Office. *Selected works of Deng Xiaoping*, 1995 edition, Vol2, p.236. (In Chinese)

⁴⁷ Bruce Dickson. “Who Wants to Be a Communist? Career Incentives and Mobilized Loyalty in China”. *The China Quarterly*, 2014(217):42-68.

⁴⁸ Hiroshi Sato and Keiya Eto. “The Changing Structure of Communist Party Membership in Urban China, 1988–2002”. *Journal of Contemporary China*, 2008, 17(57):653-672.

Square disillusioned many students towards working for the CCP bureaucratic machine.

This section finds that in the 1980s and early 1990s, according to surveys, a large majority of college students on campus did not want to join the Communist Party as they calculated that early Party membership might constrain their pursuits of individual economic ambitions (political virtue was often considered irrelevant regarding job searches when becoming a Party member entailed lots of work to do including countless study sessions of Party policies, voluntary work, frequent self-evaluations on work and non-work activities, etc.) while Party leaders had also been reluctant to recruit these new youths.⁴⁹ One senior official who once occupied a key position in the Organisation Department of the CCP told me that leaders did not like fresh college graduates who were regarded as nerdy bookworms (书生气太重): “They have no practical understanding of how the world really works”.⁵⁰ Therefore, in 1980, the percentage of Party members among the 1.28 million college students was 3.8%; the figure dropped to 1.9% in 1982 and climbed to 2.5% in 1983.⁵¹ And in 1990 after the Tiananmen crackdown, only 1.2% of college students were Party members.⁵²

It is also interesting to compare this low Party member/student ratio to Party member/general Chinese population ratio to demonstrate the selective and exclusive nature of the CCP membership recruitment process when the percentage of the Chinese population who were Party members was on average 4% in the 1980s (0.8% in 1949 – 1.6% in 1956 – 2.7% in 1969 – 3.7% in 1977 – 3.9% in 1982 – 4.2% in 1987 – 4.4% in 1992 – 4.9% in 1997), steadily rising

⁴⁹ Stanley Rosen, “The Impact of Reform Policies on Youth Attitudes”, in Deborah Davis and E. Vogel, eds., *Chinese Society on the Eve of Tiananmen*. (US: Harvard University Press, 1990), pp.292-294.

⁵⁰ Elite interviewee number 4.

⁵¹ Hong Yung Lee, *From Revolutionary Cadres to Party Technocrats in Socialist China*. (University of California Press, 1991), p.295.

⁵² Andrew Walder, “The party elite and China’s trajectory of change” in *The Chinese Communist Party in Reform*, ed. Kjeld Brodsgaard and Zheng Yongnian. (London: Routledge, 2006), p.23.

to 5.47% in 2007, but still, open only to a very small percentage of the total population.⁵³

The fact that in the 1980s, college students' acceptance rate into the CCP was mostly lower than the general population's acceptance rate to the Party confirms this dual political selection process on campuses in the 1980s when Party membership was not that attractive and unavailable to many of the highly educated while the Party did not like fresh graduates either.

Dickson adopts data from a nationwide probability sample of urban areas in China to analyze the broad trends in Party recruitment. The survey encompassed a total of 3,874 respondents, including both long-term residents and recent migrants. He finds that the average age when joining the CCP for respondents who turned 16 between 1979 and 1991 (the same age cohort as the elites and the non-elite sample) was over 25, well after they graduated from schools.⁵⁴

However, the majority of my elite population joined a political Party in college (56.94% of the elites and 20.81% of the non-elites joined a Party in college and more than 80% of the elites and over 90% of the non-elites are CCP members. It is important to compare these statistics with the single digit percentages of the general Chinese population and of the Chinese college student population who managed to join the CCP), showing strong capacity to use the "Party card" to receive future benefits,⁵⁵ as Shirk suggests, one had to be a political activist to get nominations by Party secretaries within schools to join a Party.⁵⁶

⁵³ Source: Sun Yingshuai, "Zhongguo gongchandangyuan shuliang yu jiegou bianhua ji fazhan qushi"(The trend and structure of CCP membership change), *Journal of Beijing Administrative College*, Vol 5 2009, pp.28-31.

⁵⁴ Dickson, *ibid*, 2014, p.46.

⁵⁵ For instance, Zhou Xueguang's stratification political dynamics model also talks about the importance of combining education credentials with political loyalty to appeal to the Party's changing taste in the reform era: Zhou Xueguang, "Political Dynamics and Bureaucratic Career Patterns in the People's Republic of China, 1949-1994", *Comparative Political Studies*, 34, 2001, pp.1036-1062.

⁵⁶ Susan Shirk. *Competitive Comrades: Career Incentives and Student Strategies in China*. (London: University of California Press, 1982).

So what can be the possible explanations for such a contrast? When several of my interviewees reflected on their CCP membership application and admittance process during college, they offered mixed reflections. An elite official told me that when he was studying in university in the 1980s, applying for a CCP membership was neither easy nor straightforward:

You had to win the support of your department's Party secretary and then s/he will apply for the membership on your behalf to the university's Party committee. This process can take more than a few months as the vetting process involved background check, face-to-face interviews as well as behaviour monitoring. You had to attend all the Party committee meetings of your university. These meetings took a lot of study and spare time and not every student was dedicated and determined enough to go through such a lengthy process. After attending countless Party committee meetings with a 7-month wait, I finally got accepted to the Party.⁵⁷

Another elite bureaucrat offered his account by stating that joining the CCP during college time was a challenging enterprise in a world of nepotism and favouritism:

My department's Party secretary would not recommend everyone for Party membership. He investigated what we could offer in return. It was hard to assess political loyalty so we had to show our loyalty to him with gifts on several occasions or helping his kid do his homework. Academic credentials no longer mattered that much when nepotism and favouritism were high on campus.⁵⁸

Another non-elite bureaucrat was more blunt:

Getting a Party membership in the 1980s was not an attractive business for most college students because it was reserved for those with high political ambitions. At the time, almost everyone was interested in making quick money so becoming a cadre was no longer the most attractive career path. In my university, getting into the government was not even an attractive or interesting career option so none of my classmates applied for such a membership. They did not see any advantage that a Party membership could offer for their careers in return for much of the boring work of attending Party committee meetings or bribing Party secretaries.⁵⁹

Because the process of securing Party membership was not transparent, many students were turned off from even trying to apply when a non-elite bureaucrat offered his experience:

When I was studying in university, very few students intended to apply for a CCP membership. First, not everyone was really interested in political credentials when almost everyone on campus was doing their own business to earn cash. Attending Party meetings and performing Party duties took a lot of time and most students were put off by this. Second, most students did not even bother

⁵⁷ Elite interviewee number 8.

⁵⁸ Elite interviewee number 10.

⁵⁹ Non-elite interview number 2.

to apply for such a membership because they believed they would never get it due to nepotism.⁶⁰

Several social surveys at the time also offered a glimpse of student attitudes towards the CCP membership application: in one Beijing university in 1989, 90.7% of students said they had no interest to apply for CCP membership and 66.5% of students expressed no interest in any CCP/CYL activities.⁶¹ But an elite interviewee offered a practical cause for joining the Party:

I came from a poor family in rural Zhejiang and I had no helping hand for my career. Joining the Communist Party was the only opportunity I had to succeed in a world of *Guanxi*. I had to fall back on some big trees like the CCP (大树底下好乘凉 - Great trees are good for nothing but shade) as a man's career is assured if he has influential friends or under the protection of people of power.⁶²

⁶⁰ Non-elite interviewee number 11.

⁶¹ Chan Che-po. "The political pragmatism of Chinese university students: 10 years after the 1989 movement", *Journal of Contemporary China*, 1999(8):22, p.398.

⁶² Elite interviewee number 2 and his experience was shared by non-elite interviewee number 4 as well.

3. The psychological state of students in the early reform era

The literature on the post-communist market transition contends that with the collapse of socialist institutions and the communist Party at its center, ex-Party members keep their advantages because informal institutions survive and because they have converted their Party-membership into more resilient resources.⁶³ Even those who entered this debate from the other side, disputing the persistence of Party advantages, argue from an institutionalist perspective.⁶⁴ Gerber offers an alternative explanation. He asks us to recognise that that some individuals may have attributes in social-psychological factors such as ambition, career-mindedness, a knack to submit to organisational principles, or a penchant for organisational work that help them succeed—regardless of institutional settings, without gainsaying the importance of institutional analysis. This opens a psychological perspective on the post-communist transition debate.⁶⁵

Therefore, in this section, it is useful to travel into the elite population and the non-elite sample's psychological mind-sets to understand why they chose an almost counter-intuitive route to pursue further education opportunities and related political credentials when the CCP tried to convince a citizenry that the economy in transition in the 1980s offered a variety of new education, career and life chances, unlike the CR era when the education system and political establishment were more severely disrupted.

Distinguished political philosopher Isaiah Berlin once made an important distinction

⁶³ For instance, see Jadwiga Staniszkis. *The Dynamics of Breakthrough in Eastern Europe: The Polish Experience*. (University of California, Berkeley: 1991). & Akos Rona-Tas. "The first shall be last? Entrepreneurship and Communist cadres in the transition from socialism," *American Journal of Sociology*, 1994(100): 40–69. & Eric Hanley, et al. "Old wine in new bottles? The circulation and reproduction of Russian elites, 1983–1993," *Theory and Society*, 1995(24): 639–668.

⁶⁴ For a summary of such debates, see Yang Cao and Victor Nee. "Comment: Controversies and evidence in the market transition debate." *American Journal of Sociology*, 2000(105):1175–1188.

⁶⁵ Theodore Gerber. "Membership benefits or selection effects? Why former Communist Party members do better in post - Soviet Russia". *Social Science Research*, 2000, 29 (1): 25 – 50.

between “negative liberty” and “positive liberty.” Negative liberty is “freedom from”—freedom from constraint, freedom from being told what to do by others. Positive liberty is “freedom to”—the availability of opportunities to be the author of your life and to make it meaningful and significant.⁶⁶ A large amount of work opportunities in the 1980s opened up in China. But did the elite population and non-elite sample enjoy both negative and positive liberty to choose their own life courses, especially in education, compared with the CR era?

This section argues that in the 1980s, when the government gradually opened up the market, they provided Chinese citizens with negative liberty one step at a time, as can be seen from the education and job market policy changes over the years: more and more people got greater say in choosing their education paths and work destinations, compared with the CR era. However, this did not mean that Chinese citizens got positive liberty in the 1980s.

At least for the population and the sample, most were not trying to seize those newly opened opportunities brought by the market as market transition theorists like Nee would like to presume under a rational choice framework, but were more likely to accept stable education and career routes, created by the state as they believe those new economic opportunities were too risky to bear due to China’s past turmoil brought by shifting state policies, in contrast to the general population’s mainstream decisions to chase more immediate economic benefits as demonstrated in the earlier sections.

Before Deng began to reform China, the “default” options on every facet of life were so powerful and dominant that few perceived themselves to be making choices. In rural settings, as Baum argues, the impact of the CR on villages was mainly indirect. The vast social

⁶⁶ Isaiah Berlin (1958) “Two Concepts of Liberty.” In Isaiah Berlin. *Four Essays on Liberty*. (Oxford: Oxford University Press, 1969).

movements that convulsed China were centered in the cities. Red Guard and Revolutionary Rebel factions were composed mostly of students and urban workers. But the unrest of the cities inevitably spilled over into the countryside. Urban youth who had been sent down to the countryside in the early 1960s caught the revolutionary fever and organized Red Guard factions in their villages. City people seeking to escape the turmoil of the CR fled to visit their relatives in the countryside.⁶⁷ And as Madsen well summarizes, the most important effect of this brush with anarchy was not political but psychological when the CR reinforced for peasants “the traditional idea that the outside world was a dangerous place and that strangers, especially representatives of the central government, were to be feared and avoided rather than trusted”.⁶⁸

With the relative economic freedom in the late 1970s, disparities between rich and poor expanded. Unlike the old landed elites, new rich peasants mainly made their money not from land rents but through commercial activities, e.g. monopolies in services such as trucking could sometimes be obtained through special relationships with cadres in charge of issuing licenses for them. Thus, the new opportunities to get rich brought new chances to become poor.

In urban settings, the situation was worse. Initially the CR movement brought with it unprecedented freedom. Many young urbanites found themselves called up by Chairman Mao to act as the vanguards in a new revolution and found the rewards of activism exciting.

They were no longer required to study long hours and submit to school disciplinary rules, so they took control of their own schools, drafted new rules, forced teachers and administrators to

⁶⁷ Richard Baum, "The Cultural Revolution in the countryside: anatomy of a limited rebellion," in Thomas W. Robinson, ed., *The Cultural Revolution in China*. (Berkeley: University of California Press, 1981), pp. 347-476

⁶⁸ Richard Madsen. "The countryside under communism" in Roderick MacFarquhar and John Fairbank, ed. *The Cambridge History of China. Vol 15, The People's Republic, Part 2*. (USA: Cambridge University Press, 1991), p.661.

submit to humiliation. They were suddenly pushed into positions of freedom and power. And it proved difficult to restrain young energies once they had been unleashed. But the mood of relative security and trust was increasingly replaced by feelings of arbitrariness and anxiety as the scope of the struggle became broader, with many including some Red Guards who had assumed they were immune from political danger suddenly finding themselves under attack.⁶⁹

This meant that previous rules and procedures by which people had guided their lives were no longer valid, and they often felt adrift in unpredictable political waves. Nepotism and back-door dealing led by cadres were high in the 1970s and people were disillusioned with political institutions. Equality was being promoted mainly by taking away the advantages enjoyed by various privileged groups in urban areas, thus bringing them down closer to the level of other urbanites. Thus, the groups that suffered were upset, while those at the lower end of the urban hierarchy saw little improvement in their lives.⁷⁰ Young people were initially very energetic in the 1960s. But when the sent-down movement began to take shape, more than 17 million urban youths shared this fate. The school systems were heavily disrupted and youths could not go directly from middle school to the university, and most were sent to the countryside after graduation. Given the lack of a correlation between academic performance and future assignment, urban students felt they had little reason to study hard or behave themselves.⁷¹

The government tried to turn a new page in the late 1970s so that individuals would once again feel relatively safe from political victimisation, trust the equity and efficiency of their

⁶⁹ Martin Whyte. "Urban life in the People's Republic" in Roderick MacFarquhar and John Fairbank, ed. *The Cambridge History of China. Vol 15, The People's Republic, Part 2.* (USA: Cambridge University Press, 1991), p.717.

⁷⁰ Martin Whyte, *ibid*, p.723.

⁷¹ Thomas Bernstein. *Up to the Mountains and Down to the Villages.* (New Haven: Yale University Press, 1977).

political institutions, and respect the authority of the Party and the state: urban youth no longer had to go to the countryside; exam competition and direct entry from middle schools to universities were restored; expression of individual preferences and career aspirations was allowed; the previous efforts to ban private enterprise entirely were repudiated, and large numbers of privately run service facilities and collective firms began to spring up and to absorb the majority of the young people being employed for the first time.

Many people felt that improvement in their lives was long overdue but that, in implementing changes, some people were selected for privileges and others were not, giving rise to much envy and resentment. Throughout urban China in the late 1970s and into the 1980s, and particularly in the largest cities, there were signs of a widespread authority crisis.

Students objected to required political courses, and public opinion polls showed that among young people, scepticism about socialism and intense resentment of the privileges of the elites were high.⁷² Given the events of recent turmoil, many urbanites regarded politics as an unpredictable and dangerous realm that should be avoided if at all possible so that they concentrated their attention to seek quick monetary returns. Whereas in the 1950s and early 1960s individuals competed to display their activism to the CCP, and by the end of the 1970s it was often the activists who felt isolated.

The newly reformed school system reoriented most urban students to aim towards college enrolment and subsequent work as an expert. Official policies helped create this situation by praising the contributions of experts and threatening poorly educated political cadres with demotion; this act created a new group with a strong grievance when thousands of individuals

⁷² Martin Whyte, *ibid*, p.733.

who had made names for themselves primarily through their political activism felt their status threatened. Efforts to revive at least partly the emphasis on political work and the virtues of “redness” in the early 1980s were then designed to placate the feelings of this group.⁷³

But many life opportunities remained opaque for most people and job mobility was still very static. More importantly, there were so many risks and uncertainties involved in those new potential economic opportunities. So the elites and the non-elites did not follow the mainstream paths to chase such immediate monetary benefits. One non-elite cadre interviewee told me that the constant changes of political winds made him bewildered when choosing his education path:

I was from the countryside, deciding whether to pursue college education when the government was calling on us to learn new skills and help the country move forward. However, I was not really trusting the government as they experimented waves of policies that might be repudiated when new leaders came in. We had seen this type of drastic fluctuations of policies and political campaigns in the past. I did not feel that I had many options in education or job opportunities at all, unlike what the government claimed. So I chose a “risk free” path at the time, focusing on getting some useful skills from a vocational school to improve my living wages. I then worked for a township enterprise, moving my way up the ladder, before eventually joining the government. For Party membership, I only joined the CCP when I joined the government because I did not believe joining it would bring me any advantages for my township enterprise career.⁷⁴

Then another elite cadre told me of his different experience in the 1980s:

I was from a middle-class urban family and chose to attend university. I thought my decision was a safe bet when the college job placement system could help me locate a good and stable job just as the government was calling us college students to contribute to China’s modernization drive. I did not trust that the other options presented such as becoming a private enterprise owner or working for a joint-venture were long-term and beneficial options so I did not choose the vocational school route for bigger and quicker money. I also joined the Party during college to show my enthusiasm for this grand drive and vision.⁷⁵

Psychologists told us that a way of easing the burden that the relative freedom of choices brings is to make decisions about when to make decisions. These are what Cass Sunstein and

⁷³ Martin Whyte, *ibid*, p.734.

⁷⁴ Non-elite interviewee number 1.

⁷⁵ Elite interviewee number 17.

Edna Ullmann-Margalit call “second-order decisions”.⁷⁶ One kind of second-order decision is the decision to follow a rule. If buckling your seat belt is a rule, you will always buckle up. So by using rules, presumptions, standards, and routines to constrain ourselves and limit the decisions we face, we can make life more manageable.

In making an education or political choice, someone will have to ask himself/herself several hard questions. Is s/he willing to trade off quick salary for advancement opportunities provided by a college degree? Or is s/he willing to trade his/her precious study time to become a Party member during college to advance his/her potential political career? Part of the downside of seemingly abundant choice is that each new option adds to the list of trade-offs, and trade-offs have psychological consequences. People find decision making that involves trade-offs so unpleasant that they will clutch at almost anything to help them decide.

So in the 1980s, many people in the population and the sample followed the orders of the CCP, or the rule of the game, that is concentrating on the “red and expert” political route, in contrast to the general population’s mainstream decisions to chase more immediate economic benefits as earlier sections have demonstrated. One elite told me:

I was so perplexed by the new coming up opportunities so I decided to follow state guidance to choose my education path. At the time, the government called us to contribute to the modernization drive and become red expert. We took it as a rule of the game as it could be a risk free option despite the recent political upheavals.⁷⁷

Another reason for risk aversion is regret aversion. We have seen that two of the factors affecting regret are 1) personal responsibility for the result. 2) how easily an individual can imagine a counterfactual, better alternative. The availability of choices obviously exacerbates both of these factors. When there are no options, what can you do? Disappointment, maybe;

⁷⁶ Cass R. Sunstein and Edna Ullmann-Margalit, Second-Order Decisions, 110 *ETHICS* 5 (1999).

⁷⁷ Elite interviewee number 5.

regret, no. When there are many options, the chances increase that there is a really good one out there, and you feel that you ought to be able to find it. When the option you actually settle on proves disappointing, you regret not having chosen more wisely.⁷⁸ One non-elite recounted such experience to me:

Initially I did find the experience of being able to choose my education path more flexibly than in the Cultural Revolution era encouraging. But at the end of the 1980s when I had to make a choice between pursuing higher education for an uncertain future in a few years' time or becoming an engineer to earn a good-enough salary right away with a just vocational school diploma, I felt that I could not decide because I did not want to regret my decisions. Eventually, I chose the college path but many of my school mates opted to work for private companies after vocational school and their careers seemed to be more rewarding in monetary terms and life satisfaction than mine.⁷⁹

This risk-averse psychological perspective would be further discussed in Chapter 3 when we deal with these people's first job attainment patterns in the early reform era of the 1980s at a time when the CCP claimed that choices for first occupations, functions, and sectors were more abundant than in the CR era while the elite and the non-elites refused to believe such claims.

⁷⁸ Neal Roese, "Counterfactual Thinking," *Psychological Bulletin*, 1997, 121(1): 133–148.

⁷⁹ Non-elite interviewee number 12 whose experience was shared by non-elite interviewee number 10.

Chapter Summary – Social vs political structure

This chapter covered the education experience of the elite cadre population and the non-elite sample by tracing back to the years in the late 1970s and 1980s when they had to make a decision about whether to pursue higher education through the high school route or opt for a more vocational type of training. As statistics and surveys have demonstrated, entering into high schools with the aim of finally going to college worried most Chinese at the time as the worthiness of additional investment in education was in doubt when many came to regard vocational education that would guarantee a more immediate job more highly than senior high school education that would lead to university entrance.

We should also take into account the fact that a college education in the late 1970s and 1980s was only open to a tiny minority of the age cohort ready to enter higher education.

Therefore, all the statistics and fieldwork interviews demonstrate that one's decision to pursue higher education in the early reform era was both elite and non-majority (against social structure), compared with the relevant age cohort's schooling decisions when the national relevant age cohort's university entrance rate was below 2%: in sharp contrast, more than half of the elites and the non-elites obtained a full-time college degree amid aforementioned mainstream societal trends of chasing immediate economic rewards brought by market transition and reform than sticking to old political principles and incentives to be loyally "red" as it was in the CR era (within political structure). And as the next chapter show, a high education credential helps progress bureaucratic careers faster from a statistical point of view.

Another revealing finding deals with the significance of Party membership even in market transition era. As we have seen in the above sections, according to surveys, a large majority of

college students on campus did not want to join the CCP as they calculated that early Party membership might constrain their pursuits of individual economic ambitions during market reform while Party leaders had also been reluctant to recruit these new youths, so that in the 1980s, only 2-3% of college students were willing and able to join the Communist Party.

As a contrast, against this social structural trend or expectation, the majority of my elite population joined a Party in college (56.94% vs 20.81% of the non-elites joining a Party in college – plus more than 80% of the elites vs over 90% of the non-elites are CCP members), signifying their readiness and capacity to play around the Party hierarchy and network with Party old hands to enhance their promotional chances (within political structure).

Equally important, as Chapter 2 will review, these elites held an overwhelming political leverage over the non-elite sample and the general Chinese population when political credentials such as early Party membership during college time signal that a person meets an organisation's standards for political trustworthiness early on, *statistically* crucial for securing accelerated promotion and political career success. As my field interviewees would tell, Party members in a state-owned organisation or bureaucracy were given more networking opportunities than people who were not, which was useful to build contacts for later promotion chances. All these hypotheses will be tested statistically using logistic regressions.

In the last section, this chapter argues that the one key reason behind the elite population's non-mainstream and unconventional decisions in the area of education attainment and political activities at school was due to a risk-averse political mind-set, against market transition theorists' presumption that economic principles prevailed and political incentives declined.

In the 1980s, when the government gradually opened up the market, they provided Chinese

citizens with negative liberty one step at a time, as can be seen from the education and job market policy changes over the years: more and more people got greater say in choosing their education paths and work destinations, compared with the CR era.

However, this did not mean that Chinese citizens got positive liberty in the 1980s. At least for the population and the sample, many were not trying to seize those newly opened opportunities brought by the market, in sharp contrast to the general population's mainstream decisions to chase more immediate economic benefits in newly emerged sectors, as market transition theorists like Nee would like to presume under a rational choice framework: the elites and the non-elites were more likely to accept politically risk-free and stable education and career routes, created by the state, as they believe those new economic opportunities were too risky to bear due to China's past record of turmoil brought by shifting state policies and politics.

In short, from a social history stand, in China's unique early market transition era (late 1970s to late 1990s), counter-intuitively, individual choices can be unconventional and non-mainstream (against the social structure) yet politically risk-averse and conservative at the same time (in line with the political structure), indicating agency's prowess over structural constraints.

Thus, using this social vs political structure dichotomy, this thesis updates Giddens' structuration theory in an authoritarian context by demonstrating that even under authoritarian circumstances in China's early reform era, individuals still have a choice to choose between adhering either to social structural expectations or political requirements or neither or both, to be held responsible for their own agencies.

Chapter 2 – Education and Bureaucratic Careers in China: Data Analysis

Educational qualification as a merit-based selection variable has been used by many scholars on post-Mao China to explain cadre promotion patterns.⁸⁰ For example, Li Cheng attributes one's education to one's success in the promotion scheme when he writes about the general rise of the education level among senior cadres on the Central Committee level.⁸¹ As some scholars have demonstrated, the youngest cohort benefit more from returns on education than do older cohorts in the era of reform in China.⁸² But as there were many college graduates within a certain age cohort from mid 1980s onward, how could a college education as a variable sufficiently explains the reason behind one's jumping ahead of another in a particular cohort like the one chosen by this thesis?

For example, the deputy chief of Chinese Education Commission wrote in 1989 that 487,000 university graduates (295,000 bachelors and 192,000 associates) plus 40,000 graduate students would face the job market.⁸³ Could the situation just have been that education level was playing an increasingly important role in the appointment of cadres, but not in their upward mobility?

And there may be other important events on university campuses such as joining the Party for gaining early political advantages over peers.

In fact, as Bo Zhiyue's research has demonstrated that over the timespan from 1949 to 1998,

⁸⁰ For example, see Hannes Alfvén, "Science, Technology, and the Political-Economic Power", *Impact of Science on Society*, 22, Jan-June 1972, pp.85-94. & Bian Yanjie and John Logan, "Market Transition and the Persistence of Power: The Changing Stratification System in Urban China", *American Sociological Review*, 61(5), Oct 1996, pp.739-758.

⁸¹ Li Cheng. *China's leaders: the new generation*. (New York: Rowman & Littlefield Publishers, 2001), pp.8-9.

⁸² Zhou Xueguang. *The State and Life Chances in Urban China: Redistribution and Stratification, 1949-1994*. (New York: Cambridge University Press, 2004), p.280.

⁸³ Zhu Kaixuan, "Jianchi gaige fangxiang, jiji wentuo di zuohao 1989 nian gaoxiao biyesheng fenpei gongzuo" (Support GPS Reform and Better Manage 1989 Placement Tasks), *Zhongguo gaodeng jiaoyu* (China Higher Education Journal). Vol 3, 1988, pp.2-5.

provincial leaders with a college education were *less* likely to get promoted to a higher post than those without a college education even in the era of economic reforms.⁸⁴ Bo suggests this may be due to the fact that when leaders devoted their time and energy in their specialties obtained through college education, these people might have lost opportunities to familiarize themselves with the local conditions of their provinces and with the operations of the bureaucratic systems when China's provinces were all large administrative units and jobs of provincial leaders were mostly administrative.

This finding makes a sharp contrast to the theory of the rise of the technocrats, raised by Hong Yung Lee.⁸⁵ In the revolution, the Communist leaders built a peasant-based party organisation whose members were largely recruited from uneducated poor peasants and hired labourers. Even after they became the founders of a new regime, their rural orientation and revolutionary experiences continued to affect the political process. Lee claims the requirements of modernization have compelled the state to replace these revolutionary cadres with technocrats who held university degrees in science and engineering as these new leaders were more committed to problem-solving than to socialism.

So which side's story is more plausible for this thesis' context: what about the impact of a higher education degree over accelerated bureaucratic promotions (breaking promotion rules as a dependent variable), steps crucial to reach senior bureaucratic positions? Are there other factors that can be traced back to the campus scenes to account for one's promotion chances?

Chapter 1 argues that the majority of the people in the elite population and to a lesser extent,

⁸⁴ Bo Zhiyue. *Chinese Provincial Leaders: Economic Performance and Political Mobility since 1949*. (New York: M.E. Sharpe, 2002).,pp.50-55 and pp.113-115.

⁸⁵ Hong Yung Lee. *From Revolutionary Cadres to Party Technocrats in Socialist China*. (Berkeley: University of California Press, 1991).

the non-elite sample, chose an unconventional and non-majority route to go to college at a time when university education was neither a popular nor affordable option under the circumstances that only a tiny minority of the young people in the same age cohort nationwide were willing and could afford to go. What is more important is that these elites' unconventional decisions continued when they entered university as more than half of the elites joined the Chinese Communist Party (CCP) during college time, as compared to the 2-3% of college students nationwide who were able and willing to join the Party in the 1980s, signifying the elites' readiness and capacity to play around the Party hierarchy to enhance their promotional chances.

In addition to these contextual and historical findings, this chapter will argue with statistical analysis in the following sections that although education credentials as an independent variable has significant bearing on cadres' promotion chances and speed (dependent variable) in the bureaucratic game of getting ahead (Section 1), more importantly, it provides a solid platform for the elite population (not for the non-elite sample) to join the CCP in a very early stage of their lives, setting a statistically significant positive impact on the elites' early career promotional possibility and mobility, thus pushing them onto a fast track (Section 2).

In short, along with Chapter 1, this chapter argues against the market transition theory's presumption that economic principles have overtaken political incentives in deciding the elites' education, early career aspirations and political opportunities in the reform era of the 1980s.

1. Education attainment and accelerated promotion chances

This chapter tests the statistical significance of a variety of independent variables in the education arena on the likelihood of breaking promotion rules to achieve accelerated promotion for the elites and the non-elites in the reform era. Let us deal with the descriptive statistics first.

For the population and the sample under analysis, as pointed out in Chapter 1, we could see that the gap in education credentials between people who made it to elite cadre status and people who failed to do that is not wide despite the fact that people who are elite cadres enjoyed an upper hand of education attainment density for undergraduate and postgraduate degrees.

For these two groups of 1960s-born people, fewer percentages of the elites hold no college degree (7.91% vs 13.24% of the non-elites) or associate degree (11.86% vs 21.35%) than non-elites while they obtain a higher percentage of bachelor degrees (56.78% vs 53.24%), masters' degrees (14.97% vs 10.00%) and PhDs (7.34% vs 2.16%) than the non-elites, i.e. the education attainment gaps for these two groups became wider for bachelor degree level and higher.

So does education level as an independent variable have a statistically significant influence on one's bureaucratic career promotion pattern?

This chapter uses **BreakPromo1** (as a binary dependent variable to indicate whether someone has broken promotion rules from their fresh entry into bureaucratic work up to Feb 2014 when 0 means no and 1 means yes) and **BreakPromo2** (that covers whether someone has broken promotion rules in the first 15 years of his/her careers). **Edu** (full-time highest degree obtained, excluding part-time degrees and vocational degrees sponsored by the work units) as an independent variable is coded as 0) No degree 1)Associate degree 2)Bachelor degree 3)Masters' 4)PhD; **EduSub** is an independent variable on college education subject : 0)No

college degree 1)Arts and Humanities 2)Social Science 3)Law 4)Medicine 5)Engineering and Applied Sciences 6)Sciences 7)Business related 8)Architecture and related 9)Others; For **TopU**, it is about if your highest degree is from a top university: 1) Yes 0) No.⁸⁶

In this paper, binary logistic regression analysis will be used to classify the accelerated promotion dependent variable into achiever and non-achiever. Binary logistic regression is most useful in cases where we want to model the event probability for a categorical response variable with two outcomes. Since the probability of an event (achieving accelerated promotion or not) must lie between 0 and 1, it is impractical to model probabilities with linear regression techniques, because the linear regression model allows the dependent variable to take values greater than 1 or less than 0. The logistic regression model is a type of generalized linear model that extends the linear regression model by linking the range of real numbers to the range 0-1. In this study, the accelerated promotion outcome is based on a set of political and economic incentives in the education arena, which are related to the elites' and non-elites' specific characteristics. These characteristics would finally determine the outcome of whether or not an accelerated career move has been achieved.⁸⁷

In short, logistic regression was selected as the most suitable technique to employ for the available data type since a person either has achieved accelerated promotion or s/he has not,

⁸⁶ There was no official list of university rankings in the 1980s; the first list was published in 1987: <http://edu.sina.com.cn/l/2012-10-28/0914220608.shtml>; and its reflections correspond almost seamlessly with the current list of top universities in China ranked by third-party agencies in China, in equivalence of the QS, the Times and US News that made up university rankings in the Western world: <http://edu.sina.com.cn/gaokao/2013-12-30/1508405768.shtml>. These top 20 universities mostly include: 1.中国科大, 2.清华大学, 3.北京大学, 4.复旦大学, 5.上海交大, 6.同济大学, 7.南开大学, 8.南京大学, 9.北京师大, 10.人民大学, 11.浙江大学, 12.对外经贸, 13.武汉大学, 14.西安交大, 15.厦门大学, 16.哈尔滨工业大学, 17.吉林大学, 18.中山大学, 19.北航, 20.协和医科大学

⁸⁷ For a detailed discussion of the logistic regression methodology, see Scott Long and Jeremy Freese. *Regression Models for Categorical Dependent Variables Using Stata*. 2nd Edition. (College Station, TX: Stata Press, 2005) & Daniel Powers and Yu Xie. *Statistical Methods for Categorical Data Analysis*. 2nd Edition. (Bingley, UK: Emerald Press, 2008).

justifying the dichotomous treatment of the dependent variables in **BreakPromo1** and **BreakPromo2** when bivariate logistic regressions were run using each independent variable.

Let Y be a binary dependent/outcome variable denoted in **BreakPromo1/2** and $Y_i = 1$ if the trait is present in observation i and $Y_i = 0$ if the trait is NOT present in observation i ; $X = (X_1, X_2, \dots, X_k)$ be a set of independent variables just set out in the earlier sections, which can be discrete, continuous, or a combination or a set of interaction terms. x_i is the observed value of the independent variables for observation i . The Model is then as:⁸⁸

$$\ln L = \sum_{i=1}^n [y_i(\beta_0 + \beta_1 X_{i1} + \dots + \beta_p X_{ip}) - \ln(1 + \exp(\beta_0 + \beta_1 X_{i1} + \dots + \beta_p X_{ip}))]$$

The non-elite sample

So does education level as an independent variable have a statistically significant influence on one's bureaucratic career promotion pattern? *For the non-elite sample*, the answer is yes:

Table 2.1 Regression results for the non-elite sample

Dependent variables	BreakPromo1	BreakPromo2
Independent variables	Coefficients	
Edu	0.77***	0.81***
TopU	0.29	0.13
EduSub	0.00	-0.04
Gender	-0.73	-0.34
Ethnicity	0.34	0.50
Intercept	-1.24**	-1.78***
N	364	364

Notes: *** $P < 0.01$ ** $P < 0.05$ ⁸⁹ * $P < 0.10$ ⁹⁰

⁸⁸ Barbara G. Tabachnick and Linda S. Fidell. *Multivariate Statistics*, 6th ed. (Boston: Pearson, 2012), p.440.

⁸⁹ This chapter mean-centred these independent variables and calculated the variance inflation factor (VIF), indicators of the collinearity among the predictor variables. All mean VIFs were below 1.8 — well below the generally accepted limit of 10.0 while similar tests were performed for all the below analysis and results were about the same. See: Michael Kutner, et al. *Applied linear regression methods* (4th ed.). (Chicago: McGraw-Hill/Irwin, 2004).

⁹⁰ The thesis does not report Pseudo R-squared (pseudo-R²) for logistic regression because there is literally seven different R-squared statistics (at least) and they do not always correlate well. Even statisticians disagree on which one you should use. Pseudo-R² measures usually do not measure variance, but they measure changes in likelihood and related quantities. For example, McFadden's R² measures

First, the above finding marks a sharp contrast to prevailing arguments by scholars who pay particular attention to top school networks and their elite recruitment opportunities like the “Tsinghua Clique” as they claim that schools are replacing the families as an avenue to the top.⁹¹ This type of claim is often backed by the fact that many of China’s top leaders in the reform era since 1977 graduated from Tsinghua University and other top schools. Furthermore, scholars claim that many of China’s new leaders were technocrats with university degrees in science/engineering degrees. However, the logistic regression result above demonstrates that whether you attended a top university and what subject you studied in college have no statistically significant impact on your career trajectories to become a senior bureaucrat (at bureau/prefectural level) in an accelerated fashion, at least for the 1960s born bureaucrats group.

It is also useful to acknowledge that every society has its networks when groups of people help each other along in life. It is true that political elites often establish networks on the basis of common grounds such as revolutionary experiences in the army. However, it is questionable if attending a top university together could lead to such networks of power.⁹² Whether group loyalty can be fostered at universities is a question beyond this thesis but it is useful to acknowledge that the finding by this chapter opens up the possibility that studying on the same campus does not necessarily lead to an enabling network of *guanxi*.

changes in likelihood functions, which have no obvious interpretation. Unless the pseudo-R2 is either 0 or 1, the statistic is uninterpretable in relation to the analysed data. The pseudo-R2 is not an analog to the OLS R2 and is not directly measuring goodness-of-fit. There is no decent way to decide what is good or bad fit. A pseudo-R2 measure of .02 tells you nothing about the match between predicted and observed quantities. For a detailed discussion, see: Glenn Hoetker. “The Use Of Logit And Probit Models In Strategic Management Research: Critical Issues”. *Strategic Management Journal*, 2007, 28 (4): 331-343.

⁹¹ Li Cheng. *China’s leaders: the new generation*. (New York: Rowman & Littlefield Publishers, 2001), Chapter 4. & see a similar argument in a different culture: John Galbraith. *The New Industrial State*. UK: Penguin, 1969.

⁹² For such type of argument, see for an example on the significance of university networks on career progression: Lindsey Macmillan, et al. “Who Gets the Top Jobs? The Role of Family Background and Networks in Recent Graduates’ Access to High-status Professions” *Journal of Social Policy*, 2015(44):487-515.

Another possibility this finding opens up relates to the worth of a top university degree to help career advancement. Graduation from an elite university is often credited for bestowing advantages in the labour market.⁹³ Research in America shows that the prestige or “quality” of universities can have distinct effects on graduates' earnings and on status attainment.⁹⁴

Although these studies have generally indicated the significance of various measures of university quality, the emphasis on prestige itself relative to other academic characteristics such as GPA has varied across studies. Research in other countries have also challenged such views. For example, Brinton and her student used original data on male university graduates in South Korea to explore the relationships among university prestige, human capital (GPA score), social background, and students' access to social capital through their university (institutional social capital) and their families and friends (private social capital). The study found that private social capital does not lead to the best jobs. Rather, the probability of being matched with a top employer is higher through direct application and is enhanced at prestigious universities through the schools' provision of introductions to employers on the basis of a high GPA score, i.e. a prestigious university degree alone is not enough for good job placement and it has to go with human capital and direct application methods.⁹⁵

The finding from this chapter demonstrates, in China specifically, it is still unclear whether advantages in job seeking accrue from a university's prestige alone or from graduates' other types of social capital and institutional sponsorships. An elite interviewee echoes such doubts

⁹³ Jerome Karabel and Katherine McClelland. "Occupational Advantage and the Impact of College Rank on Labor Market Outcomes." *Sociological Inquiry*, 1987(57):323-47.

⁹⁴ James Estelle, et al. "College Quality and Future Earnings: Where Should You Send Your Child to College?" *American Economic Review*, 1989(79):247-52. & Michael Useem and Jerome Karabel. "Pathways to Top Corporate Management." *American Sociological Review*, 1986(51): 184-200.

⁹⁵ Sunhwa Lee and Mary C. Brinton. "Elite Education and Social Capital: The Case of South Korea". *Sociology of Education*, 1996(July), 69(3): 177-192.

when he told me that during his early work years, his Party secretary did not like graduates from Tsinghua or Peking University as he found these new graduates arrogant and unworldly:

I did not attend a top school because my grade was not top notch. But being academically excellent does not guarantee career success. Far from it. I entered into my work unit with two Tsinghua graduates and they were not liked by my Party secretary who branded them bookworms with no practical knowledge of the working world. Plus, they were arrogant and did not intend to learn from people who were not graduates of top schools. They did not have successful bureaucratic careers.⁹⁶

Second, the findings of this chapter demonstrate that the level of overall education you obtained on a full-time basis does matter as the statistics demonstrate that the higher education attainment one has, the better chances one would be able to experience accelerated bureaucratic promotions, crucial to reach senior bureaucratic positions.

In addition, as can be seen from the above logistic regression table, we could confirm the previous findings by changing the dependent variable to **BreakPromo2** that covers whether someone has broken promotion rules in the first 15 years of his/her careers, attending a top university and your university subjects still does not matter in a statistically significant sense while education attainment level remains important in the bureaucratic game of getting ahead quickly for the non-elite sample.

The elite population

Let us now turn to *the elite cadre population* for analysis. Here, it is important to go back to the original intention of introducing the non-elite sample as a comparison group to the elite population, which is of course the focus and main attraction of this thesis: the ultimate aim is to find out about the life trajectories of the 1960s born people who managed to get past the elite cadre threshold of vice-provincial/ministerial position quickly. The comparison group who did not pass the elite threshold is designed to remind us of the difference between the two groups.

⁹⁶ Elite interviewee number 11.

Since these 354 elite cadres constitute the full population of people who were born in the 1960s and reached elite cadre status by Feb 2014, it may make no sense to run any statistical tests. We can simply calculate all measures directly from the population.⁹⁷ However, in political science and economics, analysts conduct statistical test with the interpretation that the population data they have before them is just one permutation of an infinite number of population numbers that can exist. When the analyst wants to generalize results to a theoretical situation (that is, for the universe of situations including the future), they use the significance test as a means of considering this context.⁹⁸ One way of framing the problem is to think of the “entire population” as a sample from a larger population, potentially including future cases. Another frame is to think of there being an underlying probability model. As we are to understand the factors that predict case outcomes, then the implicit full model includes unobserved factors that contribute to the outcome.

Therefore, this author runs the same logistic regression tests on the elite population data.⁹⁹ The results for **BreakPromo1** for the elites are similar to the result for the non-elites as we witness a statistically significant effect of education attainment level on breaking promotion rules and non-significant effects of attending a top university and of the elites’ college subjects:

Table 2.2 Regression results for the elite population

Dependent variables	BreakPromo1	BreakPromo2
Independent variables	Coefficients	
Edu	1.31***	1.03***

⁹⁷ All sorts of regression tests are only applied to the estimated coefficients when the employed data are themselves random draws from the whole population. The concept and purpose of statistical measures is to draw inference about the population (basically its Mean) from a given sample of data, through regression (as results normally tend to regress). If we have the entire population we can find out everything about it so there is no point to beat about the bush.

⁹⁸ See a prominent statistician and political science professor’s comment on this issue at: http://andrewgelman.com/2009/07/03/how_does_stat/

⁹⁹ Gary King and Zeng Langche. “Logistic Regression in Rare Events Data.” *Political Analysis* 9 (2001): 137-163.

TopU	2.42	0.27
EduSub	-0.21*	-0.22***
Gender	-0.14	0.28
Ethnicity	-0.09	-0.69
Intercept	0.82	0.59
N	345	344

However, the result for the dependent variable of **BreakPromo2** offers a slight different reading when we could sense the statistically insignificant impact of attending a top university on breaking promotion rules (i.e. attending a top university still does not matter for an elite's accelerated promotion chance in his/her first 15 years into work) but education attainment level as well as education subject in college matters for them for breaking such rules in a statistically significant sense. This means that when we consider if someone within the elite population has broken the promotion rules in the first 15 years of his/her career, we should pay attention to his/her highest full-time education and college subjects they studied. In a sense, education level and studied subject matter more to a person's early career development than later parts.

As Chapter 1 shows, over one third of the elite population studied applied sciences in their college years while the next highest proportions majored in social sciences, arts and humanities, laws and business related subjects. In terms of career trajectories, existing studies have found that certain college majors that emphasise general skills learned from social science and humanities may enhance individuals' likelihood of promotion in some societies¹⁰⁰, and that graduates of different majors may experience different rates of wage growth.¹⁰¹

¹⁰⁰ For example, see Hiroshi Ishida. "Educational credentials and promotion changes in Japanese and American organisations". *American Sociological Review*, 1997, 62(6), 866–882. & James Lincoln and Arne Kalleberg. 1990. *Culture, Control and Commitment*. (New York: Cambridge University Press, 1990).

¹⁰¹ See: Josipa Roksa and Tania Levey. "What can you do with that degree? College major and occupational status of college graduates over time". *Social Forces*, 2010(89): 389–416. & Zhang Liang. "Advance to graduate education: The effect of college quality and undergraduate majors". *The Review of Higher Education*, 2005, 28(3), 313–338.

This chapter, using China as a case study, demonstrates the importance of college subjects on accelerated bureaucratic career progression: when you move from studying arts/humanities/social science/law to applied sciences/sciences/architecture, you became less likely to break promotion rules in your first 15 years of career progression (negative correlation), a contradictory finding to many scholars' prediction that holding science and applied science degrees helps progress careers faster. In fact, social science/humanities subjects could enhance one's general skills, more helpful for landing one on a career fast track, statistically.

Steps to elite threshold

And let us now analyze each of the seven career steps to elite cadre status to see whether education attainment level, education subjects and a top university affiliation have statistically significant impacts on one's chances to break promotion rules in each of these steps or levels. To reach elite cadre status of vice-ministerial/provincial post, one has to cross the following steps: **Level1** - From entry level to vice section/township post (科员-副乡科级); **Level2**- From vice section/township post to chief section/township level (副乡科级-乡科级); **Level3** - From chief section/township level post to vice division/county post (乡科级-副县处); **Level4** - From vice division/county post to chief division/county post (副县处级-县处级); **Level5** - From chief division/county post to vice bureau/prefectural post (县处级-副厅局级); **Level6** - From vice bureau/prefectural post to bureau/prefectural post (副厅局级-厅局级); **Level7** - From bureau/prefectural post to elite vice ministry/provincial post and beyond (厅局级-副部级).

For the elite population, from Level 1 to Level 3, **Edu** and **EduSub** are statistically significant, meaning that the higher education attainment you get, the more likely you would be able to break promotion rules in early careers; for education subjects, when you move from

generalist training studying arts and humanities/social science/law, to specialist training in hard science and engineering subjects, you became less likely to break promotion rules. For Level 4 and Level 6, none of the independent variables are statistically significant. And we should pay particular attention to Level 5 and Level 7, when we come to understand that education subjects remain a statistically significant variable while education attainment level no longer matters significantly for Level 5(县处级 to 副厅长). And what is surprising is that for crossing the final barrier into elite cadre status, only education attainment level matters as the higher degree you get, the more likely you would be able to join the elites in a speedy fashion for Level 7:

Table 2.3 Logistic regression coefficients on breaking promotion rules for the elite population, by bureaucratic levels

Covariates	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
Edu	0.68***	0.51***	0.48***	0.07	0.22	0.38*	0.42**
EduSub	-0.19***	-0.19**	-0.14**	-0.07	0.15***	-0.05	0.06
TopU	0.11	0.28	0.30	0.17	0.04	-0.17	-0.06
Gender	0.3	-0.11	1.33**	0.46	0.11	-0.02	-1.21***
Ethnicity	-0.62	0.07	0.25	0.54	0.40	-0.26	0.59
Intercept	-0.85	-1.92	-2.16***	-1.99***	-1.83***	-2.36**	-1.92***
N	345	345	345	343	345	344	345

For *the non-elite sample*, Level 7 to successfully reach elite status is absent and we can see from the below tables that for Level 1/3/5, only education attainment level matters when it comes to speedy promotions; for Level 2, both education attainment level and education subject are useful (higher education degree level and studying humanities/social science/law subjects are more likely to help one break promotion rules) while for Level 4, none of the independent variables have a significant impact on the possibility of breaking promotion rules. And for Level 6, only education subject is useful in predicting the likelihood of breaking promotion rules and

it says that studying specialist science/applied science subjects are less helpful for crossing the barrier into bureau/prefectural levels quickly:

Table 2.4 Logistic regression coefficients on breaking promotion rules for the non-elites, by bureaucratic levels

Covariates	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
Edu	0.96***	1.09***	0.6***	0.36	0.45**	0.79
EduSub	-0.04	-0.21**	0.01	0.12	0.11	-0.95**
TopU	0.65	-0.97	-0.09	-0.15	-0.43	1.48
Gender	-0.78	-0.29	-0.5	0.02	-0.59	-0.32
Ethnicity	0.33	0.87	0.21	0.32	0.11	0.14
Intercept	-3.18***	-3.69***	-2.0***	-3.93***	-2.82***	-11.44***
N	364	364	364	363	364	364

All these statistical results would be discussed in more details in the following chapters on career progression as the scope of this chapter only deals with events happening pre-college and on university campuses. However, it is fair to conclude that for the first few bureaucratic steps to elite/senior status, education attainment level and education subjects have statistically significant influence on the outcome of breaking promotion rules in the bureaucratic game of getting ahead while attending a top university or not does not affect the elites and the non-elites' chance of obtaining speedy promotions.

Moreover, it is important to note that the statistical gaps between the elites and the non-elites reflected in the variable of education level that sets the two groups apart: in other words, the elites have a slightly higher proportion of college degree holders than the non-elites (56.78% vs 53.24%) but they enjoyed a much higher percentage of postgraduate degree holders than the non-elites (22.31% vs 12.16%) and *these differences* help push them cross the elite threshold.

2. Joining a party before/in college

Using surveys done in Tianjin and Shanghai in 1993, Bian, Shu and Logan argue that the Party's recruiting policy changed its emphasis from ideological loyalty to educational credentials. They find that educational credentials emerged as a significant determinant of Party membership in the post-1977 period.¹⁰² This section tests the accuracy of their findings by adding another empirical layer to this education-political-capital debate.

It argues that universities provide a solid platform for young people to join the CCP in a very early stage of their professional lives, setting a statistically significant impact on their early career upward mobility in an accelerated fashion.

Indeed, the annual number of college graduates in China increased almost six-fold from 1980 to 1998 as earlier data in Chapter 1 demonstrate. From 1949 to 1979, China produced only three million college graduates; since 1979, it has produced 12 million. From mid 1980s onwards, there was a vastly larger pool of college graduates from which the Party can recruit. But with college credentials more common, competition for career opportunities increased greatly.

Having a college degree no longer distinguished one from other upwardly mobile individuals as much as in the late 1970s. Party membership had, therefore, become much more important in career advancement for the highly educated people born in the 1960s, who entered college in the 1980s. As the earlier chapter demonstrates, throughout the post-1949 period, people's incentives for joining the CCP and the CCP's strategy for recruiting new members changed considerably. In short, the composition of the Party is shaped by both the interests of the Party

¹⁰² Bian Yanjie, Shu Xiaoling and John Logan. "Communist party membership and regime dynamics in China". *Social Forces*, 2001, 79(3), pp. 805–841.

organisation in attracting talent and the interests of its potential new members.

The Cultural Revolution (or CR, 1966–1976) had a devastating effect on both higher education and Party recruitment. During its peak years 1966–1970, total enrolment in colleges and universities dropped dramatically from 533,766 to 48,000. At the same time, Party recruitment also de-emphasised educational credentials, as intellectuals became a suspect social class. Since the college entrance examination was abolished in 1966, universities accepted new students (the so-called “worker-peasant-soldier” college students) on recommendation by local work units and Party organisations. One of the consequences was that Party members accounted for an exceptionally high proportion of college students. In 1975, of the half million college students enrolled at the time, 26.5% were Party members. However, in the reform era the proportion of Party members among college students had severely declined. From 1977 to 1982, those students who were screened by the newly reinstalled college entrance examination gradually replaced the “worker-peasant-soldier” college students on campus, and the proportion of college students who were Party members plummeted from 10.8% to 1.9%. After a brief surge from 1983 to 1985, the proportion of Party members among college students continued to decline from 4.7% (1985) to 2.9% (1988) and further to less than 1% in 1989.¹⁰³

The Tiananmen Square shooting shocked the world and after a major re-registration campaign to screen out the political unreliable elements, the Party counted only 16,000 Party members among the two million college students in 1990.¹⁰⁴ And even after the Party reintroduced campaigns to heavily recruit student members, statistics showed that in 2000, only

¹⁰³ For a detailed statistical breakdown by year of student Party members, see: Guo Gang. “Party Recruitment of College Students in China”. *Journal of Contemporary China*, 2005(14):373-5.

¹⁰⁴ *Renmin ribao (People's Daily)*, (28 June 1995), p. 5

3.83% of all college student were Party members.¹⁰⁵ During the reform era, individuals could pursue careers on the basis of their technical expertise, or they could engage in entrepreneurial activities. The CCP therefore had to compete with these other career paths, as joining the Party would place additional demands on their time and limit the range of acceptable behavior

It is therefore safe to conclude that the Party has lost some appeal to college students in the 1980s. As Chapter 1 has demonstrated, college students felt generally disillusioned with the Party due to the political turmoil of the CR and growing social plurality generated by the economic transition which shifted their values away from the officially sanctioned ideological system. Therefore, for example, in China's prosperous Zhejiang province, the proportion of Party members among college students fell from 3.11% in 1985 to 2.65% in 1988. What is more revealing was that in one of the province's top universities, the percentage of Party membership applicants among students fell from 7.81% in 1985 to 2.8% in 1988.¹⁰⁶ The low prestige of being a Party member can also be exemplified by the following case: a college in Shanghai selected 18 graduates as Party workers on campus to exemplify the glory of the regime. By 1989, 17 of them had already changed professions or gone abroad and only one was left.¹⁰⁷

But as Dickson argues, there is a glass ceiling in many career paths for people who are not Party members because the CCP controls the top positions in most sectors – state bureaucracy,

¹⁰⁵ Guo Gang, *Ibid*, 2005, p.380.

¹⁰⁶ Bai Tongping and Wang Zhengyao, eds., *Tan xuesheng dangjian gongzuo* (On Party-building work among students). (Hangzhou, Zhejiang Province: Zhejiang University Press, 1989), pp.97-8.

¹⁰⁷ Shao Chen, "Guanyu gaodeng xuexiao dangzuzhi zhuangkuang de diaocha yu sikao" (Investigation and thoughts on the status of Party organisations at institutions of higher education), in Chinese Communist Party Central Organisation Department Research Office, ed., *1989 zuzhi gongzuo yanjiu wenxuan* (Selected Works on Organisation Work in 1989). (Beijing: Beijing University Press, 1990), p. 147

education, state-owned enterprises, banking, etc.¹⁰⁸ His finding is backed up by other scholars.

Using surveys and statistical analysis of urban China data in the 1980s, Bian Yanjie finds the effects of Party membership had no statistically significant effect on people's work-unit rank attainment as well as on sector placement in the reform era, quite a departure from the CR time when political virtue was particularly useful.¹⁰⁹ But the common perception of the unimportance of Party membership did not predict the statistically significant effect of Party membership on upward career mobility when Party membership acted as a prerequisite for high-ranking posts in his study. Walder analyzed a 1986 survey in Tianjin and found that when combined with the educational credential of a college degree, Party membership "leads to administrative posts with high prestige, considerable authority and clear material privileges".¹¹⁰

So how do their findings fit this chapter's analysis? The regression results for *the non-elite sample* in this chapter confirm the significance of party membership on seizing fast track in the early stages of one's bureaucratic career as we can see from the below table that joining a party early on in college or before college increases one's chances of breaking promotion rules in his/her career up to Feb 2014 (**BreakPromo1**) and for the first 15 years of his/her career (**BreakPromo2**). The results are in line with Bian's finding that party membership acts as a prerequisite for upward career mobility but this chapter's finding adds that people have to join a party as early as possible (pre/in college was the best timing) to enjoy this benefit.¹¹¹

Another revealing finding suggests that which party you joined in and before college does

¹⁰⁸ Bruce Dickson. *Wealth into Power: The Communist Party's Embrace of China's Private Sector*. (NY: Cambridge University Press, 2008).

¹⁰⁹ Bian Yanjie. *Work and Inequality in Urban China*. (Albany: State University of New York Press, 1994), pp.84-88.

¹¹⁰ Andrew Walder. "Career mobility and the communist political order". *American Sociological Review*, 1995(60), June, p.309.

¹¹¹ Bian Yanjie. Ibid, 1994, pp.88-122 and see below for the breakdown results of different career stages

not influence the chance of breaking promotion rules in a statistically significant sense. But considering that over 95% of the non-elites who were party members joined the CCP, the result may not accurately reflect the reality that elite job openings were biased towards CCP members:

Table 2.5 Logistic regression results for the non-elite sample

Dependent variables	BreakPromo1	BreakPromo2
Independent variables	Coefficients	
Edu	0.46***	0.49***
EduSub	-0.01	-0.06
TopU	0.31	0.18
PartyTime	-1.17***	-1.26***
WhichParty	-0.21	-0.24
Gender	-0.66	-0.19
Ethnicity	0.31	0.47
Intercept	1.72	1.32
N	364	364

PartyTime as an independent variable signifies a person's timing of joining the CCP and other parties, with 0)joining a party before college 1)joining a party during college 2)joining a party after college. And if we run logistic regression for each of the six levels up to the bureau/prefecture level against **PartyTime**, we find out that only for Level 1 and Level 2, the results for **PartyTime** are statistically helpful for breaking promotion rules:

Table 2.6 Logistic regression coefficients on breaking promotion rules for the non-elites, by bureaucratic levels

Covariates	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
Edu	0.72***	0.86***	0.5***	0.46*	0.34	0.59
EduSub	-0.03	-0.22**	0.01	0.14	0.1	-0.99***
TopU	0.77*	-0.95	-0.08	-0.08	-0.42	2.07
PartyTime	-1.43***	-1.11***	-0.29	0.76	-0.45	3.48*
WhichParty	-0.58	-0.17	-0.90*	-1.34*	-0.25	-1.95*
Gender	-0.57	-0.08	-0.48	-0.19	-0.54	-0.43
Ethnicity	0.29	0.89	0.22	0.32	0.09	-0.19

Intercept	0.04	-1.36	-0.44	-4.15**	-1.57	-6.37***
N	364	364	364	364	357	364

This implies that joining a party early on, before or during college, could only make an impact on breaking promotion rules for the transition from entry level to vice section/township post (科员-副乡科级) and for the transition from vice section/township post to chief section/township level (副乡科级-乡科级). This finding makes sense as we could anticipate a party membership signifying a student's readiness and capacity to play around the party hierarchy and network with party old hands who were fond of these youngsters because they appeared to be eager to learn from the "old masters" as a former senior bureaucrat told me during an interview.¹¹² But we should not expect the influence of early party membership to carry on for too long a period, i.e. the filtering effects of party membership has already occurred in some early career steps, as later into someone's career, other factors such as job functions and sectors could come into play, topics to be covered in the following chapters.

So what about the results for *the elite population*? Both tests for **BreakPromo1** and **BreakPromo2** as dependent variable respectively, **PartyTime** and **WhichParty** as independent variables turned out to be statistically insignificant:

Table 2.7 Logistic regression results for the elite population

Dependent variables	BreakPromo1	BreakPromo2
Independent variables	Coefficients	
Edu	1.27***	1.06***
EduSub	-0.22**	-0.21***
TopU	0.31	0.28
PartyTime	0.29	0.18
WhichParty	0.18	-0.73*
Gender	-0.19	0.09
Ethnicity	-0.09	-0.66
Intercept	0.42	1.26

¹¹² Elite interviewee number 7.

N	343	344
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But if we break the route to elite position into seven steps and run these independent variables against each step, we could notice that the timing of joining a party matters for Level 1 in a statistically significant sense, demonstrating that *the influence of early party membership is significant for landing one onto the fast track of promotion but only for the first few years of his/her career, in line with the non-elites finding:*

Table 2.8 Logistic regression coefficients on breaking promotion rules for the elites, by bureaucratic levels

Covariates	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
Edu	0.76***	0.55***	0.51***	0.07	0.25	0.41*	0.29
EduSub	-0.21***	-0.18***	-0.13**	-0.07	0.14**	-0.03	-0.01
TopU	0.07*	0.27	0.29	0.16	0.03	-0.15	-0.12
PartyTime	-0.50**	0.09	0.07	0.1	0.05	-0.43	0.19
WhichParty	-0.99***	-0.47	-0.37	-0.03	0.02	-0.01	1.32***
Gender	0.06	-0.26	1.22**	0.45	0.12	-0.07	-0.81*
Ethnicity	-0.60	0.1	0.27	0.53	0.4	-0.24	0.49
Intercept	-0.34	-1.53*	-1.82**	-2.06**	-1.9***	-1.92*	-3.49***
N	344	344	344	344	344	344	344

However, we should note that for analysing the whole population rather than a random sample plus this chapter not intending to generalize the results to a theoretical situation (that is, for the universe of situations including the future), significance testing here is not the most important part as we could see from the population figure that more than half of the elites joined a political party in college (56.94% vs 20.81% of the non-elite sample) or before college (5.67% vs 0.54% of the non-elites), demonstrating an overwhelming political advantage over the non-elite sample (less than 22% of the non-elites joined a party before and in college) who failed to

make it to elite posts when political credentials such as party membership signal that a person meets an organisation's standards for political trustworthiness whereas educational credentials often testify to technical competency.

These statistical results were backed by my interviewees, who agreed that party members in a state-owned organisation or the bureaucracy were given more opportunities than people who were not party members to participate in an organisation's political life, which was useful to build support for later promotions.¹¹³

In addition, we could see shaper diversity in the “**WhichParty**” you joined category/variable (0-joining no party/1- joining the CCP /2-joining other parties/): for the elites, 84.14% of them were CCP members (vs 95.68% of the non-elite sample) with 2.55% of them having no party membership (vs 2.7% of the non-elite sample) and 13.31% joining other parties (vs 1.62% of non-elites joining other parties). These findings signify the Party's capacity to tolerate more non-CCP members in the upper echelon of the Party and the bureaucracy (Level 7 variable for the elites) rather than its mid-level bureau posts. Other political parties in China were nurtured by the CCP under its umbrella (CCP umbrella theory as this chapter calls it) to demonstrate a public face of tolerance of different voices but in fact, this move was used to pacify and upgrade the monitoring of these seemingly divergent positions, represented by the Chinese People's Political Consultative Conference (CPPCC) and other organisations and social groups.¹¹⁴

What is more interesting is that from the regression results for the elites (all the regression

¹¹³ Elite interviewee number 12, 13, 15 and non-elite interviewee number 7,9,11.

¹¹⁴ Staff writers. “China's rich and famous gather in Beijing for CPPCC”, *South China Morning Post*, 3 March 2014, accessed online in Sep 2014: <http://www.scmp.com/news/china/article/1439537/chinas-rich-and-famous-gather-beijing-cppcc>. & Jean-Pierre Cabestan. “The Chinese People's Political Consultative Conference (CPPCC): Its Role and its Future”. In Kerry Brown, eds. *The EU–China Relationship: European Perspectives: A Manual for Policy Makers*. (London: Imperial College Press, 2015), pp.51-62.

results for **WhichParty** are non-significant for the non-elites), we could see that which party you joined had negative correlation with the result of breaking promotion rules on Level 1 (-0.99***) and a positive correlation on Level 7 (1.32*** in the above table): this finding indicates that joining a party other than the CCP does not help one's early career promotion speed while for crossing the final barrier to elite status, joining another party would help one break bureaucratic promotion rules, further confirming the proposed CCP umbrella theory. Two senior interviewees who had worked in high positions at the Organisation Department of the CCP offered some explanations as one of them told me that for elite cadre positions, being a non-CCP member or belonging to another party can be regarded as an advantage because the CCP always claims to promote better governance diversity, to be more representative and composed of a broader range of people than is typical of a Party office. Another put it bluntly:

From the Organisation Department's perspective, on the one hand, we wanted to keep a firm grip on the pulses of the personnel selection and promotion process within the lower strata of China's governance, e.g. below the ministerial and provincial levels as we believed only CCP members could be trusted. This means if you joined other parties very early on or did not join our Party, you could often be regarded as politically unreliable. On the other hand, for levels higher than the bureau/prefectural level, we wanted to demonstrate that the CCP has an all-encompassing face and a broad base of support to run the country, therefore, a few non-CCP members in the elite cadre troop was fine, at least, not bad for publicity.¹¹⁵

In sum, apart from the statistical differences in education levels/college subject choices, the significant difference between the elites and the non-elites on the timing of joining a party (56.94% of the elites vs 20.81% of the non-elites joined a party in college), especially the CCP, increased the elites' chances to secure accelerated promotions, steps crucial for pushing them to jump ahead of the non-elites in crossing the vice-ministerial/provincial level job threshold.

¹¹⁵ Elite interviewee number 4 and 5.

3. Gender and ethnicity in China's bureaucratic workplace

In neoclassical economics theory, labor market discrimination often signals different treatment of two equally qualified individuals on account of their gender, race, age, disability, religion, etc. Discrimination is regarded as harmful since it affects the economic outcomes of equally productive workers directly and indirectly through feedback effects.¹¹⁶ For instance, the Nobel Prize-winning economist Gary Becker claimed the markets punish the companies that discriminate because it is costly: the profitability of the company that discriminates is decreased, and the loss is directly proportional to how much the employer's decision was based on prejudice, rather than on merit.¹¹⁷ And among all these sorts of discriminations, this thesis takes on gender and ethnicity in particular and set them against the Chinese bureaucratic context.

Until 1977, China was a socialist planned economy claiming to promote gender/ethnicity equalities as one of the key principles of societal organisation. After it embarked on economic reforms, particularly in the late 1980s to early 2000s, gender inequalities in the labor markets of China were found to be on the rise by scholars.¹¹⁸ For ethnicity issues, scholars also have found such discrimination in the workplace in that non-Han ethnic minorities were treated unequally by employers in the reform era.¹¹⁹ Therefore, this chapter designs two independent

¹¹⁶ Marianne Ferber and Anne Winkler. "Differences in Occupations and Earnings: The Role of Labor Market Discrimination". In *The Economics of Women, Men, and Work*. (Harlow: Pearson Education, 2010, 6th edition).

¹¹⁷ Gary Becker. *The Economics of Discrimination*. (Chicago: University of Chicago Press, 1971, 2nd ed.)

¹¹⁸ For example, see Li Xiaojiang. *Xingbie yu zhongguo* (Gender and China). (Beijing: Sanlian shudian, 1998). & Zhang Kangsi. *Laodongli shichang xingbie qishiweni yanjiu*. (Gender discrimination in the labour market in China). (Shenyang: Dongbei caijing daxue chubanshe, 2005).

¹¹⁹ For example, see a comprehensive statistical review in Yang Yiyong, et al. "Zhongguo shaoshu minzhu jiuye wenti yanjiu" (Research on ethnic minority employment discrimination in the labour market). *Review of Economic Research*, 2013(72). Or see a western scholarly perspective on gender and racial discrimination in China in Tang Wenfang and William Parish, ed. *Chinese Urban Life under Reform: The Changing Social Contract*. (New York: Cambridge University Press, 2000).

variables in **Gender** (0=female/1=male) and **Ethnicity** (0=non-Han/1=Han) to test their effects on the likelihood of breaking promotion patterns.

From the descriptive data, we come to see that for the **Gender** variable, 92.94% of the elites are male while the result for the non-elites is equally male-dominated as 92.97% of the sample are male. For the **Ethnicity** variable, 91.24% of the elites are Han and the figure for the non-elites is 91.89%, demonstrating an almost Han-exclusive cadre cohort. These statistics demonstrate that gender and ethnic discrimination do exist in China's bureaucracy as the elites and senior cadre cohorts are composed mostly of male Han ethnic majorities.

But the regression results are surprising as we witness the statistical insignificance of these variables on the likelihood of breaking rules to achieve accelerated promotions in earlier sections. This implies that for the elite population and the non-elite sample, on one's way to achieve fast promotions, being a female or an ethnic minority did not prevent him/her from achieving accelerated careers in the bureaucracy.

In sum, it is important to note that these results do not imply that gender and ethnic discrimination did not exist in China because the dependent variable(s) adopted by this thesis are only concerned with whether one has broken promotion rules to accelerated careers (once one is in the system): in other words, whether/how/to what extent/why gender or ethnic discrimination exists in China and in the Chinese bureaucracy is worthy of further investigations but is beyond this thesis' scope.

Chapter conclusion

Stanley Rosen argues that there were three paths to career success during the 1980s: the “black” path (representing a cap and gown, i.e., education), the “gold” path (going into business for oneself), and the “red” path (joining the CCP).¹²⁰ Chapter 1 and this chapter deal with how these three paths influence each other in deciding people’s early education and career strategies.

Chapter 1 argues that the majority of the people in the elite population and to a lesser extent of the non-elite sample, chose an unconventional and elite route to go to college at a time when university education was neither a popular nor affordable option under the circumstances that only a tiny minority of the young people nationwide were willing and could afford to go. Then these elites’ unconventional decisions continued when they entered university as more than half of the elites joined the CCP during college time, as compared to the 2-3% of college students nationwide who were able and willing to join the Party in the 1980s, signifying the elites’ readiness and capacity to play around the Party hierarchy to enhance their promotional chances.

In addition to these earlier findings, adopting logistic regression analysis, this chapter demonstrates that the level of education the elite population and the non-elite sample obtained on a full-time basis mattered as the statistics show that *the higher education attainment one has, the larger one’s chances would be to experience accelerated bureaucratic promotions and break promotion rules, steps crucial to reach senior bureaucratic positions*. But what sets the elites and the non-elites apart was that the elite population enjoyed a higher percentage of undergraduate/postgraduate degree holders than the non-elites.

¹²⁰ Stanley Rosen. “The Chinese Communist Party and Chinese society: Popular attitudes toward party membership and the party’s image”. *Australian Journal of Chinese Affairs*, 1990(24): 51-92.

Furthermore, this chapter finds that education subject matters significantly to the elite population's early climb to senior cadre status by allowing them to break promotion rules early on but this statistical logic (insignificant) does not apply to the non-elite sample, indicating that the elites enjoyed this education subject advantage over the non-elites, thus breaking early career promotion hurdles more quickly.

Another revealing finding deals with the significance of party membership. The logistic regression results for both the elite population and the non-elite sample confirm the significance of party membership on enlisting one in the bureaucratic career fast track as we can see from the statistics that joining a party early on before college or in college increases one's chances of accelerated promotions, especially in one's early careers (e.g. **Level1** and **Level2**).

The majority of my elite population joined a party in college (56.94% vs 20.81% of the non-elites joining a party in college – plus more than 80% of the elites vs over 90% of the non-elites are CCP members), signifying their readiness and capacity to play around the Party hierarchy and network with Party old hands.

More importantly, it is important to note that these elites held an overwhelming political advantage over people in the non-elite sample and the general Chinese population when political credentials such as party membership (56.94% of the elites vs 20.81% of the non-elites vs single digits of the Chinese general population who joined the Party in the 1980s) signal that a person meets an organisation's standards for political trustworthiness, crucial for promotion success. As my field interviewees revealed (see earlier footnotes), party members in a state-owned organisation or bureaucracy were given more networking opportunities than people who were not, which was useful to build contacts for later promotion chances.

In short, this chapter argues that although education credential as an independent variable influences a cadre's promotion chances and speed (dependent variable) in the bureaucratic game of getting ahead, more importantly, it provides a solid platform for people (especially for the elite population) to join the CCP in an early stage of their lives, setting a statistically significant impact on their early career promotional mobility, thus pushing them onto a career fast track.

Therefore, along with Chapter 1, this chapter argues against the market transition presumption that economic principles have overtaken political incentives in deciding the elites' education decisions, early career aspirations, political opportunities and choices in the early reform era in the 1980s.

Because educational attainment is the earliest major event and driving force in one's status and career attainment, fluctuations in educational opportunities and selection mechanisms are likely to have a lasting impact on one's subsequent life course and career. This is indeed the case, as will be discussed in the stage of one's first job attainment in Chapter 3 and Chapter 4.

Chapter 3 – Patterns of First Job Attainment: Setting the Scene

The earlier chapters examined the patterns of experience of the elite population and the sample before their entry into the workforce. As youngsters came to the end of their educational journeys, they faced the next critical stage in their life course: getting a job. This is a critical stage because, until the 1990s, job mobility across work organisations in China was very low.¹ In this sense, for many employees, location in the first workplace can often mean their only and life-long work destination. And types of work organisations are associated with significantly different economic benefits, welfare programs, and career prospects under market transition.

Therefore, entry into the labour force often had lasting impacts on subsequent events in one's life course. For example, using regression analysis of survey data collected by the Chinese Academy of Social Sciences (CASS) in 100 cities/townships/villages across China in 1988, scholars confirm such an insight, finding that one's first job attainment had a statistically significant influence on his/her future social/economic status in both urban and rural settings.²

Therefore, it is important for Chapter 3 and Chapter 4 to examine first job attainment patterns of the elites and non-elites under study to see how their decisions and choices reflect or contradict the broader societal trends and preferences for first jobs at the time. In addition, it is crucial to understand how these patterns influence their later accelerated promotion chances in the bureaucratic game of getting ahead during China's market transition period when political

¹ For example, see Deborah Davis, "Job Mobility in Post-Mao Cities". *China Quarterly*, 1992, Vol.84:1062–85. & Deborah Davis, "Skidding: Downward Mobility among Children of the Maoist Middle Class." *Modern China*, 1992, Vol.18:410–37. & Li Bobai and Andrew Walder, "Career Advancement as Party Patronage: Sponsored Mobility into the Chinese Administrative Elite, 1949–1996." *American Journal of Sociology*, 2001, Vol.106:1371–408. & Andrew Walder, "Career Mobility and the Communist Political Order." *American Sociological Review*, 1995, Vol 60:309–28.

² Chen Yingying. *Zhiye jiegou yu liudong* (Occupation structure and mobility). (Beijing: Dongfang publishing house, 1995).

logics and market principles clashed to encourage or discourage certain choices and decisions.

This chapter deals with the preference structures of people's early career movements after they finished off school, using China as a case study, to reflect upon the broader literature of market transition theory that examines how remunerative preferences (material pursuit as the dominant social structure) and coercive preferences (reflected in the trust of job prestige to *play it politically safe* in an era of uncertainty – in line with the political structure) influence an individual's first career options and choices. The former usually refers to “some form of material reward – especially money – in exchange for acting in a particular way” while the latter are said to exist where a person can expect that the failure to act in a particular way will result in physical or psychological force “being used against them by others in the community” – for example, by inflicting pain in punishment, or by political imprisonment, or by destroying their careers and even life opportunities and promotional chances as in this thesis' case.³

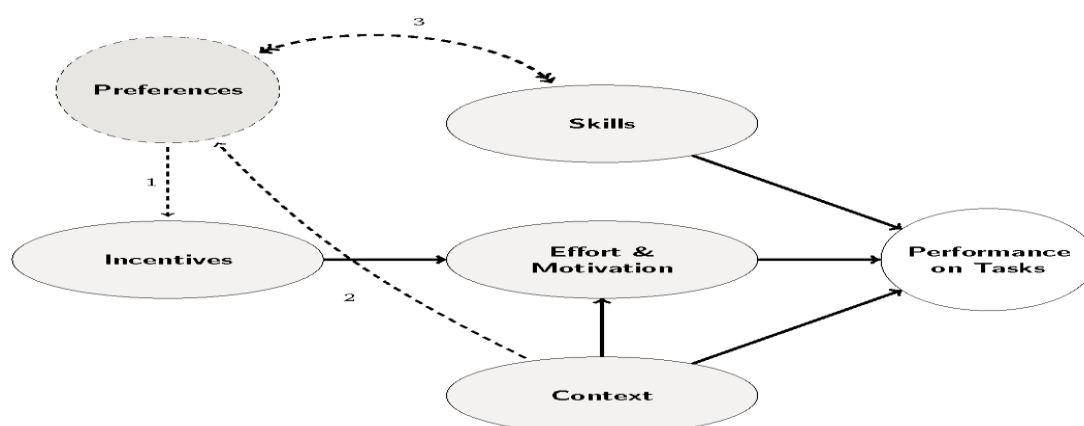
A preference is something that motivates an individual to perform an action. The study of preference structures is central to the study of all human activities.⁴ Preferences can be understood as providing the desires and wants to choose which of the available actions agents choose to take. They generate the incentives that motivate how much or how little effort is expended in performing those actions. An individual, given sufficient cognitive ability and math skills can be an accountant, a mathematician, or a financial analyst. However, his preference for earnings versus job prestige will influence which outcome he pursues...and preferences can depend on context and environment:⁵

³ Kimiz Dalkir. *Knowledge Management in Theory and Practice*. (London: Routledge, 2013), p.436.

⁴ See a more scholarly and elaborate discussion of incentives: David McClelland. *Human Motivation*. (Cambridge: Cambridge University Press, 1987). & Aidan Langley. *Employee Reward Structure*. (London: Spiramus, 2005).

⁵ James J. Heckman and Chase O. Corbin. “Capabilities and Skills”. *NBER Working Paper* No. 22339,

Figure 3.1 Preference structure and context



Indeed, people respond to preferences. But how they respond can be very creative. This chapter will deal with remunerative preferences and coercive preferences in turn to see how they shape societal and then individual opinions on different jobs' prospect in reform China.

It will reveal that job attainment and mobility patterns in China have witnessed great progress since 1977 when the pace of socio-economic reform accelerated: the self-responsibility system in the rural areas has decentralised responsibility for production to the family and individual levels, and the separation of administrative and production functions has restored the authority structure of county and local governments in place of the commune leadership.

Parallel reforms have been taking place in urban areas, where management have been delegated to production units. At the same time, non-state industries and collective/private services have grown, and rural people have more opportunity to work in cities, away from their rural Hukou home. And urban citizens also have a greater say in their career choices.

This chapter argues in the following sections that a major consequence of this increased physical and occupational mobility in the reform era was the rapid differentiation of jobs in terms of economic compensation(remunerative preferences) vs prestige perception (coercive

preferences), which influences a youngster's career objectives and first job choices.

The remunerative preferences section (Section 1) would be divided in three sub-sections, dealing with wage settings in the rural and urban worlds and their significance for individual remunerative preferences and arguing that when people started to consider their career goals and strategies in the 1980s, they often rated a job's economic rewards as their first priorities despite the fact that income inequality was not high in the early reform era.

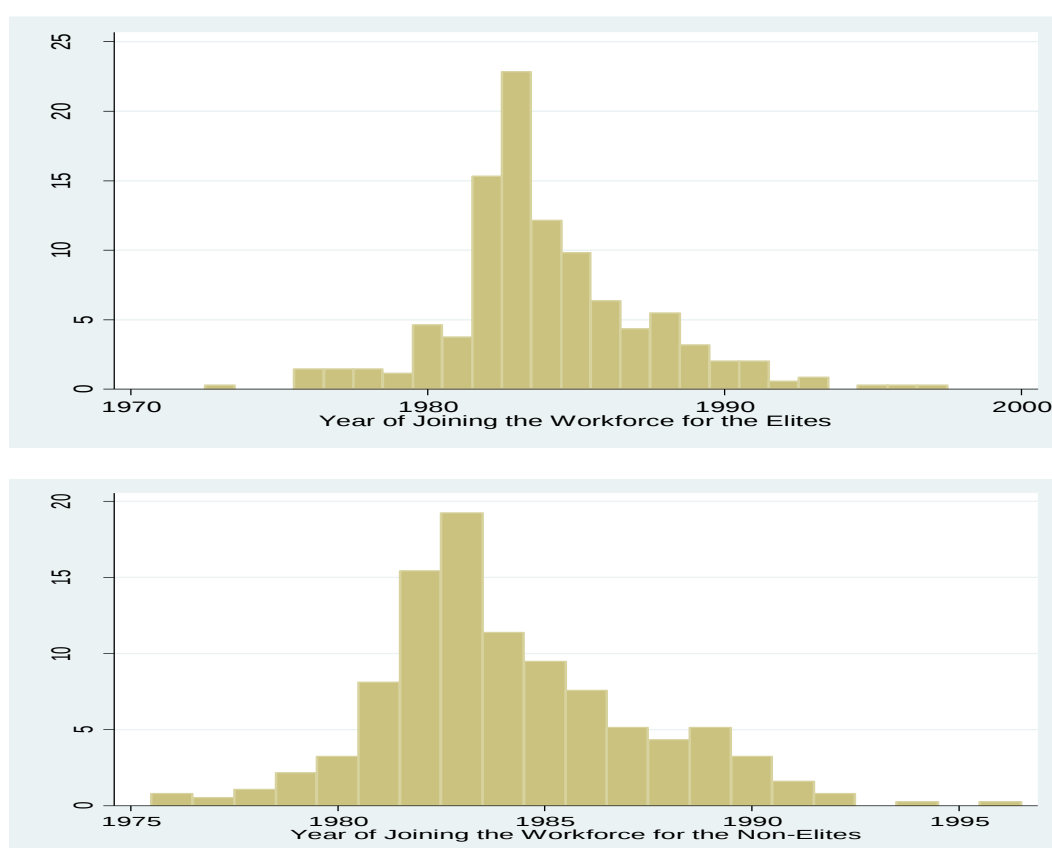
The coercive preferences section (Section 2) will argue that remunerative preference (despite many potential rewards associated with political jobs) was not the sole selection criterion when one chooses first jobs. A major consequence of the reform process and its occupational attainment process is the rapid differentiation of occupations in terms of compensation and prestige. And occupational prestige became an alternative decision-making mechanism for people to choose careers, as the job preference ethos in reform China was not all about being bourgeois and economically minded (Chapter 4 answers why this prestige preference is regarded as "coercive preferences" from a psychological perspective).

Thus, the finding in the discrepancies between a job's economic earning power and its prestige leads us to question which criterion people use to choose a job at the time. Chapter 4 will argue that to the elite population and the non-elite sample, they tended to see a job's prestige as more important than its earning power. And these tendencies and their following first job choices held statistically significant influence on one's chances of achieving accelerated promotions. Chapter 4 will also argue that these tendencies and choices made their career decisions non-mainstream (against social structure) yet risk-averse (in line with political structure), compared to major job attainment situations in Chinese society in the 1980s/1990s.

1. Remunerative preferences: the evolving Chinese compensation system

To understand China's job market and its evolving monetary compensatory system, some historical context is necessary to gauge the changes brought by market transition in the 1980s. The 1980s as a historical context should also be noted for its relevance to this thesis' focused population and sample groups. As can be witnessed in the below graphs, most of the elites and the non-elites first entered into the workforce in the 1980s:

Figure 3.2 Year of joining the workforce for the elites and the non-elites



The traditional job market structure in China before the 1949 revolution were divided into urban and rural sectors. The rural social structure was dominated by gentry and landowners over peasants while in the urban areas, the top echelon of the structure consisted of merchants, government officials, army officers, and professionals. In the civil wars after 1910 and in the

war with Japan (1937-45), the patterns of social mobility became unstable and uncertain.⁶

The 1949 revolution brought about a new occupational structure in which the Soviet model of social and economic organisation was mostly adopted. Concerted efforts were put in to eliminate what was perceived as capitalist society's privileging of white-collar and "brain-power" professions over blue-collar and manual labour jobs. Much income differentiation between white-collar and blue-collar jobs and between mental and manual labour was reduced to a minimum.⁷ Also significant were the extensive migrations of urban and rural populations. Because of the efforts in industrializing the country, the need for workers in urban areas brought substantial population migrations from the rural to the urban areas in the early 1950s: the proportion of the urban population in China increased from 10.6% in 1949 to 18.4% in 1959. Urban laborers, who constituted only 8.5% of all laborers in 1949, made up 20.6% of such workers in 1959. At the same time, the number of university students in colleges increased sevenfold from 1949 to 1959.⁸

After violent struggle in the rural areas to eliminate the class of landlords and gentry, the anti-rightist campaign, initiated in 1957, had the intellectuals, academicians, and writers in the urban areas as its primary targets. The Great Leap Forward campaign and the communalization movement, started in 1958, pulled resources from the urban areas and disrupted the system of agricultural production. Then came the 1966 Cultural Revolution (CR), which brought about the greatest political, economic, and social upheaval since 1949. Cadres and professionals, who

⁶ Dwight Perkins, "Completing China's Move to the Market," *Journal of Economic Perspectives*, 8(2), Spring 1994, pp.23-46.

⁷ William Parish, "Destratification in China." in J. Watson, ed. *Class and Social Stratification in Post-Revolution China*. (New York: Cambridge University Press, 1984), pp. 84-120.

⁸ National Bureau of Statistics of China. *China Statistical Yearbook of 1983*. (Beijing: China Statistics Press, 1984).

occupied the top-tier of the Chinese society at the time were pulled down from their places and replaced with new cadres (workers, peasants, and soldiers) who often lacked the education, professional training, and know-how to manage the specific tasks at hand. The educational system was completely disrupted. For four years (1966-69), no new students were admitted to universities. From 1970 to 1977, universities recruited students who were recommended by their units solely on the basis of their political positions, family backgrounds, and some years of work experience. Significant urban-to-rural migration occurred because large numbers of urban young were sent away for re-education. Over 17 million university, high school, and junior high school students were sent to rural and border regions. In the meantime, the need for factory workers and military support in cities generated a counter rural-to-urban migration. Over 16 million rural residents and military dependents came into the cities.⁹

These dramatic crossovers in social stratification and mobility resulted in significant disjunctions in the normal mechanism of status and job attainment. For Chinese youth, before 1977, jobs in state or collectively owned enterprises were often deemed as attractive while privately owned enterprises were not favourites. While the majority of those in the labour market remained committed to this ideology, from the mid-1980s onwards, many enterprises owned by individuals or local collectives (groups of individuals, districts, or cities or towns) could compete for qualified staff with state- and province-owned firms and industries.

Scholars find that it was not unusual to hear of staff/workers preferring to switch from state-run enterprises to non state-run firms. Even in state-run industries and factories, job changes were becoming possible when production units were given responsibility for hiring and firing

⁹ Helena Rene. *China's Sent-down Generation: Public Administration and the Legacies of Mao's Rustication Program*. Washington: Georgetown University Press.

according to their need for personnel.¹⁰ Though such mobility remained limited, the more fluid process espoused by the central government encouraged the movement of personnel as each unit gears up for greater productivity and profitability.

Since this increased occupational mobility resulted in the rapid differentiation of jobs in terms of their economic compensation (remunerative preferences) vs social prestige perception (coercive preferences), the next sub-section will investigate the remunerative part by examining the rural side of the Chinese compensation system.

¹⁰ Lin Nan and Wen Xie, "Occupational Prestige in Urban China", *American Journal of Sociology*, Vol. 93, No. 4 (Jan., 1988), pp. 793-832.

1.1 Rural setting

First, let us examine the impact of economic compensation on people's first job orientations. Tangible rewards, monetary or in-kind, are very powerful. Economic rewards are always important when people start to consider their livelihood prospects. Enriched jobs give rise to motivating psychological states that in turn translate into desirable outcomes both for employees and employers.¹¹ In a market economy, employers design a compensation system so as to attract a certain type of employees to the organisation, and higher levels of compensation allow employers to be more selective, yielding employees that are more productive. Thus, wage setting at the hiring stage offers employers a way to generate higher productivity and ultimately profit.¹² But in China, the situation was quite different.

Rural and urban areas of China have been affected differently by political initiatives. *This sub-section reveals the trend that in the late 1980s, China's wage determination system in the countryside has seen greater flexibility during reform, in sharp contrast to the CR era.*

According to Putterman, pre-reform income distribution in rural production teams was essentially egalitarian. The data used in Putterman's study indicate that in the commune system the income distribution among production team members comprised two parts: grain and cash, with grain distribution accounting for 74% of total distributed income. Given that grain distribution was based on food requirements which were calculated on the basis of the number of household members and their age and gender distribution, the dominance of the grain

¹¹ S.K. Parker and T. D. Wall. *Job and work design: Organizing work to promote well-being and effectiveness*. (San Francisco: Sage, 1998).

¹² Grant, A. M. Relational job design and the motivation to make a prosocial difference. *Academy of Management Review*, 2007 (32), 393–417.

distribution in household income implies a distribution of income which is not related to individuals' or households' work efforts.¹³

From 1977, the government introduced Household Responsibility System (HRS) in the countryside. Labour allocation and income distribution then became household decisions. Families decided who worked on which plot of land or which off-farm activity according to individual members' capacities. The results obtained from Meng Xin's exercise strongly suggest that labour productivity and effort became directly rewarded under the new system in the form of household income in the reform era:¹⁴

The better production incentives associated with the HRS caused a sharp rise in labour productivity which, in turn, created a large agricultural surplus. The combination of barriers to migrate to the cities and an agricultural production surplus led to industrialization in the countryside when production teams lost most of its administrative and economic functions.

Hundreds of thousands of manufacturing, construction and other non-agricultural enterprises were set up, first in the southeast and coastal areas of China, and then all over the country. These enterprises absorbed surplus agricultural labour and raised the income of the rural population. From 1979 to 1987, people who worked in the rural non-agricultural sector increased from 31.5 to 81.3 million, with an average yearly increase of 11.5%.¹⁵ By 1995, about 29% of the total rural labour force was employed in the rural non-agriculture enterprises, while 56% of the value of national industrial output was from the rural industrial sector.¹⁶

¹³ Louise Putterman, "Effort, productivity and incentives in a 1970s' Chinese people's commune", *Journal of Comparative Economics*, 1990(14), pp.88–104

¹⁴ Meng Xin. *Labour Market Reform in China*. (Cambridge: Cambridge University Press, 2004), pp.21-29.

¹⁵ National Bureau of Statistics of China. *China Statistical Yearbook of 1988*. (Beijing: China Statistics Press, 1989), p.172.

¹⁶ Meng Xin, *ibid*, 2004, p.37.

After the introduction of the HRS, communes, brigades and production teams lost their power over agricultural decision-making. However, most non-agricultural production was still organized by the government. Cadres in township or village authority influenced who could work in a township and village-owned enterprise (TVE): they decided how many new employees the TVE was allowed to hire. In effect, individual farmers were unable to find a job in the TVE sector by themselves, and firms were not allowed to hire or fire workers.

Labour mobility across townships and villages was also very limited. And Meng's survey showed that about 70% rural industrial sector employees were from the same village or township, and that around 90% were from the same county.¹⁷

In short, before the mid-1980s reform, firms could not freely hire or fire employees. The alternative employment opportunity for industrial employees in the countryside was agricultural employment.¹⁸ And TVE firms operated in a very competitive environment and were subject to fairly hard budget constraints. If the firms were not successful, both employees and managers would lose their jobs. Managers were thus motivated to operate efficiently by setting up an effective incentive system, and this implied that the firm had to pay its employees fairly. Therefore, employees in the TVEs would not choose to quit while newly graduated job seekers tended to rate rural industrial jobs much higher than those in the agricultural sector.

1983 was a turning point for the township, village and privately-owned enterprise sector. In this year the production responsibility system was introduced to most TVEs. This gave TVEs more power over managerial decision-making. Privately-owned rural non-agricultural

¹⁷ Meng Xin, "Individual wage determination in township, village and private enterprises in China", *PhD dissertation 1992*, Australian National University.

¹⁸ Meng Xin, *ibid*, 2004, Chapter 5.

enterprises were also encouraged, and the majority of commune and brigade enterprises switched to a monthly cash wage system that linked an individual's work effort and payment more directly than the work points system, providing more incentive for working hard.

Thus by the mid-1980s, as a World Bank survey suggests, workers who were employed in 1977 had been mostly assigned to their jobs, while among those who were employed in 1985, 50% had found their jobs through a market mechanism and only 17% had been assigned by the authorities.¹⁹ Managers of TVEs also had decision-making power over wage determination from as early as 1985. In a World Bank 1986–7 survey, over 60% of firms in the sample claimed that they had decision-making power over wage and bonus determination.²⁰

A similar survey conducted by the Rural Economy Research Centre and the World Bank in 1991 provides information on 300 TVEs in 14 provinces. They find that, by 1991, about 96% of the 300 enterprises claimed to have direct (67%) or indirect (29%) decision-making power with respect to the recruitment of new employees, and 95% with respect to dismissal of employees (72% with direct and 23% having indirect decision-making power).²¹

In sum, in the reform era countryside, once agricultural production and income distribution began to be based on the family unit, labour allocation and income determination became family decisions. This provided for a better incentive system, in that the returns to farm household production were directly linked to the effort of the family. In comparison, in the pre-reform collective system, income distribution was essentially egalitarian and bore little relation to individual effort.

¹⁹ Gregory, R. R. and Meng, Xin. "Wage determination and occupational attainment in the rural industrial sector of China", *Journal of Comparative Economics*, 1995, 21(3): 353–74

²⁰ William Byrd and Lin Qingsong. *China's Rural Industry*. (Oxford: Oxford University Press, 1990).

²¹ Xu Wenyi, Gary Jefferson and D Rathja. *China Data Documentation*, Manuscript, Transition and Macro-Adjustment Division, Washington, DC: World Bank, 1993.

A similar change occurred in the rural industrial sector. The rapid growth of a rural non-agricultural sector was a result of the introduction of the household responsibility system (HRS). After the introduction of the HRS and the increase in grain prices in 1979, the rural economy experienced a sharp rise in labour productivity and a resultant increase in surplus agricultural labour. As rural surplus labourers were barred from moving to the cities, Chinese peasants found their own way to increase their income was to work for the more flexible rural non-agricultural enterprises and hundreds of thousands of new rural non-agricultural enterprises were soon set up. These enterprises were originally entirely owned by the collective authorities (i.e. townships and villages), but later on private ownership was also encouraged.

All these findings suggest that labour mobility and its associated economic rewards system in China's rural world have seen great progress and flexibility from the mid-1980s. Therefore, to summarize Section 1.1, for a rural person, remunerative preferences generated from the rural industrial sector certainly offer more attractive financial packages than those from the rural traditional agricultural sector.

1.2 Urban setting

What about the urban labour market and its associated compensation system? This section argues that *although we have witnessed greater flexibility in the wage and bonus setting mechanisms in the urban working world, reforms in cities met with much more resistance as socialist political ideology on lifetime employment clashed with the attempts to introduce market-based institutions, in sharp contrast with the situations in China's countryside.*

Before reform, the state sector accounted for about 79% of total urban employment and 78% of the gross value of industrial output.²² The rest of the economy was mainly made up by the collective sector with a virtually nonexistent urban private sector. Both the state and urban collective sectors were, more or less, controlled by the centrally planned system.

This system not only decided on what was produced, by whom and the uses to which it was put, but also how it was to be produced. Enterprises could negotiate with central or local planning committees, but their influence was weak. The changes began with the decentralizing of production decision-making, introduction of incentive schemes, reduction of centrally controlled output sales and the partial liberalization of the price system in the early 1980s. Firms were gradually granted most of the production decision-making power and the goods market was the first to be operated in a flexible market environment. While the goods market was progressively liberalized, labour market reform was implemented later.²³

The essential problem with pre-reform urban labour arrangements was the lack of labour mobility, which prevented a proper incentive system from being established. Since the

²² State Statistical Bureau of China. *China Labour Statistical Yearbook of 1995*, Beijing: Chinese Statistical Publishing House.

²³ Michael Korzec. *Labour and the Failure of Reform in China*. (London: Macmillan, 1992).

beginning of the 1980s, the attempt to change lifetime employment was made by gradually introducing a labour contract system. The experimental rules of the labour contract system were first introduced in 1983 to cover new entrants to the state and collective sectors.

As a result, 160,000 new workers were covered by the new contract system by the end of 1984. In 1986, the “Temporary Regulations on the Use of Labour Contracts in State-Run Enterprises” were promulgated by the State Council. The labour contract system represents a relatively flexible labour allocation mechanism in comparison to the rigid pre-reform system. The contract system allows firms to select and hire suitable individuals, and from the mid-1980s firms began to use examinations and conduct interviews to aid the selection and recruitment process.²⁴ But as Korzec points out, the flexibility of the contract system was still limited as 1) the proportion of employees who were covered were small 2) there remained severe restrictions on geographical mobility 3) the contract normally led to continuous employment without a flexible hiring and firing device 4) although management had greater control over recruitment, they were still bound by the state labour plans and could not dismiss employees on the grounds of over-staffing until the late 1980s.²⁵

Nevertheless, we should acknowledge the overall progress made as Meng Xin’s book documents that a survey done by the State Economic System Reform Commission in 1992 of 933 SOEs suggests that about 69% of the sample firms had direct or indirect decision-making power over recruitment and about 86% over dismissal. Another survey conducted by CASS shows that, by 1995, among 752 SOEs surveyed, more than 70% claimed to have direct control

²⁴ Research Group on Reform in Employment System. “On further reform in employment system”, in Ling H, ed., *Reform of Labour, Wage, and Social Security System* (Beijing: China’s Labour Press, 1991), in Chinese.

²⁵ Korzec, *ibid*, 1991.

over employment and dismissal.²⁶

Scholars also focus on the reform of the wage setting system when the enterprise's total wage quota system, which was centrally fixed, was changed to a "floating" total wage bill system. The new system relates the enterprise's total wage bill to its profitability. Enterprises were allowed to retain a certain percentage of their profits for welfare provision and bonuses.

Another reform feature was to link the wages of individuals to their labour productivity within firms. Various versions of this reform appeared in different regions and industries. The "wage plus bonus" system was the most frequently adopted though.²⁷ Studies of most industrialised and developing market economies have found that no matter how rich a data set is, or how many individual human capital and family background variables are included in the wage specification, adjusted R^2 values are in the order of 20–40%.²⁸ In Meng Xin's analysis for China on the urban state sector, 64 % of the wage variation can be explained solely by seniority, occupation, and the location of his/her work unit. This suggests that wages are set mainly according to these characteristics.²⁹

Therefore, we should note that wage determination at the individual level still appeared not to be related to productivity in SOEs and collectives. But Meng's study also finds that in the urban private sector including companies set up by the self-employed, foreign-funded firms and joint ventures, wage and compensation were mostly related to individual labour productivity and skill-sets.

²⁶ Meng Xin, *ibid*, p.83.

²⁷ Akio Takahara. *The politics of wage policy in post-revolutionary China*. (London: Macmillan, 1992).

²⁸ For example, see Paul Miller. "The wage effect of the occupational segregation of women in Britain", *The Economic Journal*, 1987, 97, pp.885–96. & Michael Kidd and Michael Shannon. "The gender wage gap: a comparison of Australia and Canada", *Industrial and Labor Relations Review*, 1996, 49(4), pp.729–46.

²⁹ Meng Xin, *ibid*, p.88.

In short, urban economic reform started in the early 1980s following the success of the agricultural reforms. These reforms, however, met with much more resistance as socialist political ideology on lifetime employment clashed with the attempts to introduce market-based institutions. A labour contract system was formally introduced in 1984–6, and by 1995 involved about 39% of state sector workforce.³⁰ However, as managers in the SOEs were not responsible for the state's assets but rather were responsible for their employees' well-being, this system did not produce the desired flexible hiring and firing outcome.

Walder points out that although enterprises were given more power to recruit and dismiss, managers in the state sector were unwilling to use this power because SOEs were socio-political communities. They needed to satisfy their subordinates through increasing their earnings and protecting their various interests. As SOEs carried out most of the social welfare functions, many employees were unwilling to leave the state sector. Thus, when managers were reluctant to fire workers and workers were reluctant to leave, a lack of labour mobility became a “pre-determined result”.³¹ In addition, although reforms had engineered a structural change in the system of individual wage determination, wages still appeared to be based on seniority than on productivity in the state and collective sectors whereas labour compensation in the non-state sector was mostly determined by productivity.

To summarize Section 1.2, for people who wanted to work in the urban world, working for the private sector could generate higher monetary rewards if s/he was willing to put in more efforts but the lifelong social security system offered by the state and collective sectors also offered attractions – free healthcare, free education, free medical care, subsidized housing and

³⁰ Meng Xin, *ibid*, p.202.

³¹ Andrew Walder, “Factory and manager in an era of reform”, *China Quarterly*, 1989, 118: 242–64.

a full pension – mostly to maintain the socialist political ideology of lifetime employment.

So which type of job would a Chinese citizen prefer, in the 1980s, a lifetime of work stability or more money-making opportunities?

Therefore, the relevant question to ask here pertaining to job attainment in the new era would be to see how each job was rated by the Chinese population as shaping their remunerative preferences, according to such job's monetary reward potentials.

1.3 Monetary rewards ranking

There were several official surveys done in the 1980s and 1990s to offer us a glimpse of how remunerative preferences were associated with different jobs and occupations, i.e. how each occupation or job was rated and ranked by its associated financial or monetary rewards? This section will reveal that in these surveys, self-employed were often earning and saving the most, followed by workers. Peasants did not earn as much as intellectuals and professionals but the numerical gaps were minimal in most surveys (these are official figures, and considering in the early 1980s, China's Gini coefficient for total income was less than 2.5%, showing very low level of inequality, the trustworthiness of such figures can be enhanced.³²) and they even had bigger bank saving accounts while cadres and government workers fared poorly in these rankings.

According to the National Bureau of Statistics of China, peasants representing farming/animal husbandry/fisheries/rural service sector did not earn as much as government cadres did, who in turn earned less than professionals and intellectuals in the research sector and even lesser than production workers (mining, manufacturing, electricity, gas and water, construction, real estate) across the 1980s:

Table 3.1 Salaries by Occupation and Sector (Units: Chinese Yuan - RMB)

Salaries by Occupation and Sector (Units: Chinese Yuan - RMB)	1980	1985	1990
Farming, forestry, animal husbandry and fisheries and rural service sector	616	878	1541
Mining sector	854	1324	2718
Manufacturing sector	752	1112	2073
Electricity, gas and water	1035	1239	2656
Construction	855	1362	2384
Geological prospecting	895	1406	2465
Transport and telecommunications	832	1275	2462
Wholesale and retail	692	1007	1818
Banking and insurance	720	1154	2097

³² Richard Freeman. "A Labor Market with Chinese Characteristics". In Gregory Chow and Dwight Perkins, ed. *The Routledge Handbook of the Chinese Economy*. (Oxford: Routledge, 2015), p.107.

Real estate	694	1028	2243
Social service	475	777	2170
Health care and sports	718	1124	2209
Education, culture, art and media	700	1116	2117
Research sector	851	1272	2403
Government, agencies and social organisations	800	1127	2113

Source: National Bureau of Statistics of China. *China Statistical Yearbook of 2000*. (Beijing: China Statistics Press, 2000), pp.142-143.

The above ranking did not include the self-employed. How did they as a group fare in this period? The former State Commission for Restructuring the Economic Systems did a national survey in 1990 in urban settings to test the wage level of different social groups and the self-employed came on top, far ahead of senior cadres of the government and public organisations and professionals, who did not enjoy much of an edge over workers in incomes:

Table 3.2 Occupation by average yearly wage (Unit: Chinese Yuan) in 1990

Occupation	Average yearly wage (Unit: Chinese Yuan) in 1990
1. Self-employed with more than seven employees (Entrepreneurs)	8000
2. Office worker in foreign owned enterprises	7000
3. Taxi driver	5000
4. Self-employed with 7 and less than 7 employees	4500
5. Actor/Actress	4000
6. Senior cadre of government and public organisations	2900
7. Professional	2800
8. Officer worker	2540
9. Manual worker	2400
10. Retired	1700

Source: The State Commission for Restructuring the Economy. *Chaju yu gongping: guanyu zhongguo shehui fenpei wenti de diaocha yu sikao* (Inequality and justice: Surveys and discussions of the Chinese redistributive regime). (Beijing: China Economics Press, 1993), pp.30-31.

In 1995, this State Commission did another survey in 40 cities, and compared to the 1990 one, workers fell far behind of most other occupation groups with intellectuals/professionals going much stronger by the years and cadres and enterprise managers ranked lower:

Table 3.3 Economic positions of different jobs and occupations in 1995 by ranking

Economic positions of different jobs and occupations in 1995	Ranking
Self-employed 个体户	1
Professional of different sectors 各类专业人员	2

Research scientist 科研人员	3
Manager of enterprises 企业负责人	4
Soldier 军人	5
University lecturer 大学教师	6
Vice division/county chief cadre and above 党政机关副处级以上干部	7
Manager of enterprises 企业一般干部	8
Middle and primary school teacher 中小学教师	9
Worker 工人	10

Source: Sun Li. *Zhuanxingshiqi de zhongguo shehui – Zhongguo shehui diaocha* (Chinese society in transition – Social surveys). (Beijing: Gaige Publishing House, 1997), p.10.

This State Commission survey also offered us an insight of the average yearly income *outside* nominal wages by different sectors including both urban and rural settings in 1990. These include bonuses, organisation subsidies, allowances, part-time job incomes, inheritance, etc., and government cadres seemed to be in a good position to take advantage of these benefits, ahead of workers (civil engineering and light and heavy industries) and peasants (farming and fisheries and rural service industry) and professionals (university and research), but not by a significant margin, considering that the wage difference of various occupations were larger:

Table 3.4 Sector average income outside nominal wages (Unit: Chinese Yuan)

Sector average income outside nominal wages (Unit: Chinese Yuan)	1977	1985	1990
Sports and medicine	46	239	941
Education, arts and media industry	44	297	857
Financial industry and insurance	49	290	844
Government and public organisations	63	282	730
Telecommunication and transportation	55	302	709
Real estate	46	280	709
Civil engineering and construction	57	189	659
Light and heavy industries	51	245	654
University and research	53	122	640
Commercial service	45	290	559
Farming, fisheries and animal husbandry and rural service industry	39	186	558

Source: The State Commission for Restructuring the Economy, *ibid*, p.29.

To test how much money each profession really earned, the State Commission did a survey of people's average bank savings by different occupation groups in 1991 using data provided by the Bank of China and Industrial and Commercial Bank of China (two of China's large banks

with the latter being China's largest): self-employed again came on top (7,074.57 Yuan), followed by peasant (1,515.83 Yuan), cadre of the government and public organisations (1,236.18Yuan), worker (1,203.37 Yuan), professional(605.60 Yuan). In this randomly drawn national survey, bank savings of 94,297 respondents were investigated and only 7,963 people had more than 5,000 Yuan in their bank accounts, of them, 5.36% were peasants, 6.97% were professionals, 12.33% were cadres, 18.5% were workers, and 44.77% were self-employed.

Corruption and inequality: however, it may be worth pointing out here that like other socialist economies that have undertaken economic reforms, such as post-Soviet Eastern Europe and Central Asia, reform-era China has experienced increasing levels of corruption, based on one's political capital.³³ Emergence of the private sector inside the state economy in post-Mao China has tempted CPC members to misuse their power in government posts; the powerful economic levers in the hands of the elite has propelled the sons and daughters of some party officials to the most profitable positions, a cause of student protests for Tiananmen 1989.³⁴

Indeed, the regime creates opportunities for cadres to exploit and control the rapid growth of economic opportunities: the Chinese reform-era state has been an enabling factor because state agencies have been granted regulatory power without institutional constraints, allowing them to tap into new opportunities to seek profits from the rapid growth in businesses and the economy. This takes place at both the departmental and individual level as corruption is part of the dilemma faced by any reforming socialist state, where the state needs to play an active role in creating and regulating markets, while at the same time its own intervention places extra

³³ Sun Yan. *Corruption and Market in Contemporary China*. (Cornell University Press, 2004).

³⁴ Andrew Nathan. "Politics: reform at the crossroad", in Anthony Kane, ed., *China Briefing, 1989* (Boulder: Westview Press, 1989), p. 19.

burdens on administrative budgets. Instead of being able to reduce the size of its bureaucratic machinery (and therefore opportunities for corruption), it is instead pressed to expand further. Officials then cash in on the regulatory power by seeking rents and grafts.³⁵

This thesis here is not trying to gloss over the political nature of the market and its impact on remuneration for political office. However, there are no official/well-surveyed figures to help gauge the comprehensive extent of corruptions in early to mid 1980s-China when the elite population and the non-elite sample started to make their first job choices. For people who chose their first jobs in this period, the perception of widespread corruption in society could influence their job preferences³⁶ but this view has to be balanced with the fact that, in 1979, on the threshold of the reform era, China had one of the most equally distributed national incomes in the world. Economic equality was a hallmark of Maoist economic policy. In 1981, as the transition to a market economy was just beginning, the Gini ratio for rural China was estimated at 0.25, and that of urban China at 0.18, signifying remarkably low levels of inequality.³⁷

Thus it would be difficult to state with certainty and sufficient evidence that when people chose their first jobs, they would place high priorities to chase the potential graft benefits that can be generated by political office; it may be useful to further add that low level/entry level cadres did not enjoy as much rent-seeking opportunities as those high up in the bureaucratic hierarchy as the following chapters would demonstrate that many junior government cadres even intended to switch to the private sector jobs because of low pay in the public sector.

Chronologically, the period of reform and transition began with a focus on the rural economy,

³⁵ Andrew Wedeman: *Double Paradox. Rapid Growth and Rising Corruption in China*. (Cornell University Press, Ithaca, New York State, 2012).

³⁶ Sun Yan, *ibid*, p.2.

³⁷ Carl Riskin. "Inequality and the reform era in China". In Ravi Kanbur et al, eds. *The Oxford companion to the economics of China*. (Oxford: Oxford University Press, 2014), p.418.

a brief exception to the urban bias of Chinese economic and social policy. During the first half of the 1980s, new reform policies favoured the countryside, sharply raising farm prices and encouraging farmers to abandon the collective people's communes and return to family farming. Rural income per capita more than doubled between 1977 and 1984, rising twice as fast as that of urban workers. Even though rural inequality widened as some people fared better than others in the new market economy, this was the only sustained period in China's contemporary history when the urban-rural disparity narrowed.³⁸ This spurt ended by 1985 when farm prices became less favourable and a new "coastal development strategy" benefited eastern urban industries rather than farmers. So the urban-rural income gap and the national Gini coefficient began to rise again.³⁹ But such a changing gap could take years to reflect in people's bank savings so it was no wonder that peasants were saving much in the early reform era.

To sum up, in these official surveys, self-employed were often earning and saving the most, followed by workers. Peasants did not earn as much as cadres and professionals but the gaps were minimal in most surveys and they even had bigger bank saving accounts than cadres and professionals.⁴⁰ Professionals and intellectuals were getting stronger as the years went by on the remunerative ranking lists while cadres and government workers did not feature prominently in such lists.

The state-sponsored China Society of Economic Reform (CSER-中国经济体制改革研究所) did six comprehensive nationwide surveys in 1985 to gauge people's psychological

³⁸ Carl Riskin. *China's Political Economy: The Quest for Development since 1949*. (Oxford: Oxford University Press, 1987), p.293.

³⁹ Jian Tianlun, Jeffrey Sachs and Andrew Warner. "Trends in regional inequality in China". *China Economic Review*, 1996, 7 (1): 1-21.

⁴⁰ The State Commission for Restructuring the Economy, *ibid*, p.37.

reactions to reforms.⁴¹ In one of the surveys done by CSER, ten major cities/provinces were covered with 2,060 questionnaires successfully collected.⁴² When the average Chinese respondents were asked to rank five major career objectives, chasing economic gains ranked first, followed by pursuing general welfare, looking for social security, chasing social prestige and finding a sense of freedom at work.⁴³ *This means that when the general Chinese people started to consider their career and life goals, they often rated a job's economic rewards as their first priorities despite the fact that income inequality was not high in the early reform era.*

However, readers may wonder if remunerative preference was the sole selection criterion when one chooses his/her first job. A major consequence of the reform process and its occupational attainment is the rapid differentiation of jobs in terms of compensation and prestige. Therefore, this chapter in the next section adds another layer to this discussion by introducing occupational prestige as an alternative decision-making mechanism for people to choose careers. *It argues that the job preference ethos in reform China was not all about being bourgeois, economically minded and pragmatic choices.*

⁴¹ China Society of Economic Reform (CSER). *Gaige de shehuixinli: Bianqian yu xuanze (Social psychology of the reform era: changes and choices)*. (China: Sichuan People's Publishing House, 1987).

⁴² Beijing, Heilongjiang, Sichuan, Shandong, Zhejiang, Hubei, and Guangxi were covered. 12.1% of those being surveyed were researchers and university lecturers, 7.9% were middle and primary school teachers, managers of SOEs and public organisations accounted for 13.5%, office workers were 18.9%, commercial and service industry workers 11.1%, production workers 25.2%, medical workers 5.8%, retired 2.2% and unemployed 3.3%.

⁴³ CSER, *ibid*, p.69.

2. Coercive preferences: occupational prestige ranking

The dominant culture of achievement and capitalism and prudent bourgeois manners might not prevail against the ambivalence and conservatism relayed in the evaluation of job prestige. As China underwent dramatic change and occupational differentiation in the 1980s, it is important to examine such prestige, as an alternative decision-making mechanism to remunerative preferences for choosing first job.

And as the results of this section will show, the winners of these job prestige rankings in different years include senior cadres, intellectuals, professionals and enterprise managers. Self-employed and private entrepreneurs who were winners of the remunerative rankings did not feature prominently in these prestige ranking lists while workers and peasants who fared pretty high in the job monetary rewards rankings were major losers in the job prestige rankings.

But why should we treat the tendency to trust job prestige rankings as succumbing to coercive preferences? The next chapter will reveal in details that when the elites and non-elites chose first jobs, they tended to play safe in a reform period of high uncertainty brought by shifting market initiatives and conflicting political visions. Growing up during the CR era, they were baffled by the constant political upheavals and changes so that when they chose their first jobs in the reform era, they first chose not to lose. This psychological decision-making mechanism leads to their preference to trust established and politically risk-free job prestige rankings (coercive - political structure) over job monetary rewards rankings (remunerative – social structure) to help them choose their first jobs.

Sequentially, this chapter will first offer an evolving historical account of people's changing attitudes towards job prestige in contemporary Chinese society before moving on to examine

job prestige ranking as a political and psychological factor in the elites and the non-elites' job preference mechanism in Chapter 4.

Indeed, the relative prestige associated with various occupations has been much studied. Since the early 1940s, when North and Hatt devised a scale of job prestige in the United States, the concept of job prestige has become accepted in the literature of social stratification as a measure of socioeconomic achievement.⁴⁴

The division of labour in the process of industrialization has achieved a universal influence. Yet as Lin Nan and Wen Xie carefully remind us, we could grossly miss cross-societal differences between specific jobs because of distinct historical and cultural experiences. For example, it is important to evaluate whether setbacks and interruptions in the industrialization process owing to noneconomic factors (e.g., political) could alter the process of convergence in job prestige rankings. The issue of interest, then, is what happens to rankings of job prestige in an industrializing society whose cultural heritage and strong ideological bent conflict with the values associated with job rankings in industrialized societies. China is one society ideally suited to such an analysis.⁴⁵

In China's history, equalization of job prestige and rewards has been given a deliberate ideological focus and been subject to political and structural manipulation in the Maoist era. For more than two decades, there have been campaigns to downgrade the status of intellectuals, upgrade the status of manual workers, shift urban and rural populations, and, in general, ensure equal or similar pay for all workers in urban areas. Frequent ideological campaigns to eliminate

⁴⁴ For a good summary of this research development, see Nam, C., and M. Powers. *The Socioeconomic Approach to Status Measurement*. (Houston: Cap and Gown, 1983).

⁴⁵ Lin Nan and Xie Wen. "Occupational Prestige in Urban China", *American Journal of Sociology*, Vol. 93, No. 4 (Jan., 1988), pp. 793-832.

capitalist ideas and influences focus on the rewards associated with jobs. The CR brought about the greatest political, economic, and social upheaval since 1949. Social prestige associated with cadres and professionals was politically degraded and replaced with new cadres (workers, peasants, and soldiers) who lacked the education, professional training, and know-how to manage the specific tasks at hand. And there was little correlation between education and occupational attainment.⁴⁶ The year 1977 marked the end of such social chaos and the beginning of a new social order in China.

As China undergoes dramatic change and occupational differentiation in this new social order, it is important to examine job prestige as it is understood by the population, e.g. what prestige is accorded to jobs that have been downgraded and upgraded, such as intellectuals, academicians, and writers, in the next section.

⁴⁶ Xie Wen and Lin Nan. "The Process of Status Attainment in Urban China." *Paper presented at the annual meeting of the American Sociological Association*, August-September 1986, New York.

2.1 Survey evidence of job prestige rankings

In one of the earliest survey works on job prestige after Mao, Lin Nan and Xie Wen presented a first effort at measuring and analysing job and occupational prestige in a major Chinese city. A study of occupational prestige as rated by a representative sample of residents (N = 1,774) in Beijing was conducted in 1983. 40 occupations were selected for the ratings. Selection of the occupations began with an examination of the Occupational Classification System of the Census of China (1982), which contains eight summary categories, 64 major groups, and 301 separate categories of occupations.

Some of the selected occupations require discussion, since they may have different social meanings in China than elsewhere. For example, social scientists in China denote both social scientists and humanists. The high-ranking officials in their sample include the heads of regional/prefectural offices (each province consists of several regions) and the heads of subcabinet offices in the central government and the Communist party. The middle-ranking officials include officials at levels lower than the regional and subcabinet office:

Table 3.5 Occupation by prestige

Occupation by prestige 1983	Rank	Occupation by prestige 1983	Rank
Physician	1	Elementary school teacher	21
Electrical engineer	2	Actor	22
University teacher	3	Checker/Inspector-manufacturing	23
Natural scientist	4	Machinist	24
Social scientist	5	Typist	25
Writer/novelist	6	Nurse	26
Journalist	7	Clerical worker	27
Civil engineer	8	Electrical equipment installer	28
Secondary school teacher	9	Editor of print news outlets	29
High-ranking official	10	Textile operator	30
Librarian	11	Goods purchaser	31
Mid-ranking official	12	Mail carrier	32
Electrician	13	Sewer -manufacturing	33

Accountant	14	kindred worker-food product	34
Secretary of government offices	15	Rail-ticket agent	35
Driver	16	Police officer	36
Low-ranking official	17	Chef	37
Athlete	18	Plumber	38
Mechanical engineer	19	Painter	39
Jeweller and goldsmith	20	Sales agent	40

Source: Lin Nan and Xie Wen. "Occupational Prestige in Urban China", *American Journal of Sociology*, Vol. 93, No. 4 (Jan., 1988), pp. 793-832.

As can be seen from the above table, professional jobs (e.g., physicians, scientists, engineers, professors, writers, and reporters) were the top-rated occupations, followed by school teachers, cadres and officials, office workers (accountants and administrative secretaries), sports people (athletes), and artists (actors). Also in this group were electricians, mechanics, and jewelers: these were highly skilled professional occupations that had access to resources highly valued in China at the time.

Slightly less prestigious were a mixed group of skilled and semi-skilled professionals (i.e., nurses, typists, clerical workers, mail carriers, and police officers), workers and operatives (i.e., inspectors, machinists, installers, pressmen, cooks, plumbers, painters), and sales workers (purchasers, ticket sellers, and sales clerks). The least prestigious occupations include heavy-labour workers (construction, foundry, chemical, mining, loading, sanitation) and service workers (waiters and attendants, barbers, and housemaids). To differentiate the age cohort effect, the authors divided the respondents into three age cohorts: A) 21-35, who turned 18 during the period 1966-80; B) 36-51, who turned 18 during the period 1949-65; and C) 52-64, who turned 18 before 1949. The first category is especially important to this thesis as it correlates well with the sample and the population in age structure.

The occupations that had higher prestige among the young respondents in cohort A, compared with the older cohorts, could be classified into several groups: 1) those who had

legitimate power and political safety (e.g., officials), 2) those who had access to scarce resources (e.g., electricians, manufacturing checkers, and purchasers), and 3) those who had greater freedom of physical mobility and more public recognition (e.g. writers, reporters, and athletes). On the other hand, the occupations that had less prestige among the younger respondents include 1) professional occupations with relatively low earning power and high physical demands (e.g. nurses and elementary school teachers) and 2) heavy manual labour occupations (e.g. textile, chemical, and construction workers; miners; garbage collectors).

Again in 1987, a group of surveyors handed out job prestige questionnaires in Beijing and Shanghai with 753 valid respondents and they found out intellectuals, senior officials and scientists occupied top 10 positions of the ranking table while large enterprise managers were in the middle; industrial workers and government office clerks were doing poorly:

Table 3.6 Occupation by prestige

Occupation prestige 1987	Rank	Occupation prestige 1987	Rank
University lecturer	1	Division chief of government offices	21
Large city mayor	2	Waiter of high-end hotels	22
Writer/novelist	3	Teacher of middle schools	23
Painter/artist	4	Manager of small SOEs	24
Natural scientist	5	Actor	25
Lawyer	6	County governor	26
Social scientist	7	Section chief of government offices	27
Athlete	8	Librarian	28
Journalist	9	Waiter of joint venture hotels	29
Engineer	10	Artisan	30
Editor of print news outlets	11	Kindergarten teacher	31
Government minister	12	Carpenter	32
Chinese traditional medicine doctor	13	Painter	33
Judge and prosecutor	14	Section chief of enterprises	34
Bureau chief of government offices	15	Bank clerk	35
Doctor	16	Manager of small department stores	36
Township governor	17	Senior industrial worker	37
Manager of larger SOEs	18	Tax collector	38
Manager of large department stores	19	District chief of government city office	39

Teacher of vocational middle schools	20	Junior electrical engineer	40
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Source: Xu Xinxin. *Dangdai zhongguo shehuijiegou bianqianyu liudong* (Social mobility and state structure in contemporary China).(Beijing: Shehuikexue wenxian publishing house, 2000), pp.198-199.

Then in 1993, scholars did a large scale survey of job prestige ranking with 3,012 respondents in several Chinese cities. Again, intellectuals, researchers, and senior officials, large SOE managers (for the first time) were in the top 10, followed technical specialists and mid-level cadres in the top 20 while low-level cadres, managers of TVEs in the countryside and self-employed were at the bottom of this prestige table (workers did not even make it into top 40):⁴⁷

Table 3.7 Occupation by prestige

Occupation prestige 1993	Rank	Occupation	Rank
University professor	1	Cadre of public organisations	21
Government minister	2	Writer/novelist	22
Large city mayor	3	Language translator	23
Social scientist	4	Middle school teacher	24
Prosecutor	5	Journalist	25
Civil engineer	6	Editor	26
Manager of large SOEs	7	Tax collector	27
Secretary of government offices	8	Film director	28
Natural scientist	9	Painter/artist	29
University lecturer	10	Manager of collectives	30
Bureau chief of government office	11	Leading cadre of other political parties	31
Police officer	12	Athlete	32
Air pilot	13	Accountant	33
Mechanical engineer	14	Road traffic controller	34
Lawyer	15	Actor	35
Division chief of government office	16	Driver of government offices	36
Electrical engineer	17	Section chief of government office	37
Doctor	18	Manager of TVEs	38
Soldier	19	Manager/Owner of private enterprises	39
Cadre of public organisations	20	Athletic instructor	40

Source: Xu Xinxin. *Dangdai zhongguo shehuijiegou bianqianyu liudong* (Social mobility and state structure in contemporary China).(Beijing: Shehuikexue wenxian publishing house, 2000), pp.198-199.

In sum, we could observe from these three rankings of job prestige conducted in 1983, 1987, and 1993 respectively that the prestige status of high-ranking officials/senior cadres of

⁴⁷ Xu Xinxin. Ibid, pp.199-201.

government offices has been on the rise since the 1983 survey, finally surpassing social scientists and natural scientists to top spots on these ranking lists: professionals in the research sectors as well as in other sectors that require specialized knowledge had been able to keep a strong hold in Top 5 or Top 10 over the years. It is also interesting to observe that enterprise managers did not make it into the Top 40 ranking in 1983, then seeing their job prestige status rise in 1987, with managers of large SOEs making it into Top 20, managers of small-sized SOEs into Top 30; then in 1993, managers of large SOEs made it into Top 10 with managers of collectives into Top 30 (managers of TVEs and private entrepreneurs/self-employed were ranked at the bottom of the table though). All these suggest that company sizes and their property rights regimes still matter to people's perception of their respective prestige.

Obviously, there were losers in the reform era as workers and manual labours have seen their job prestige status on sharp decline, showing how the market has taken down many unprofitable SOEs while peasants never made it into the Top 40 ranking in any of the above years.

In fact, peasants were excluded from such rankings as most of the surveys were carried out in the urban context - a national survey is helpful to gauge their occupational prestige status. In 1985, respondents of the previously examined CSER surveys were also asked to rank social pedigree of different jobs and senior cadres and professionals took the top spots in prestige, ahead of workers, self-employed and peasants (bottom of the list, just above unemployed):

Table 3.8 Social pedigree of jobs

Social pedigree of jobs in 1985	Ranking
Senior cadre of the government and public organisations 行政事业单位干部	1
Professional of different sectors 各类专业人员	2
Manager of enterprises 企业干部	3
Middle and primary school teacher 中小学教师	4
Commercial and service industry worker 商业服务业人员	5
Worker 工人	6

Staff of private enterprises 民办企业人员 (firms with more than seven employees)	7
Self-employed 个体户 (with seven or less than seven employees)	8
Peasant 农民	9
Unemployed youth 待业青年	10

Source: CSER, *ibid*, pp.108-134.

Entrepreneurs and self-employed

It is interesting to witness the gradual rise of the prestige status of private company entrepreneurs and the self-employed (not in the top 40 rankings in both 1983 and 1987 but in the ranking in 1993), showing the influence of the market place. So who were these people?

The economic earning rankings from the surveys in Section 1 put the self-employed (with seven or less than seven employees) in very prominent positions especially since the mid-1980s. A survey of Beijing's Xicheng district offers some glimpses of their composition: in 1983, 30.8% of the self-employed people in Xicheng were previously unemployed, another 21.5% were retired people, and 47.7% were youths waiting to be assigned jobs by the government. Other surveys from Shanghai, Nanjing and Zhejiang offered similar results with some cities accepting some peasant labourers who later started their own shops.⁴⁸ However, surveys done in 1993 in several cities demonstrated drastic changes of self-employment compositions over the decade as the better educated came into sight when professionals accounted for 12.1% of the self-employed, cadres of the state 22.1%, workers made up 25.2%, commercial and service industry workers 7.6%, soldiers 1.2%, peasants made up 17.2%, and the rest were unemployed people.⁴⁹

And another set of surveys offers us an equally revealing perspective of people's previous occupations before they became self-employed in different years, demonstrating that more and

⁴⁸ Xu Xinxin. *Dangdai zhongguo shehuijiegou bianqianyu liudong* (Social mobility and state structure in contemporary China). (Beijing: Shehuikexue wenxian publishing house, 2000), pp.173-5.

⁴⁹ Zhang houyi and Liu Wenpu. *Zhongguo de siyingjingji yu siyingqiyezhu* (China's private economy and private ownership). (Beijing: Zhishi publishing house, 1995), p.346.

more professionals and cadres were quitting their jobs to join the rank.⁵⁰

Table 3.8 Previous occupation of the self-employed

Previous occupation of the self-employed	Before 1989	1989-1992	After 1992
Professional	1.9%	4.3%	4.9%
Cadre of enterprises and public organisations	19.8%	16.0%	25.5%
Worker and service industry staff	13.2%	8.6%	10.8%
Peasant	20.8%	17.9%	15.8%
Self-employed	35.8%	46.3%	36.9%
Unemployed	8.5%	6.8%	6.1%

Source: Dai Jianzhong. “Xianjieduan zhongguo saying qiyezhuzhuan yanjiu” (Study on self-employed entrepreneurs in contemporary China) in Li Peilin, Li Qiang, Sun Liping et al, ed. *Social stratification in China's today*. (Beijing: Social Sciences Documentation Publishing House, 2004), pp.318-319.

All these survey results demonstrated the changes in societal attitudes towards different occupation groups in the reform era, as compared to the CR period, when the entire occupational structure underwent disruption, and the values and prestige attached to many occupations were reversed: on the one hand, the intellectual and non-manual occupations were the focus of attacks. On the other hand, another group of occupations gained status because of their access to resources. These included cadres and officials at various levels, purchasers, and the police. Some occupations retained their desirability because of light work load, office location, non-manual status, and general availability in the urban areas (e.g., librarians, typists, and secretaries). In the post-1976 period, regular entrance examinations to universities were restored. The high status of the intellectuals and professionals was again recognised. The urban youths who had been sent to rural and border regions began to return to cities. Then the more traditional Chinese hostile attitudes towards non-manual occupations returned.

In short, this section finds through survey results that the prestige status of high-ranking officials/senior cadres of government offices has been on the rise since the 1980s, finally

⁵⁰ Dai Jianzhong. “Xianjieduan zhongguo saying qiyezhuzhuan yanjiu” (Study on self-employed entrepreneurs in contemporary China) in Li Peilin, Li Qiang, Sun Liping et al, ed. *Social stratification in China's today*. (Beijing: Social Sciences Documentation Publishing House, 2004), pp.318-319.

surpassing social scientists, natural scientists, managers of large/middle SOEs and small SOEs. Professionals in the research sectors as well as in other sectors that require specialized knowledge had been able to keep a strong hold in the top rankings over the years while the status of middle/primary school teachers has also been on the rise. SOE/TVE managers have also seen their job prestige on the rise along with private entrepreneurs and self-employed.

But there were also losers in the reform era as workers and manual labours have seen their prestige status on the decline while peasants never made it into the Top 40 ranking.

In sum, all these results from occupation prestige surveys suggest that when people were considering their first job choices in the 1980s and 1990s, remunerative rewards were not their only concerns despite the potential graft opportunities associated with political office (also very risky if corruption are found out). High-monetary-rewards occupations such as self-employed or private entrepreneurs or workers were not high on job prestige in people's opinions.

Peasants did not earn as much as intellectuals and professionals but the gaps were minimal in most remunerative surveys and they even had bigger bank saving accounts; however, they failed to make it into even the top 40 prestigious occupations in any of the surveys.

Cadres fared poorly in remunerative rankings but were deemed as highly prestigious jobs by respondents. How should we account for these discrepancies? Thus the next chapter aims to provide an explanation through the analysis of the elites and the non-elites' first job attainment patterns in China's market transition era.

3. Chapter conclusion: remunerative vs coercive preferences

This chapter examines how different jobs were rated by their respective remunerative and coercive preferences at a time when the elites and the non-elites begun to face the job market in China's economic reform. The surprising finding in the discrepancies between a job's economic earning power and its social prestige leads us to question which criterion people would use to choose a job at the time.

Of course, the job preference ethos in reform China was not all about being bourgeois and economically minded: the dominant culture of achievement and capitalism and prudent bourgeois manners did not prevail against the ambivalence and conservatism relayed in the evaluation of job prestige, which could serve as coercive preferences to push people to play safe in an era of political uncertainty after the great CR turmoil and the more recent June 4 1989 Tiananmen Square protest despite the possibilities that the public perception of wide corruptions in the early 1980s could push some people to choose cadre jobs for their higher rent-seeking potentials over private sector more legitimate opportunities (the rapidly growing wealth of Communist officials' children and family members was/is what the public was/is most dissatisfied about – but it could be a stretch to argue, without sufficient evidence, that deep in the public's heart, everyone actually wanted/aspires to be become a corrupt official, which can be very risky if found out by the CCP Disciplinary Commission).

The next chapter will apply this reasoning and argue that at least to the elite population and the non-elite sample, they tended to see a job's social prestige as more important over its economic earning power/potential. What was the logic behind such a tendency then?

As the earlier chapters reveal, psychologists and behavioural economists would argue that

when making choices among alternatives that involve a certain amount of risk or uncertainty, we prefer a small, sure gain to a larger, uncertain one. The certainty in the job prestige ranking and its well-established and time-honoured social acceptance seemed more irresistible to the elite population and the non-elite sample than the new and potentially more rewarding yet more risky economic opportunities in the reform era, as reflected in the monetary rewards ranking of different jobs.

In a sense, instead of feeling in control, the elites and the non-elites in society undergoing market transition felt unable to cope with the new opportunities created by the reform, a sense of learned helplessness from the past traumatic experience of the CR that affected their future motivation to try “new” things.

Therefore, they chose the politically safest routes as they perceived at the time, reflected in their confidence to trust established, and socially/politically honored job prestige rankings (in line with the political structure). They were not trying to create their own identities but to accept the given identities as cadres, professionals, managers, workers, and peasants, by the state.

Chapter 4 – Patterns of First Job Attainments: Data Analysis

State socialist economies stimulated little interests in the social sciences until the 1980s, when the first stage of social economic reforms in Hungary and China attracted the attentions of scholars from various disciplines. Their research have a dual focus. One cluster focused on how political/economic institutions changed patterns of social stratification or power relations or life chances.⁵¹ Another cluster pursued questions over managerial and worker behaviour in enterprises, analysing informal organisation and social networks.⁵² This thesis' focus tilts towards the former by analyzing how market transition in China altered authority relations in society and affected life chances and strategies of people who wanted to get quickly ahead.

The traditional emphasis by market transition scholars like Nee has often been on a shift from career strategies based on redistributive principles to market allocation. The core explanatory mechanism is a competitive market for skills such as education and experience while ignoring the importance of political capital: this explanation fails to take into account the state's strong capacity to regulate change and that state socialist economies are deeply imbedded in political structures, bureaucracies, social networks and ideologies.

In China, a well functional market economy does not exist. Political and organisational realities should be better understood. Therefore, by examining these institutions, this thesis

⁵¹ See: Victor Nee. "A Theory of Market Transition: From Redistribution to Markets in State Socialism." *American Sociological Review*, 1989(54):663-81. & Victor Nee, David Stark and Mark Selden, ed. *Remaking the Economic Institutions of Socialism*. (Stanford: Stanford University Press, 1989). & Ivan Szelenyi. *Socialist Entrepreneurs*. (Madison: University of Wisconsin Press, 1988).

⁵² Michael Burawoy and Pavel Krotov. "The Soviet Transition from Socialism to Capitalism: Worker Control and Economic Bargaining in the Wood Industry". *American Sociological Review*, Vol. 57, No. 1 (Feb., 1992): 16-38. & David Stark. "Rethinking Internal Labor Markets: New Insights from a Comparative Perspective". *American Sociological Review*, Vol. 51, No. 4 (Aug., 1986): 492-504. & Andrew Walder. "Wage Reform and the Web of Factory Interests." *China Quarterly* 109 (March 1987): 22-41. & Andrew Walder. "Factory and Manager in an Era of Reform." *China Quarterly* 118 (June 1989): 242-264.

argues that successful adaptation to market reform worked best when old (political) career strategies were combined pragmatically with the new (human capital).

And to understand career strategies, we start from first job attainment patterns. Chapter 3's revelation of the surprising difference between an individual's remunerative preference and coercive preference over one's first job choices leads us to question what criteria would people use when starting a career in China's market transition era?

This chapter argues in Section 1 that at least to the elite population and the non-elite sample, they tended to see a job's social prestige as more important than its economic earning potential (including those possible graft opportunities by political jobs). It contends that when the elites and non-elites chose first jobs, they tended to play safe in a reform period of high uncertainty brought by shifting market initiatives and conflicting political visions. Growing up during the Cultural Revolution (CR) era, they were baffled by the constant political upheavals and changes so that when they chose their first jobs in the reform era, they first chose not to lose.

This psychological decision-making mechanism (Section 1.2) leads to their preference to trust well established job prestige rankings (coercive preferences) over job monetary rewards rankings (remunerative preferences) to help them choose their first jobs, making their career decisions both non-mainstream and elite, compared to conventional job attainment situations in Chinese society in the 1980s and 1990s, against the social structure, but in line with the political structure, to be reflected in five job sphere variables.

Thus these findings dispute the market transition theorists' presumption that when students came to decide their first job choices, economic reasons have overtaken political incentives.

Then Section 2 takes a careful look at the data composition of the early career histories of

the elites and non-elites regarding how five job sphere variables (first job occupation, first job sector, first job organisation level, first job function, and first job location) influenced their chances of breaking promotion rules to achieve accelerated careers.

It will argue that one's first job attainment patterns held a statistically significant influence on one's chances of breaking promotion rules to achieve *poge tiba*. And what sets the elite population and the non-elite sample apart was their differences reflected in some of these explanatory variables.

In short, this chapter will focus on patterns of first job attainment, i.e. one's initial access to types of occupations and work organisations/sectors and the allocative mechanisms underlying these processes, thus assesses the extent and direction of institutional changes in China under market transition. It examines the transformation of institutions and mechanisms of resource allocation, especially the relative strength of the redistributive and market economies, revealing how traditional redistributive mechanisms and emerging market mechanisms coexisted and interacted with each other during the time period under study.

1. Unconventional choices: flowing against the tide

Operationally, this chapter adopts the following independent variables to see how they influence one's chances of breaking promotion rules (dependent variable: **BreakPromo1** and **BreakPromo2**) in order to reach elite/senior cadre status:

In China, type of work organisations often refers to the official classification of workplaces on the basis of their property-rights relationship to the state. This relationship is a key feature of the redistributive economy and is the basis of socialist redistribution: ownership of an organisation often determines employment relationships in a workplace, the extent of administrative interventions and governmental protection.⁵³

Different property rights types of organisations vary systematically with different kinds of economic institutions, with state organisations being part of the redistributive economy and collective and private firms closer to markets. Among state organisations, this chapter distinguish government agencies, public organisations and state-owned firms. Collective firms are semi-state organisations; private, foreign, joint-venture and hybrid firms (firms with mixed property rights ownership) are non-state organisations. They are useful measures of the extent of the redistributive economy and markets, particularly because they are measures of property rights regimes: the transition from a Soviet style planned economy to some kind of market capitalism often involves a shift from “a system of property rights that excludes private nonstate entities as legitimate economic actors to one in which private property and nonstate actors are

⁵³ Andrew Walder, Tianjue Luo, and Dan Wang, “Social Stratification in Transitional Economies: Property Rights and the Structure of Markets.” *Theory and Society* 42, 6 (November 2013), 561-588. & Andrew Walder, “Property Rights and Stratification in Socialist Redistributive Economies,” *American Sociological Review*, 57:4 (August 1992), 467-492.

the foundation of economy”.⁵⁴

The variable **FirstOrg** will help measure the extent of this transition in China's case as it will be divided into the following categories when 0) means No job, 1) Self-employed, 2) Farm, 3) Private firm, 4) Collective firm, 5) Hybrid firm, 6) Joint venture, 7) State firm, 8) Public organisation or 9) Government, as the first job organisation property rights type.

This chapter is also interested in the location power of the elites and non-elites' first job attainment, designing a variable **FirstJobLevel**, to mean that 0) as Rural side, 1) Township, 2) County, 3) Prefectural and 4) as Provincial Level including Beijing/Shanghai/Tianjin (Chongqing is not included as it was only established as a directly-controlled municipality in 1997 when all the people in the population and the sample had already entered into the workforce) while the independent variable **FirstJobFunc** deals with the first job function of the individual investigated when 0 represents Administrative and 1 leads to Professional.

A job's function being professional is directly related to the term “professional” as a noun, to mean *zhuanye renshi* (专业人士) or technocrat in a bureaucracy, which can be translated to *jishu ganbu* (技术干部) or *jishu guanliao* (技术官僚). In the West, some scholars have portrayed professionals as elites whose influence is based entirely upon their technical expertise. Rejecting these inaccurate assumptions, some China scholars adopt the terms such as “bureaucratic technocrat”, “political technocrat” or “marketized technocrat” to reflect the local situation.⁵⁵ Some scholars even deny the existence of technocratic leadership in China because

⁵⁴ Andrew Walder. “Transitions from State Socialism: A Property Rights Perspective.” in *The Sociology of Economic Life*, 3rd ed. edited by Mark Granovetter and Richard Swedberg. (Boulder: Westview, 2011): 508.

⁵⁵ For example, see Zang Xiaowei. “The Fourteenth Central Committee of the CCP: Technocracy or Political Technocracy”, *Asian Survey* 33, Vol 8, (August 1993), p. 787-803. & Zang Xiaowei. “Elite formation and Bureaucratic-Technocracy in Post-Mao China”, *Studies in Comparative Communism* 24, no.1 (March 1991), pp.114-123. & Richard Baum. *Burying Mao: Chinese politics in the age of Deng*

in their view, professionals should be genuine technical experts whereas most of the Chinese leadership were engineers in name only (such as Hu Jintao or Jiang Zemin).

Though there is some validity to such an argument, it overlooks the possibility that scientific or engineering training and its relevant job involvement may affect their political worldviews. For example, a country headed by Marxist militarists would be quite different from a nation led by lawyers such as the United States. In the population and the sample, many of them have served in their first jobs as engineers, scientists or technical advisors in their capacity to use their specialized knowledge to serve their institutions. Therefore, being professional in job function should be based on the same category definitions used in the *1980 Population Census of China*, which is defined as “professional and technical personnel.”⁵⁶ It includes such occupations as scientist, engineer, science and technology management staff, medical worker, social scientist, lawyer, teacher, etc.

This chapter regards being administrative in job function as directly related to the noun term “administrator”. As opposed to the term “professional”, doing administrative work does not directly involve high-level specialized knowledge transfer (such as those secretarial or organisational or propaganda work). This category includes people who hold positions in government agencies, Party committees and mass organisations, street offices, enterprises, etc.

Chinese sociologists who try to understand their country’s job structure use the type of work people do as the main indicator of social stratification.⁵⁷ But they refuse to utter the word “class”

Xiaoping. (Princeton: Princeton University Press, 1994), p.381.

⁵⁶ Jeffrey Taylor. "Employment and Unemployment in China: Results from 10-Percent Sample Tabulation of 1982 Population Census" (*Foreign Economic Report* No. 23, 1985). U.S. Bureau of the Census, Washington, DC.

⁵⁷ Seymour Martin Lipset, “The Social Requisites of Democracy Revisited: 1993 Presidential Address,” *American Sociological Review*, 59(1) (Feb., 1994), pp. 1-22

(阶级) because of its Marxist connotations of exploitation and class struggle, both of which are considered impossible in China today. They substitute the word “stratum” (阶层), but mean the same thing.⁵⁸ The most widely used typology of social strata in China was created by prominent sociologist Lu Xueyi and his colleagues at the Chinese Academy of Social Sciences (CASS). They identified ten occupational groups ranging from high-level state and enterprise leaders at the top, to factory workers, agricultural labourers, and the unemployed at the bottom.⁵⁹ So operationally, readers may also want to know where one’s job locates in the social stratum, to be reflected in the variable **FirstOccuGroup**, which distinguishes ten social strata as they collectively define how social mobility in contemporary China should be assessed as 0) represents Unemployed (失业无业人员) 1) Agricultural labourer (农业劳动者) 2) Industrial/production worker (产业工人) 3) Service industry personnel (商业服务业员工) 4) Self-employed (个体工商户) 5) Office personnel (办事人员) 6) Professional (专业技术人员) 7) Private entrepreneur (私营企业主) 8) Senior manager(经理人员) 9) Cadre and state administrator(国家与社会管理者).

And in a more detailed fashion, this chapter also investigates the elite population and the sample’s first job sectors, to be designated in variable **FirstJobSec** when: **0)** refers to the Government propaganda sector; **1)** Legal field; **2)** Education sector; **3)** University and research sector; **4)** Public security; **5)** Communist Youth League; **6)** Organisation work/personnel management; **7)** Non-specialised general administrative work within a government unit; **8)** State administrative units for engineering related fields including mining/construction/water; **9)**

⁵⁸ Andrew Nathan. “The Puzzle of the Chinese Middle Class”. *Journal of Democracy*, 27(2), April 2016, pp.5-19.

⁵⁹ Lu Xueyi. *Social Mobility in Contemporary China*. (Beijing: Social Sciences Documentation Publishing House, 2004), p.44.

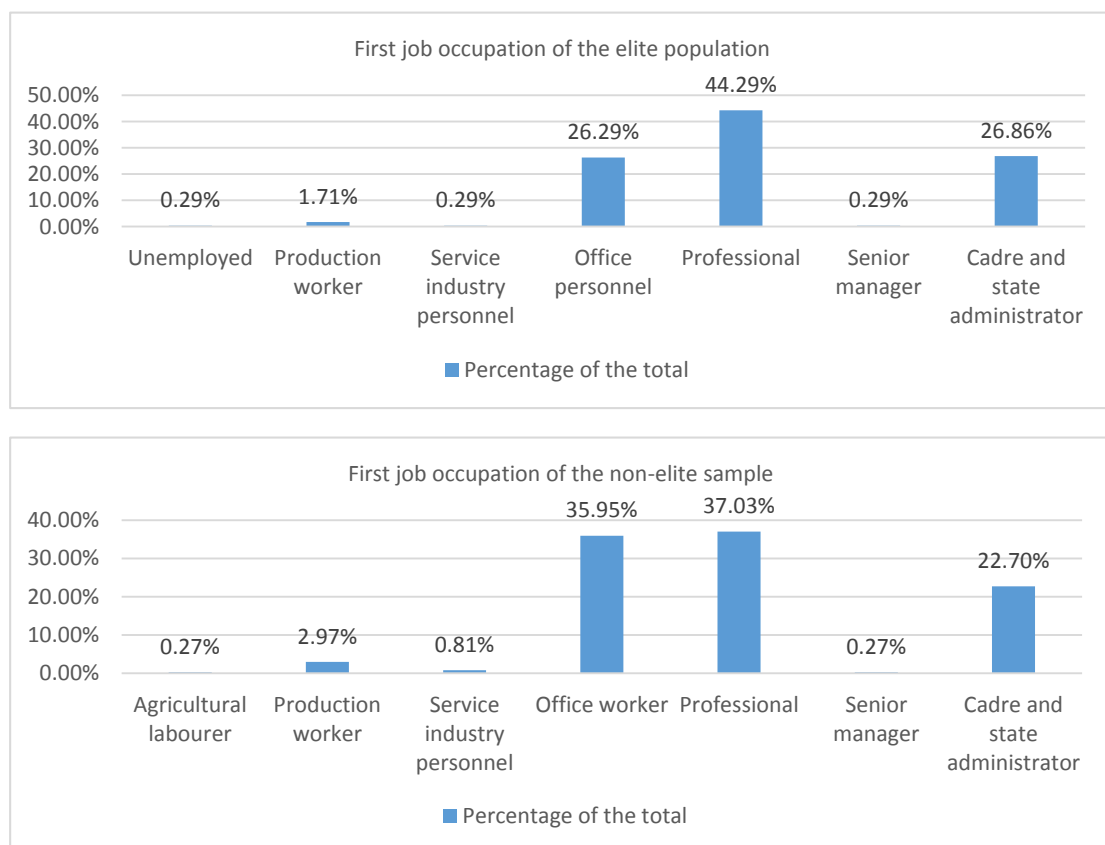
State administrative units for agriculture related fields; **10)** State-owned enterprise sector; **11)** Private sector; **12)** Sports; **13)** Banking/Finance (state) /Economic planning/ Development and Reform Commission/Taxation; **14)** Discipline inspection/Corruption supervision/Audit/Bureau of Statistics; **15)** Hospital/Medicine; **16)** Military; **17)** Foreign affairs; **18)** Secretaries (for senior politicians/bureaucrats); **19)** Railway/Communication; **20)** Commerce/Business; **21)** NPC/CPPCC and their local committees.

1.1 First job attainment patterns

This section will first review the elites and non-elites' first job attainment descriptive statistics before demonstrating that these patterns for the elite population and to a lesser extent, the non-elite sample were non-mainstream and elite, compared with the job attainment situations in Chinese society at the time to chase a job's more immediate rewards than stick to its prestige. Let us examine the five independent variables in turn.

FirstOccuGroup: the difference between the population and the sample in their first occupation is small as the three largest occupation groups were cadres, professionals and office workers for both groups:

Figure 4.1 First job occupation patterns of the elites and the non-elites



The non-elite sample in comparison had higher percentages of office workers and lower percentages of professionals and cadres in their first occupations.

Almost no one in the population and the sample chose to become a peasant or agricultural labourer while very few of them started as workers in factories or service industries (almost no managers of enterprises in both camps), showing a strong first job preference to work for government and public organisations.

As some scholars well argue, occupation prestige is often not sensitive to institutional changes.⁶⁰ Indeed, these conservative choices as a result of the learned helplessness and risk-averse attitude (to be discussed in the following sections) were more about chasing occupation prestige rather than short-term economic benefits when peasants and industrial workers earned handsome incomes (in some years, higher than cadres) but lacked job prestige as Chapter 3 has demonstrated, despite the fact that when people chose their jobs, they could place high priorities on the potential graft benefits that could be generated by political office. But it would be unreasonable to state, without sufficient evidence, that going for a public office was/is only for its monetary rewards – for example, the president of China’s Tsinghua University has become the mayor of Beijing, a job that pays a tenth of the Tsinghua job but incurs much more CCP Disciplinary Commission attention against possible grafts (also higher cost of punishment if found out) – in a sense, becoming a politician can satisfy a person’s ambition in different ways.⁶¹

And in short, statistically, for **FirstOccuGroup**, the top three occupation groups consisted of cadres, professionals and office personnel for both the population and the sample, accumulating more than 90% in total for each. And if you correlate these findings with the two population censuses done by the National Bureau of Statistics of China in 1982 and 1990, the

⁶⁰ Bian Yanjie. “Chinese Social Stratification and Social Mobility”. *Annual Review of Sociology*, Vol. 28 (2002), pp. 91-116

⁶¹ On Tsinghua’s president’s new post, see official *People’s Daily’s* coverage at: <http://bj.people.com.cn/n2/2017/0527/c349136-30250479.html>, accessed on 17 July 2017.

results are revealing as we can see that the percentages of cadre and state administrators and professionals as a percentage of the total Chinese population had risen through the 1980s while the percentages for industrial workers and agricultural labourers were on the decline:

Table 4.1 Occupation structure China 1982 and 1990

Occupation	1982 Census	1990 Census
	(number as a percentage of total population)	(number as a percentage of total population)
Cadre and state administrator	0.49%	0.62%
Senior enterprise manager	1.06%	1.13%
Professional	5.07%	5.31%
Office personnel	1.30%	1.74%
Service industry personnel	4.02%	5.41%
Industrial worker	15.99%	15.16%
Agricultural labourer	71.98%	70.58%

Source: Lu Xueyi, *ibid*, 2004, p.105.

And according to the 1982 and 1990 Population Censuses, the three groups including cadre and state administrator, professional and office personnel only totaled 6.86% for 1982 and 7.67% for 1990, as percentages of China's total population. And for both 1982 and 1990, industrial/production workers (15.99% for 1982 and 15.16% for 1990) and agricultural labourers (71.98% for 1982 and 70.58% for 1990) were still the *mainstream occupations* in Chinese society (social structure), in contrast with the population (workers and peasants only accounted for 1.71% of the elites' occupation choices) and the sample's (the figure for the non-elites was 3.24%, combining both workers and peasants) *non-majority occupation decisions*.

These statistics were well in line with the social research findings on first occupation attainment in China, done by China's Renmin University, with a national social survey using large-scale stratified sampling in 28 provinces and 125 cities/counties, covering 10,000 households, as a part of the wider International Social Survey Programme. They find the first

occupation attainment distributions in different periods as follows:⁶²

Table 4.2 First job attainment occupation as a percentage of the total Chinese population

First job attainment occupation as a percentage of the total population	1980-1989	1990-1994
Workers	44%	39.7%
Agricultural labourers	13.1%	6.5%
Managers	2.8%	4.1%
Professionals/technicians	11.2%	12.9%
Office workers	10.7%	11.5%
Self-employed	5.4%	7.6%
Service industry personnel	12.2%	17.3%
Others	0.8%	0.5%
N	1294	567

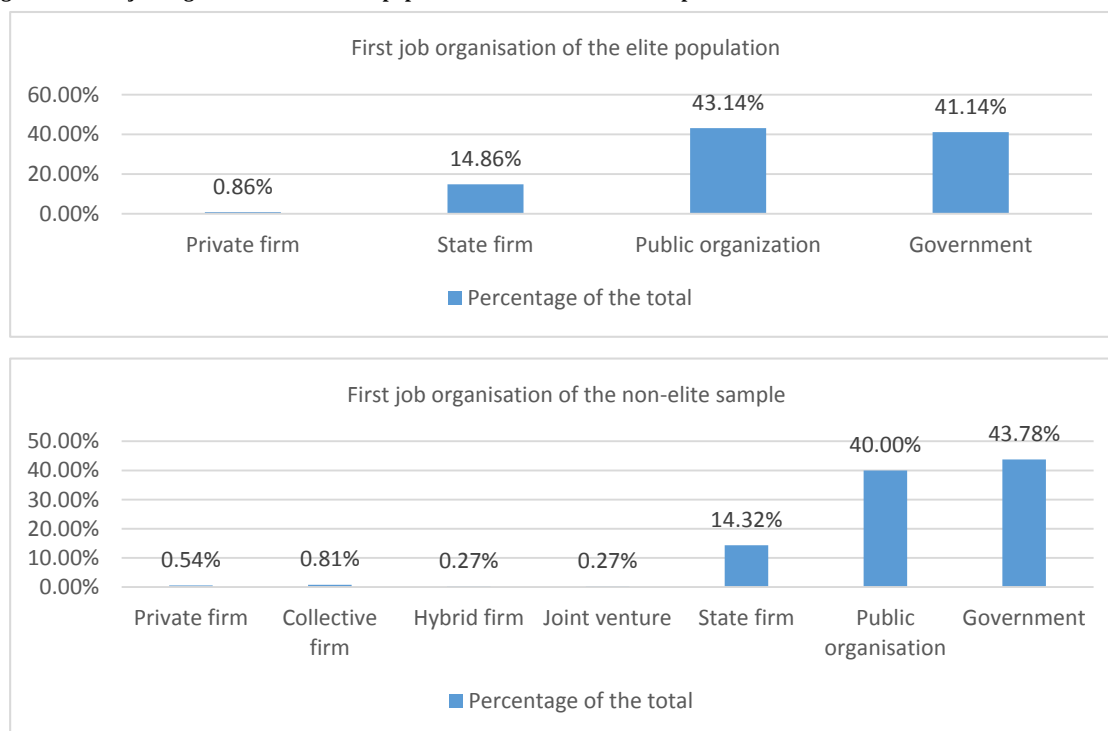
Source: Chinese General Social Survey at Renmin University. *Chinese General Social Survey Report 2003-2008*. (Beijing: China Social Science Press, 2009):103.

The percentage of Chinese people who started their first jobs as workers (down 4.3% over the two periods) and agricultural labourers (down 6.6%) were on the decline as the years went by but these two categories were still accounted as the two biggest and mainstream job occupation groups (totaled around 50% for both the elites and the non-elites) in China.

As various surveys in earlier chapters have shown, in line with this chapter's findings, the vast majority of the Chinese public preferred occupations that could immediately reward them rather than sticking to something like prestige when choosing professions. Therefore, the elites' and the non-elites' choices are counter-intuitive, which will be explained in Section 1.2.

FirstOrg: this risk-averse trend can also be backed up by data on the elites' first job organisation patterns when most of them chose the state sector over the private sector to start work (the state sector had higher social prestige than the private sector as Chapter 3 showed) as more than 80% of the elites chose to work for the government and in the public sector while the non-elite sample data offered very similar reading in first job organisation decisions:

⁶² Chinese General Social Survey at Renmin University. *Chinese General Social Survey Report 2003-2008*. (Beijing: China Social Science Press, 2009):103.

Figure 4.2 First job organisation of the elite population and the non-elite sample

Therefore, in short, for the **FirstOrg** variable, more than 90% of the elite population chose to work for the state and public sectors while the non-elite data (more than 80%) offered similar viewing of their first job organisation choices (even by this standard, far higher percentages of the elites and the non-elites started in state-owned units than the national average – around 65%, as the below table shows). And very few percentages of the population and the sample started their first jobs in private firms (0.86% of the elites vs 0.54% of the non-elites) and *this unconventional and non-mainstream phenomenon was in sharp contrast with the Chinese national statistics at the time*: the Renmin University survey confirmed such trends by suggesting that the percentage of people who started their first jobs in the private sector (6.3% in the 1980s and 14.2% in the early 1990s) were far higher than the population/sample figures:⁶³

Table 4.3 First job organisation by property rights type as a percentage of the total Chinese population

First job organisation by property rights type as a percentage of the total Chinese population	1980-1989	1990-1994
State-owned and state-controlled units	65.7%	63.1%
Collective units	28.0%	22.7%

⁶³ *Chinese General Social Survey* at Renmin University, *ibid*:113.

Private units	6.3%	14.2%
N	1,029	450

Source: Chinese General Social Survey at Renmin University, *ibid*:113.

Therefore, the figures for both groups were far less than the Chinese national average in the 1980s/1990s, a sign of non-mainstream first job organisation choices/decisions, especially when private enterprises, foreign-funded companies and self-employed ventures were paying their employees higher salaries than SOEs and collectives and these monetary incentives were very attractive to the average Chinese employees when they chose a company's property rights type: using comprehensive national wage panel data and Heckman selection model, scholars have found that from 1989 to 1997, wages in the public sector were 2.9% lower than the wages in the non-public sector, further validating the attractiveness of the private sector pay.

They also find that wages differed even within the public sector. Wages in the government were 8.22 % lower than wages in other jobs in the public sector. Furthermore, the wage returns in education and in experience were higher in the non-public sector than in the public sector.⁶⁴

In a national survey of Guangdong, Fujian and Zhejiang covering 9 major cities with 2,300 valid respondents in 75 companies, total incomes including wages and bonuses/allowances for employees in SOEs amounted to 4,707.96 Yuan on average in 1986, compared with 5,258.89 Yuan for employees in the collectives and 7,159.84 Yuan in private enterprises/foreign-funded companies and self-employed ventures.⁶⁵ These results reflect the impacts of the initial urban reforms, in which the decentralization of authority in industrial and service organisations led to higher bonuses for their employees relative to those working in government and public

⁶⁴ Yin Zhichao and Gan Li. "Wage Differentials between Public and Nonpublic Sector in China". *Economic Research Journal*, 2009(4): 129-140.

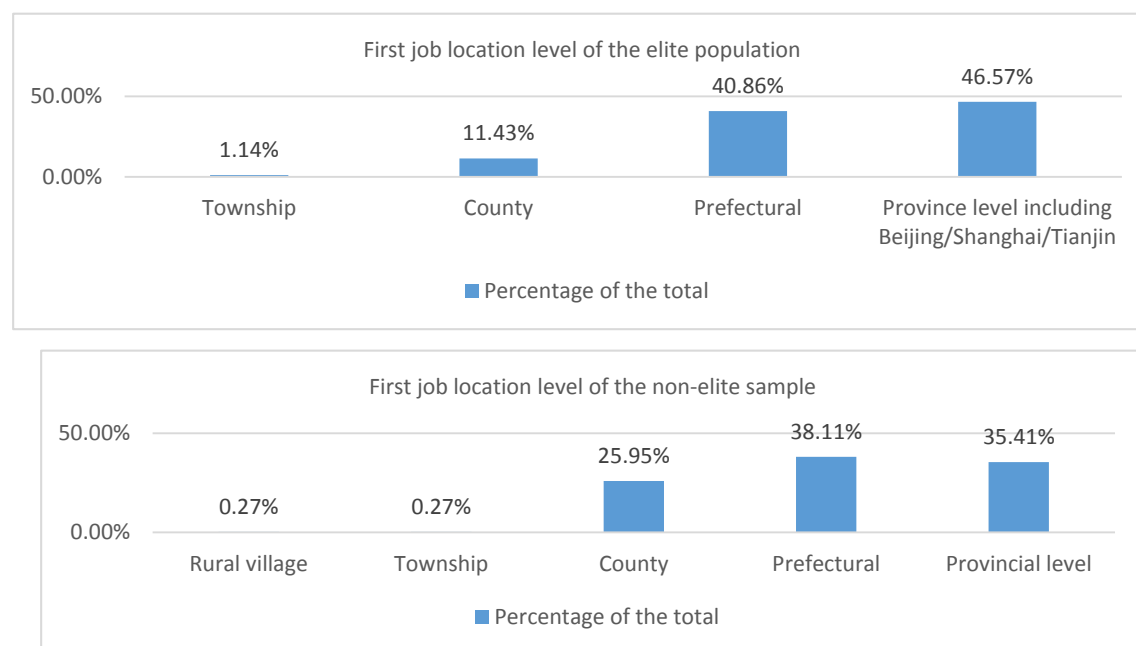
⁶⁵ The State Commission for Restructuring the Economy. *Chaju yu gongping: guanyu zhongguo shehui fenpei wenti de diaocha yu sikao* (Inequality and justice: Surveys and discussions of the Chinese redistributive regime). (Beijing: China Economics Press, 1993): pp.44-47.

organisations.⁶⁶ Nevertheless, one elite cadre interviewee who was the CEO of a prefectural level SOE before being promoted to government reflected on reasons behind the wage differences and why he still preferred to work for SOEs rather than those private enterprises:

After graduating from a vocational school, I started in a SOE in a prefectural city rather than in a foreign-funded enterprise or private enterprise, which definitely paid much more than my work unit in the late 1980s. However, I had to consider other potential benefits offered by the SOE as a work unit, when it provided better housing facilities and allowances. More importantly, one did not have to work extra time in SOEs, compared with the hard-labour requirement in those non-state units. For example, I worked 8 hours in my SOE as a professional engineer while some of my classmates who joined foreign-owned companies had to work 14 or even 17 hours a day so if you take their extra working hours into account, their hourly wage was not higher than mine. Plus, their companies had a much heavier work load and tougher peer pressure. And there were higher possibilities of being fired in their companies, with job securities always on the line.⁶⁷

FirstJobLevel: most of the elites and non-elites chose to start to work in cities and prefectures where most high prestige jobs were located. But we should also notice that a larger proportion of the non-elites started at county level and a smaller percentage of them worked their way up from the more central units in prefectural and provincial-level settings than the elites:

Figure 4.3 First job location of the elite population and the non-elite sample



⁶⁶ Andrew Walder. "Factory and Manager in an Era of Reform." *China Quarterly*, 1989(118), pp.242-64.

⁶⁷ Elite cadre interviewee 16.

In short, for the **FirstJobLevel** variable, most of the elites and the non-elites started to work in cities and prefectures as their first job locations (more than 80% of the elites and over 70% of the non-elites). But considering that in the 1980s as the below table shows, rural area employee numbers accounted for the larger majority of the Chinese working population than the urban area subtotal, 75.16% in 1980, 74.32% in 1985 and 70.42% in 1990 (as calculated by the author, e.g. 31,836/42,361 in 1980), *the elites and the non-elites' first job location decisions were non-majority at the time:*

Table 4.4 Employee numbers in China

Employee number in (Units: 10000)	1980	1985	1990
State-owned units including the government and public organisations	8019	8990	10346
Collective-owned units	2425	3324	3549
Joint-ownership units	N/A	38	96
Private enterprises	N/A	N/A	57
Foreign-funded units	N/A	6	66
Self-employed units	81	450	614
Subtotal of urban area	10525	12808	17041
TVEs	3000	6979	9265
Private enterprises	N/A	N/A	113
Self-employed units	N/A	N/A	1491
Farming units	28836	30086	36839
Subtotal of rural areas	31836	37065	47708
Sum of urban and rural	42361	49873	67749

Source: National Bureau of Statistics. *China Statistical Yearbook of 2011*. (Beijing: China Statistics Press, 2011), pp.110-111.

Hukou and job locations: however, it could be simplistic to say that rural area employees accounted for the majority of the Chinese working population than the urban area subtotal in the 1980s and early 1990s thereby demonstrating that these elites' and non-elites first job locations were non-majority at the time. Many scholars argue that people's first job location in China could often be down to the life lottery of an urban Hukou and rural people were not able to make a majority/mainstream job location while urban people continued to enjoy their

advantage.⁶⁸ It is realistic to expect that despite rising unemployment in the cities, people in counties and villages still associate a city Hukou with better life chances, as Murphy has well demonstrated with her fieldwork in China's rural parts.⁶⁹

In line with such analyses, this thesis is not arguing that rural people were making a conventional choice to work in rural areas while the political class were making an unconventional choice to work in urban areas, and gauging the causes of their actions. *Rather, it pays more attention to whether one actually made certain choices than how/why one made such choices, to analyze the significance and outcomes of these choices than their causes.*

In addition, this thesis argues that the working conditions and job remunerative prospects in China's rural parts have seen great progress since the 1980s while the urban parts experienced significant retrenchment due to industrial reorganizations and the loss of lifetime security employment so that the incentives for people with rural Hukou to choose to work in cities have weakened over the years when the attractiveness and prospects of urban jobs deteriorated.

Indeed, to control the rural workforce the government uses the Hukou household registration system. This system requires citizens to register their permanent place of residence with the government. Persons with urban Hukou were entitled to jobs in SOEs and to education, housing, and health care. From the mid-1950s through the 1970s urban residents received ration cards for buying necessities. Individuals who had rural Hukou but who were residing in urban areas received none of these benefits. The few rural residents who gained urban Hukou did so by joining the Army or the Party or getting a university degree and shifting their Hukou to the

⁶⁸ For example, see Kam Wing Chan and Li Zhang. "The Hukou System and Rural-Urban Migration in China: Processes and Changes". *The China Quarterly*, 1999(160): 818–855. & see a very insightful take on the rural-urban migration divide in footnote 69:

⁶⁹ Rachel Murphy. *How Migrant Labor is Changing Rural China*. (UK: Cambridge University Press, 2002), Chapter 2.

university. Assigning people to a danwei and keeping rural persons from migrating to urban areas gave the government control over labor allocation. It prevented the massive rural-to-urban migration found in most developing countries. But it also created an apartheid-like society that made second-class citizens of the 80% or so of the Chinese population in rural areas.⁷⁰

However, as covered in this thesis, China started its economic reforms in the late 1970s in agriculture. The government contracted land to individual farmers and allowed these farmers to sell their produce on open markets once they had met the quota the government set to provide food for urban workers. This household responsibility system induced farmers to raise agricultural productivity. The increase in productivity in return freed many agricultural workers to seek work off the farm in the rural area where they had their Hukou residency. *The increase in productivity coupled with increased prices for rural goods raised rural incomes relative to urban incomes.* Local governments responded to the increased supply of rural labor and greater demand for goods and services from farmers by forming or encouraging individuals to form township and village enterprises (TVE) to produce goods and services in rural China.⁷¹

Another step in non-agricultural reforms was to allow non-SOEs – TVEs in rural areas, private firms, foreign-owned multinationals – to enter or expand in the market. The percentage of workers and agricultural laborers in TVEs increased from 9% in 1980 to 26% in 1995 and the TVEs became more privately controlled.⁷² In sharp contrast, in the urban sector, employment in SOEs or in urban collective enterprises (run by cities or other lower jurisdictions)

⁷⁰ Andrew Walder. *Communist Neo-Traditionalism: Work and Authority in Chinese Industry*. (Berkeley, CA: University of California Press, 1986).

⁷¹ Sabin, L. "New Bosses in the Workers' State: The Growth of Non-State Sector Employment in China", *The China Quarterly*, 1994(140), December: 944 – 70.

⁷² Sabin, L. *Ibid*.

dropped from about 90% of urban workers in the 1970s to 50% in the 1990s.⁷³

Freeing SOE management to operate by market principles and allowing private enterprise to employ a majority of the workforce sounded the death knell for the system of labor bureaus assigning workers to jobs. China's economic reforms then set off one of the greatest economic expansions in history. In the 1990s, parts of the administered labor system remained but market forces had replaced administrative orders as the driving force for employment and wages.

These reforms and changes opened the door for firms to hire and fire workers freely and for them to change jobs as they saw fit. Lifetime security for employees disappeared. Holding employees in a single firm for their working lives disappeared. SOEs laid people off when they deemed it necessary and hired temporary workers when they deemed it profitable. The most striking shift in employer behavior started in the 1990s when SOEs and urban collectives undertook the biggest layoff of workers in history while the rural TVE employment flourished.

Seeing these enterprises as an inefficient drag on the economy and burdens on governmental budgets, the central government announced the goal of restructuring, privatizing, or closing thousands of SOEs and reducing employment in the state-owned sector by 30%. Under the slogan "Grasp the Large, Release the Small" the government closed many large firms and privatized smaller firms. Then from 1995 to 2000, employment in SOEs fell by 36 million persons while employment in urban collective enterprises fell by 21 million persons. Many workers who lost their jobs had few skills beyond those used at their workplace. None had experience of searching for work in the labor market. The result was that the official rate of

⁷³ Rush, A. "China's Labour Market", Reserve Bank of Australia, bulletin (September Quarter 2011), 29 – 38 at: www.rba.gov.au/publications/bulletin/2011/sep/pdf/bu-0911-4.pdf, accessed online on July 12 2017.

joblessness, which had been near zero in the pre-reform period, reached 4.3% in 2002. But this underestimated the extent of job loss because many enterprises kept workers on the books as *xiagang* – off-post – workers, paying them modest benefits without work. Counting these persons as unemployed, the rate of joblessness could exceed 10% or so, even in the 1990s.⁷⁴

As the next few chapters will cover, continued economic growth from the late 1980s shifted the locus of turnover from firms to workers. With firms no longer providing social benefits, workers were less tied to their employer than in the past. Young urban and rural workers moved from firm to firm in search of better job matches and higher pay. Turnover rates in major firms rose to 20% or so per year – a proportion of voluntary leaving similar to the yearly quit rate for US workers, and far above turnover in many other advanced countries⁷⁵: as China reformed its economy, some farmers and workers moved from lower-paying rural jobs to higher-paying jobs in rural TVEs while others to the coastal province factories that led China's export boom and construction and service sector jobs in cities, counties and villages. It is difficult to imagine that China could have increased productivity as rapidly and reallocated laborers among sectors in urban and rural parts as successfully as it did without a more market-driven labor system.

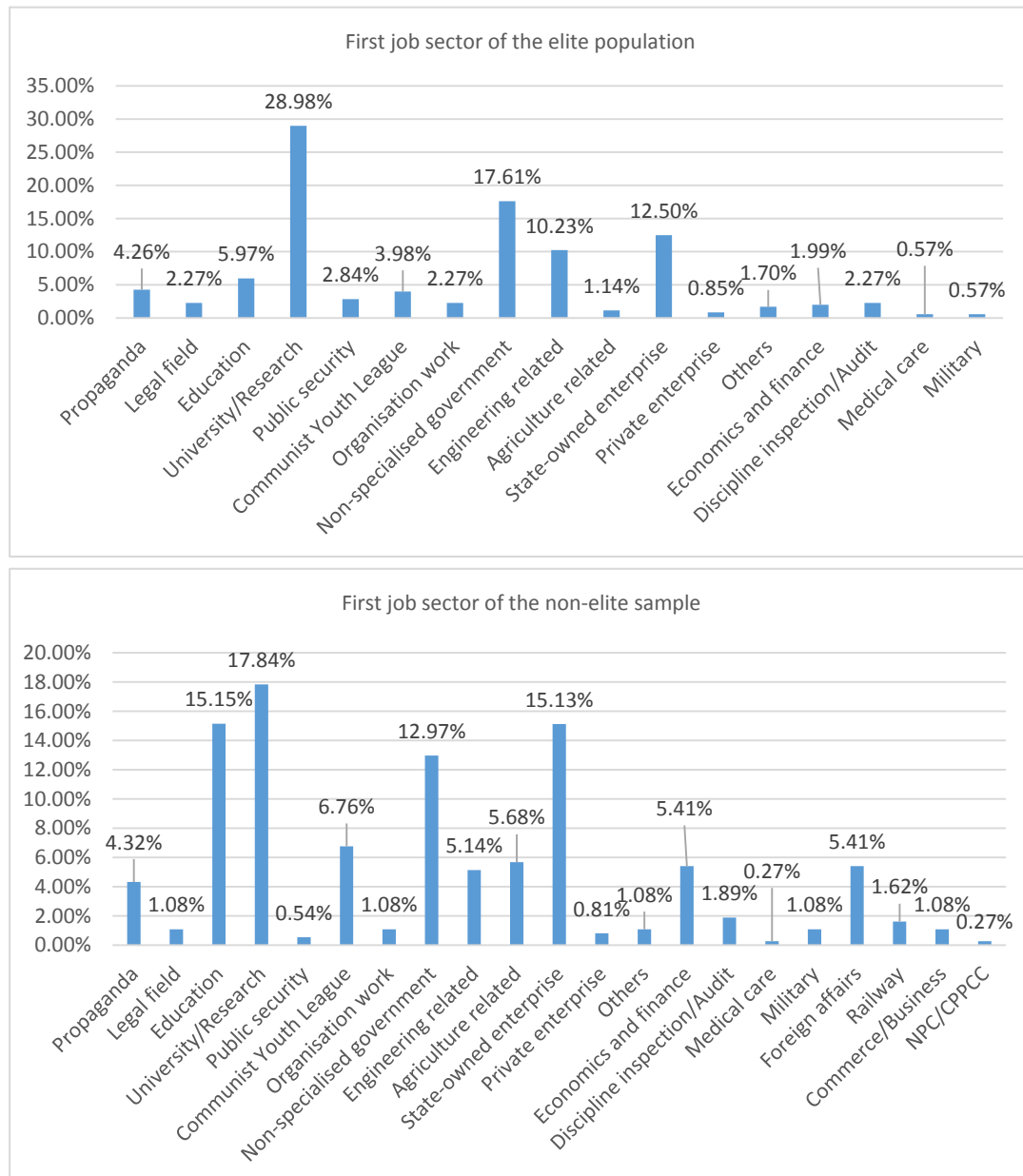
All these statistics and trends demonstrate that the conditions and job remunerative prospects in China's rural world (agricultural and industrial), compared with their urban counterparts, have improved since the late 1980s so that an individual's capacity and decision to choose an urban or a rural job has as much to do with people's intentions and motivations as with whether they can actually choose to do so: the hierarchy between an urban job and a rural job has lessened in the reform era so people with rural Hukou has found less incentives to work in cities.

⁷⁴ Freeman, *Ibid* 2015, pp.108-110.

⁷⁵ Freeman, *Ibid* 2015, p.110.

FirstJobSec: the first job sector choices for both groups were of high prestige when we observe that 28.98% of the elites started in university/research sectors, followed by government, SOEs, state administrative units in engineering related fields such as mining, construction and water and the education sector: these top 5 choices, totaled 75.29% of all first job sector distributions:

Figure 4.4 First job sector of the elite population and the non-elite sample



For the non-elites, the top 5 sectors were slightly different (but still of higher prestige than most other sectors), when university/research sector again took the top spot, but having a

smaller percentage representation (17.84%) compared with the elites', with education becoming the second largest sector (15.15%), followed by SOEs (15.13%), government (12.97%) and the Communist Youth League (6.76%), totaling 67.85% of all sectors chosen.

In short, for the **FirstJobSec** variable, considering in the 1980s as shown in the below table, university/research sector(0.2% in 1980 - 0.29% in 1985 - 0.27% in 1990 – as calculated by the author according to the *China Statistical Yearbook*), government (1.24% in 1980 - 1.6% in 1985 - 1.69% in 1990), mining/construction/water sectors (4.3% in 1980 - 5.9% in 1985 - 5.5% in 1990), education sector (2.7% in 1980 - 2.6% in 1985 - 2.3% in 1990) were not heavily represented in the total number of employed persons by all sectors across China, except for the SOEs sector (18.9% in 1980 - 18.02% in 1985 - 16.19% in 1990), *the elites and non-elites' first job sector choices and decisions should be regarded unconventional and non-mainstream:*

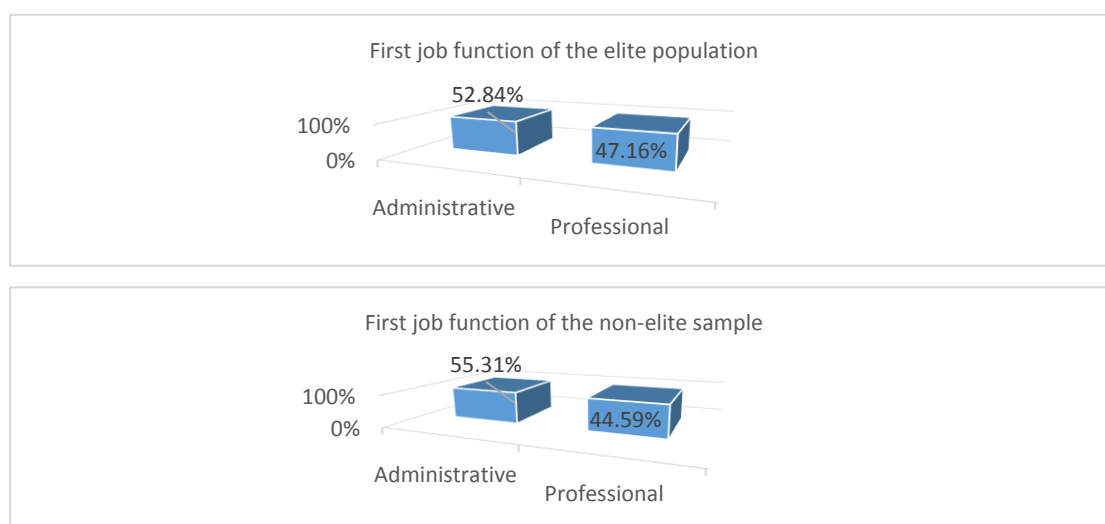
Table 4.5 Employee number in different sectors over different years

Employee number in different sectors (Units: 10000)	1980	1985	1990
Farming, forestry, animal husbandry and fisheries sector	29122	31130	34117
Mining sector	697	795	882
Manufacturing sector	5899	7412	8624
Electricity, gas and water	118	142	192
Construction	993	2035	2424
Geological prospecting	188	197	197
Transport and telecommunications	805	1279	1566
Wholesale and retail	1363	2306	2839
Banking and insurance	99	138	219
Real estate	37	36	44
Social service	276	401	594
Health care and sports	389	467	536
Education, culture, art and media	1147	1273	1457
Research sector	113	144	173
Government, agencies and social organisations	527	799	1079
Other sectors	588	1319	1798
SOEs including some of the above sectors	8019	8990	10346
Total employed persons	42361	49873	63909

Source: National Bureau of Statistics. *China Statistical Yearbook of 2000*. (Beijing: China Statistics Press, 2000):120-135.

FirstJobFunc: then for the first job function variable, the result for the elite population shows that a majority of the elite population (52.84%) did not start as a professional or a specialist even though many of them began their first jobs in the education or research/university sector:

Figure 4.5 First job function of the elites and the non-elites



For the non-elites, the reading reflects a similar trend despite the fact that a slightly higher percentage of them started their first jobs in administrative function (55.31%) than the elites. So in sum, for the **FirstJobFunc** variable, the result for the elite population shows that most of them did not start as a professional or a specialist (only 47.16% of the elites vs 44.59% of the non-elites did) while for the non-elite sample, the above reading offers similar viewing despite the fact that a slightly higher percentage of the sample started their first jobs in administrative function (55.41%) than the elites (52.84%). There was no official statistic on the percentage of administrative staff in all China's work units versus the percentage of professional staff to all employees in China in the 1980s.

But it is not hard to find some statistics in China's statistical yearbooks that offer us some insights: for instance, as the earlier section sector employee number table shows, SOEs occupied a very prominent position among China's job sector composition. National official

statistics show that in 1980, administrative staff occupied 9.7% of all the staff and workers in all the SOEs by the whole nation while professionals represented 3.0%. In 1981, administrative staff occupied 9.9% versus professionals representing 3.1%. In 1982, administrative staff 10.2% versus professionals 3.5%. In 1983, administrative staff 10.2% versus professionals 3.8%. In 1984, administrative 10.3% versus professionals 4.0% (the percentage of administrators divided by the percentage of professionals in the whole nation in 1980=3.23; in 1981=3.19; in 1982=2.91; in 1984=2.57, as calculated by the author).⁷⁶

These data demonstrate that the tendency adopted by the elites and the non-elites for choosing first job functions was not reflecting the mainstream societal trend and social structure in Chinese society in the 1980s: a far higher percentage of people nationwide chose an administrative than a professional route, which indicates that administrators were at least doubling the number of professionals in percentages for the nation's population as a whole.

But for both the elites and the non-elites' first job function compositions, the number of administrators was only slightly higher than the number of professionals (the percentage of administrators divided by the percentage of professionals for the elite population was 1.12; for the non-elite sample, it was 1.24). The Renmin University general social survey also backed this finding as we see from the below table that a far larger majority of the Chinese population tended to start their first jobs as generalist than specialist:

Table 4.6 First job function as a percentage of the total Chinese population

First job function as a percentage of the total Chinese population	1980-1989	1990-1994
Rural administrator or generalist	70.3%	69.5%
Rural professional or specialist	29.7%	30.5%
Total rural administrator /professional Ratio	2.37	2.27
Urban administrator/generalist	72.5%	73.9%

⁷⁶ National Bureau of Statistics of China. *China Statistical Yearbook of 1981/1983/1984*. (Beijing: China Statistics Press, 1981/1983/1984).

Urban professional/specialist	27.5%	26.1%
Total urban administrator / professional ratio	2.64	2.83

Source: Chinese General Social Survey at Renmin University, *ibid*:105-6.

To sum up this section, it is important to point out that the first job attainment patterns for the elite population and to a lesser extent, for the non-elite sample, were non-mainstream and non-majority, working against the social structure, compared with the first job attainment situations in Chinese society at the time, which is reflected in the five major independent variables examined. More importantly, these statistics demonstrate that these unconventional decisions were based on the elites and the non-elites' strategies to chase a job's social prestige over its more immediate economic benefits when choosing first jobs: their choices of occupations, job sectors, job functions, job levels and job organisation property rights types were more highly evaluated for their prestige than their monetary rewards, as we can correlate with Chapter 3's findings.

I did a survey with my interviewees to see whether they preferred to base their first job attainment decisions on a job's coercive or its remunerative features as a decision-making mechanism, 73.3% agreed with the statement that "as long as my job offers enough social pedigree, I can bear the fact that it does not pay well". They were also asked to rank the criteria they used when choosing their first jobs as the below result table shows that a job's social prestige was more important to the population and the sample than its income:

Table 4.7 Top 5 criteria for choosing first job for the elites and the non-elites

Top 5 criteria for choosing first job	Ranking
Being able to utilise his/her expertise 能发挥特长	1
Being able to learn new things 良好的受教育机会	2
High social prestige and status 社会地位高	3
Stability and job security 工作稳定	4
High income 收入高	5

It is also revealing to see how they reacted to taking risks when 69% of them agreed with the

statement that “the government should take care of all aspects of people’s lives including job assignments” (versus 31% who did not agree), showing a strong risk-averse attitude. *But why did they choose to trust a job’s coercive features, reflected in the willingness to take less risks, over a job’s remunerative power?*

1.2 The psychological state of first-time job seekers in the reform era

Overall, Chapter 3 and 4, examine how different occupations, organisations and sectors were rated by their respective remunerative and coercive features at the time when the elites and the non-elites faced the job market. The surprising finding in the discrepancies between a job's economic earning power and its social prestige leads us to question which criterion people would use to choose a job. Previously examined surveys done in the 1980s find that when the average respondents were asked to rank five major life objectives, chasing economic gains ranked first, followed by pursuing general welfare, looking for social security, chasing social prestige and a sense of freedom.⁷⁷ This means that when people started to consider their career goals and strategies, they often rated a job's economic rewards as their first priorities.

However, this chapter finds out that at least to the elite population and the non-elite sample, they saw a job's prestige as more important over its economic earning power/potential, against the mainstream and conventional societal preferences and social structural expectations.

Readers wonder why they made these non-mainstream decisions in the first place. Therefore, this section answers the "why" question from a psychological perspective, citing their preference to trust politically established job prestige rankings over job monetary rewards rankings (remunerative preferences) as a decision-making mechanism to choose first jobs.

To answer this "why" question, this chapter asks that in the reform era, for the Chinese government and the Communist Party, how easy was it to convince a citizen that the economy in transition offered a variety of new job opportunities and life chances, unlike the CR era when

⁷⁷ China Society of Economic Reform (CSER). *Gaige de shehuixinli: Bianqian yu xuanze* (Social psychology of the reform era: changes and choices). (China: Sichuan People's Publishing House, 1987), p.69.

the job system was more rigid? And how and why does the previously examined job economic ranking versus prestige ranking discrepancy matter?

The answer depends on whether we are dealing with opinions or attitudes. Psychologist Aronson defines the term “opinion” as what a person believes to be factually true.⁷⁸ For example, we can believe that eating more sugar will make people happier. These opinions are transient and they can be changed by clear evidence to the contrary.

On the other hand, suppose a person holds the opinion that old people are a drain on society. These opinions tend to be both emotional and evaluative; that is, they imply likes or dislikes. Believing old people are a drain on society implies that that person does not like old people. Thus, an opinion that includes an evaluative and an emotional component is called an “attitude”. Compared with opinions, attitudes are extremely difficult to change. Suppose John is a white supremacist (believing that the white race is intellectually superior to all other races). What if a group of sociologists conducted an exhaustive study showing that, when given intelligence tests, racial minorities score as high as whites in England? Would this information be likely to change John’s attitude?

Aronson believes not. He suggests that it is because that the issue is rooted in emotion. Therefore, an attitude is a special type of belief that includes emotional and evaluative components; in a sense, an attitude is a stored evaluation of an object.

According to Pratkanis, people tend to use the attitude heuristic as a way of making decisions and solving problems.⁷⁹ So how does this psychological thinking apply to this chapter? This

⁷⁸ Elliot Aronson. *The Social Animal*, 11th Edition. (New York: Worth Publishers, 2012), pp.108-109.

⁷⁹ Antony Pratkanis. The attitude heuristic and selective fact identification. *British Journal of Social Psychology*, 1988, 27, pp. 257–263.

section argues when the elites and non-elites faced the job markets in the 1980s, they had *opinions* on which jobs offered better economic benefits but were more likely to adopt conservative *attitudes* towards the importance of politically established and risk-free prestige, as James argues:

The social self . . . ranks higher than the material self. . . . We must care more for our honour, our friends, our human ties, than for a sound skin or wealth. And the spiritual self is so supremely precious that, rather than lose it, a man ought to be willing to give up friends and good fame, and property, and life itself.⁸⁰

Let us use first job occupation (**FirstOccuGroup**) as an example to illustrate this point. As can be seen from the above sections, when choosing an occupation, the elites and the non-elites seemed to favor job prestige over incomes, based on more of their attitudes than opinions. From the elite population and the sample, several of my interviewees mentioned to me that aiming to work for high incomes might not be a sustainable option. One elite cadre depicted this attitude:

When I graduated from college in a second-tier Chinese city, not many people aspired to become private sector professionals as this particular occupation suffered so much in the past years. But I still felt it was a safer bet in terms of career options. I was not so sure how those economic opportunities in private enterprises could really be long-term investment so I chose to use my expertise learned in university to serve my country wherever the political tides would flow and when my university assigned me to a research institute, I jumped on the ship.⁸¹

Another non-elite echoed such conservative attitudes towards more established career paths as she chose to become a government cadre even when other options seemed more attractive:

In my high school in a prefectural city, many of my classmates did not pursue higher education as they felt becoming a professional or a cadre was not that attractive in monetary terms and these careers involved high risks of being purged, following the dark memories of the Cultural Revolution. But I attended university anyway. I thought becoming a cadre in my local township was a good decision as my college job assignment supervisor told me that a stable job in the government could offer ample opportunities for promotion after I obtain a bachelor degree. Plus, the new economic opportunities from the private sector were only beginning to emerge in those years and as we had not had them before, people may have changing opinions about their career prospects.⁸²

⁸⁰ William James. *The principles of psychology* (New York: Dover, 1950), pp.314-315.

⁸¹ Elite cadre interviewee number 22.

⁸² Non-elite cadre interviewee number 13. His account falls in line with non-elite cadre interviewee number 5.

Therefore, following earlier chapters' discussion on Isaiah Berlin's positive liberty and negative liberty (negative liberty is "freedom from"—freedom from constraint, freedom from being told what to do by others while positive liberty is "freedom to"—the availability of opportunities to be the author of your life and to make it meaningful and significant), this chapter argues that in the 1980s, when the government gradually opened up the market, they provided Chinese citizens with negative liberty one step at a time, as can be seen from the job market policy changes over the years in both urban and rural settings: more and more people got greater say in choosing their jobs and work destinations, compared with the CR era.

However, this did not mean that Chinese citizens got positive liberty in the 1980s and 1990s. Many opportunities remained opaque for most people and job mobility was very static. More importantly, there were so many risks and political uncertainties involved in these new potential opportunities. One non-elite cadre interviewee told me that the constant changes of political winds made her bewildered when choosing an occupation:

In the 1980s, when I graduated from high school, I did not choose to enter university as I was not sure what risks could be generated when one became an intellectual or a cadre. The memories of the Cultural Revolution still made me nervous. Therefore, I started as an administrative worker in a township and village enterprise after vocational school. This company seemed to be quite promising when it provided many opportunities to make a good living. But I still felt a sense of strong insecurity as I was really not sure when these newly created economic opportunities would be wiped away by the government's new policies in several years, so two years later, I changed job to become a government worker, a default option to be stable and most importantly, "safe".⁸³

Another elite cadre interviewee shared a different perspective on these new chances:

I did not think much about working for a private company in my local town when graduating from vocational school. I wanted to work for the local government under the calling of "being red and expert". Despite possibilities of another political upheaval, I still felt that working for the government was a safe bet as I held suspicion against these new TVEs; I was not sure how long they could last or whether the government really wanted them to reap the benefits of the reform era. These new options did not really seem like "options" at all. Under much uncertainties, I felt I was

⁸³ Non-elite interviewee number 15.

not allowed to choose but had to seek government jobs.⁸⁴

Psychologists and behavioural economists would argue that when making choices among alternatives that involve a certain amount of risk or uncertainty, we prefer a small, sure gain to a larger, uncertain one. Kahneman and Tversky called this reasoning “Prospect Theory”.⁸⁵

Losing 100 Chinese Yuan produces a feeling of negativity that is more intense than the feelings of elation produced by a similar gain. Studies have even estimated that losses have more than twice the psychological impact as equivalent gains. Thus, Kahneman and Tversky point out, some people tend to avoid taking risks—they are “risk averse”—when they are deciding among potential gains, potential positive outcomes. Many of us, for example, will choose a sure 100 Yuan over a coin flip that determines whether we win 200 or nothing. So one important reason for risk aversion is regret aversion. Some interviewees did imply to me the regret-aversion attitude they had when they saw so many supposedly more promising career options passed them by as one non-elite vividly depicted his experience:

Initially I did find the experience of being able to choose my career in a more flexible way than in the Cultural Revolution era encouraging. But at the end of the 1980s when I faced the job market graduating from university after the job assignment reform, I was puzzled by the options available: I could become an engineer, a self-employed entrepreneur, a government cadre, a social scientist, a worker, or going to a Western university for further studies. I felt that I could not decide because I did not want to regret my choices. Maybe the college job assignment system worked better for me so that I did not have to be the person who decide and then regret.⁸⁶

Suppose you have the choice between a guaranteed stable job that earns 100 Yuan per month and a risky 200 Yuan job that involves possibilities of being fired in a few months, and suppose you choose the 100 Yuan one. You will never know what would have happened if instead you had chosen to go for the risky 200 Yuan. So you will have no reason to regret your decision to

⁸⁴ Elite interviewee number 18.

⁸⁵ Daniel Kahneman and Amos Tversky. “Prospect Theory: An Analysis of Decision under Risk”. *Econometrica*, 1979, 47 (2): 263.

⁸⁶ Non-elite interviewee number 4.

take the certain thing. In contrast, suppose you go for the risk. Now you cannot help but know what would have happened if you had taken the certain thing; that is what makes it a certain thing. So if you opt for risk and you lose, not only do you wind up with nothing, but you also have to live with the sting that you could have had the 100 Yuan stable piece. Taking the certain thing is a way to guarantee that you would not regret your decision—you would not regret it because you will never know how the alternative would have turned out.

Therefore, *the certain thing in the job prestige ranking and its well-established and time-honoured social acceptance seemed more attractive to the elites and the non-elites than the new and potentially more rewarding yet riskier opportunities, reflected in the remunerative ranking of different jobs, chased by the majority of the Chinese population in the reform era.*

Under the old job assignment system, which was restored in the late 1970s, central and provincial authorities drew up employment plans each year and schools assigned their graduates to fill these slots (the so-called *fenpei* system). The Chinese Education Commission (later renamed the Ministry of Education) formally proposed the “Plan for the Reform of the College Graduate Placement System” (*Guanyu gaige gaodengxuexiao biyesheng fenpeizhidu de baogao*) in 1986 (many universities had already adopted such a policy by the mid-1980s before the government’s announcement), and for the first time, used the term “two-way selection system” (*Shuangxiang xuanze*), referring to the idea that both students and employers could shop around, and each could reject any proposed match by schools.⁸⁷ So when the elites and the non-elites had to make career choices in the 1980s, with increasing options that the opened-up job market offered especially as the college job placement system reform placed a greater burden on the

⁸⁷ Chinese Education Commission. *Zhongguo jiaoyu tongji nianjian 1987* (1987 Status Report for Education). (Beijing: Beijing University of Technology Press, 1989).

individual student to find a job for him or herself, the efforts involved in making job decisions increased, so mistakes hurt even more. As a result, they remained faithful to their “attitudes” concerning job prestige rather than looked much into new opportunities that generated better economic rewards which in turn shaped people’s “opinions” about them, unlike the mainstream choices of the general Chinese population. One elite interviewee shed lights on this perspective:

Though the government job assignment system was still in place in the 1980s, career options and opportunities outside this system were abundant and more enriching especially when the government claimed to replace the system with a two-way selection one. But as students facing the job market, we felt we had much to lose if we did not go with the default options under increasing callings from the government to be both red and expert. One wrong step could cost us university students a whole bright future. We felt compelled not to choose outside options!⁸⁸

In a sense, instead of feeling in control, the elites and the non-elites in a Chinese society in transitions felt unable to cope with new opportunities created by the market reform so that *they chose the seemingly safest routes as they perceived at the time, reflected in established job prestige rankings of “default” career options or coercive features – highly prestigious jobs were often regarded as time-honoured and politically safest routes to follow and to pursue* in a sense that people were not trying to create their own identities but to accept the given identities as cadres, professionals, managers, workers, and peasants, by the state.

Learned helplessness

Take it from another angle. In the 1960s, psychologist Seligman and his collaborators performed an experiment that involved teaching three different groups of animals to jump over a little hurdle from one side of a box to the other to escape or avoid an electric shock. One of the groups was given the task with no prior exposure to such experiments. A second group had already learned to make a different response, in a different setting, to escape from shock.

⁸⁸ Elite interviewee number 9.

Seligman expected, and found, that this second group would learn a bit more quickly than the first, reasoning that some of what they had learned in the first experiment might transfer to the second. The third group of animals, also in a different setting, had been given a series of shocks that could not be escaped by any response. Remarkably, this third group failed to learn at all. Many of them essentially did not even try to escape from the shocks. They became quite passive, lying down and taking the shocks until the researchers mercifully ended the experiment.

Seligman and his colleagues suggested that the animals in this third group had learned from being exposed to inescapable shocks that nothing they did make a difference; that they were essentially helpless when it came to controlling their fate. Like the second group, they had also transferred to the hurdle-jumping situation lessons they had learned before—in this case, “learned helplessness”.⁸⁹

Learned helplessness can affect future motivation to try. It can affect future ability to detect that you do have control in new situations as it was in China’s case: most of the elites and non-elites were shocked in the CR era with a strong sense of learned helplessness that in the new era, they did not believe they could reap the rewards and opportunities created by the new situations in the 1980s and 1990s. One elite interviewee summed up this perspective quite well:

Growing up in the Cultural Revolution era, we learned to take nothing for granted. Nothing was so secure and safe when the government was fluid in its politics and policies. We did not feel we had control over our own destinies. When the government told us in the 1980s that we had options and choices to direct our own aspirations, we did not really believe them at the beginning. The new options like those created by the private economy seemed more rewarding than government and public organisation and SOE jobs. But the Party was not good at keeping its words. What we could do at the time was to believe in ourselves. We could learn new skills and expertise and not to involve ourselves in politics or we could become one of them, becoming a cadre could be a safe bet when nothing else was so certain.⁹⁰

⁸⁹ Martin Seligman and S.F. Maier. "Failure to escape traumatic shock". *Journal of Experimental Psychology*, 1967(74), pp. 1–9.

⁹⁰ Elite interviewee number 6.

This ubiquitous feature of human psychology can also be labelled as an adaptation process. Simply put, we get used to certain things, and then we start to take them for granted.⁹¹

In the Chinese case, many in the elite population and the non-elite sample got used to the government breaking its words, its promises and its own policies in the past that the elites and non-elites took this often reverting process as a given, and they found it really hard to believe that the government's claims in the 1980s of opening up the economy, creating many private-sector jobs, and encouraging people to choose their own jobs in newly fashioned occupations, organisations and sectors were genuine. *So they chose to stick to their own attitudes towards life aspirations and opportunities (reflected in their confidence to rely on coercive preferences that were often politically safe, in line with political structural expectations, despite the possibility that these politically safe jobs could also provide potential graft opportunities, which are in return, very risky if found out by the CCP Disciplinary Commission), ignoring the often fluid societal opinions on what should have been the right career moves and steps (distrust of remunerative preferences that gave more attentions to newly created opportunities by the market, as framed in the social structure), avoiding to take risks when they could.*

⁹¹ Allen Parducci. *Happiness, Pleasure, and Judgment: The Contextual Theory and Its Applications* (Hove, England: Erlbaum, 1995).

2. Data analysis and the impacts of the explanatory variables

An imminent question for this thesis is to test how these examined independent variables influence the dependent variable **BreakPromo1** (whether one has broken promotion rules to achieve *poge tiba*)? This chapter uses logistic regression to answer this question. Then Let Y be a binary dependent/outcome variable denoted in **BreakPromo1** and $Y_i = 1$ if the trait is present in observation i and $Y_i = 0$ if the trait is NOT present in observation i ; $X = (X_1, X_2, \dots, X_k)$ be a set of independent variables just set out in the earlier sections, which can be discrete, continuous, or a combination or a set of interaction terms. x_i is the observed value of the independent variables for observation i . The Model is then as:

$$\ln L = \sum_{i=1}^n [y_i(\beta_0 + \beta_1 X_{i1} + \dots + \beta_p X_{ip}) - \ln(1 + \exp(\beta_0 + \beta_1 X_{i1} + \dots + \beta_p X_{ip}))]$$

Table 4.8 Regression results for the elite population

Dependent variable	BreakPromo1	BreakPromo1	BreakPromo1	BreakPromo1
	Model 1	Model 2	Model 3	Model 4
Independent variables	Odds Ratio	Odds Ratio	Odds Ratio	Odds Ratio
FirstJobSec	0.89**	0.89**	0.88**	0.88**
FirstJobFunc	2.15*	1.43	1.42	1.42
FirstOccuGroup	1.06	0.99	0.99	1.13
FirstOrg	0.54*	0.57*	0.57*	0.57*
FirstJobLevel	2.06***	1.27	1.27	1.27
Gender	0.89	0.81	0.78	0.78
Ethnicity	0.65	0.52	0.52	0.53
Edu		2.75***	2.71***	2.71***
PartyTime			1.07	1.07**
WhichParty				1.03
Intercept	304.77**	454.54**	418.14**	409.54**
N	342	342	342	342

Notes: ***P<0.01 **P<0.05 *P<0.10⁹²

⁹² This chapter mean-centred these independent variables and calculated the variance inflation factor (VIF), indicators of the collinearity among the predictor variables. All mean VIFs were below 2.2 — well below the generally accepted limit of 10.0 while similar tests were performed for all the below

The logistic regression results for model 1 shows that *for an elite cadre*, his/her first job sector (**FirstJobSec**) and his first job location level (**FirstJobLevel**) significantly influence the outcome of whether s/he breaks promotion rules. But when this chapter introduces control variables from Chapter 2 including a person's education level (**Edu**), timing of joining a party (**PartyTime**) and the identification of the party joined (**WhichParty**), the statistical results for **FirstJobLevel** turned negative. In this case, we can confirm that the original relationship between the probability of achieving accelerated promotion and one's first job level was spurious, that it was only the result of the effect of the control variable in one's education level. But does this lead us to conclude that the other variables except **FirstOrg** do not matter at all?

The answer is no if we run logistic regression against each of the seven career steps to elite cadre status to see whether **FirstJobFunc**, **FirstOccuGroup** and **FirstOrg** have statistically significant impacts on one's chances to break promotion rules in each of these steps or levels. To reach elite cadre status of vice-ministerial/provincial post, one has to cross the following steps: **Level1** - From entry level to vice section/township post; **Level2**- From vice section/township post to chief section/township level; **Level3** - From chief section/township level post to vice division/county post; **Level4** - From vice division/county post to chief division/county post; **Level5** - From chief division/county post to vice bureau/prefectural post; **Level6** - From vice bureau/prefectural post to bureau/prefectural post; **Level7** - From bureau/prefectural post to vice ministry/provincial post and beyond.

And the results show that **FirstOrg** matters significantly for breaking promotion rules on Level3 while **FirstOccuGroup** matters statistically for breaking promotion rules on Level6 and

analysis and results were about the same. See: Michael Kutner, et al. *Applied linear regression methods* (4th ed.). (Chicago: McGraw-Hill/Irwin, 2004).

Level7, i.e. more senior steps for *the elites*:

Table 4.9 Logistic regression odds ratio on breaking promotion rules for the elite population, by bureaucratic levels

Covariates	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
FirstJobSec	0.90**	0.99	1.03	0.81**	1.01	0.97	0.82**
FirstJobFunc	0.83	0.69	1.07	1.04	1.32	1.27	1.07
FirstOccuGroup	1.13	0.92	1.07	0.91	0.91	1.19**	1.23**
FirstOrg	1.21	1.19	1.51**	0.99	0.93	1.05	0.95
FirstJobLevel	1.08	1.15	1.09	1.04	1.15	0.89	1.45
Gender	0.99	0.79	2.88*	1.73	1.69	1.43	0.52
Ethnicity	0.55	1.07	1.31	1.58	1.28	0.69	1.29
Edu	1.73***	1.51**	1.59**	1.03	1.26	1.39*	1.19*
PartyTime	1.75**	1.11	1.04	1.04	1.08	0.62	1.27
WhichParty	0.39***	0.69	0.72	0.91	1.09	0.97	3.61***
Intercept	0.08*	0.04	0.01***	0.27	0.28	0.46	0.1
N	342	342	342	342	342	342	342

The logistic regression results for *the non-elite sample* were equally revealing, if not more:

Table 4.9A Logistic regression odds ratio on breaking promotion rules for the non-elites, by bureaucratic levels

Dependent variable	BreakPromo1	BreakPromo1	BreakPromo1	BreakPromo1
	Model 1	Model 2	Model 3	Model 4
Independent variables	Odds Ratio	Odds Ratio	Odds Ratio	Odds Ratio
FirstJobSec	0.96	0.96	0.97	0.97
FirstJobFunc	0.79	0.48***	0.53**	0.52**
FirstOccuGroup	1.04	0.95	0.94	1.08
FirstOrg	1.03	1.01	1.03	1.02
FirstJobLevel	1.51***	1.06	0.96	0.96
Gender	0.57	0.47*	0.49	0.49
Ethnicity	1.54	1.75	1.64	1.65
Edu		2.56***	1.95***	1.94***
PartyTime			0.32***	0.33***
WhichParty				0.84
Intercept	0.23	0.33	5.68**	7.02
N	364	364	364	364

For both the elites and the non-elites, gender and ethnicity did not affect one's chances of breaking promotion patterns to get quickly ahead. And do these results signify that only **FirstJobFunc** matters for breaking promotion rules *for the non-elites*? We run logistic regression against each of the six career steps (for the non-elites, Level7 to reach elite status is absent) to test this assumption and find out about that **FirstOccuGroup** matters in a statistically significant sense only for breaking promotion rules on job Level1 while **FirstJobFunc** matters only on job Level6. And one's **FirstJobSec** also matters on Level 6 for breaking promotion rules with **FirstOrg** significantly influencing promotional chances on Level 2 and Level 3:

Table 4.9B Logistic regression odds ratio on breaking promotion rules for the non-elite sample, by bureaucratic levels

Covariates	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
FirstJobSec	1.03	0.98	1.02	0.95	0.98	0.27**	N/A
FirstJobFunc	0.61	0.65	0.71	0.72	0.95	0.64***	N/A
FirstOccuGroup	1.17**	0.91	0.93	1.09	0.94	0.75	N/A
FirstOrg	0.69	1.13**	1.16**	1.07	0.98	1.27	N/A
FirstJobLevel	1.04	0.77	1.19	1.01	1.02	0.73	N/A
Gender	0.48	0.91	0.58	0.99	0.65	0.68	N/A
Ethnicity	1.45	2.25	1.29	1.39	1.07	0.76	N/A
Edu	2.21***	2.27***	1.77***	1.79***	1.47	2.91***	N/A
PartyTime	0.26***	0.30***	0.76	2.08*	0.62	3.83**	N/A
WhichParty	0.47***	0.85***	0.45	0.21**	0.76	0.23	N/A
Intercept	6.45	0.28	0.12	0.01	0.58	0.01**	N/A
N	364	364	364	364	367	367	N/A

Then how should we interpret these statistical results and their significance for the difference between the elites and non-elites' first job attainment choices?

First, we should acknowledge the finding that where one started his career did not matter in the sense that one's chances of breaking promotion rules did not increase if s/he starts his/her first job in provincial and prefectural level locations than counties, townships and rural villages, for both the elites and non-elites (**FirstJobLevel**). One does not have to start in an urban area to achieve a higher probability of getting ahead because it is one's education level that matters for increasing accelerated promotional chances, i.e. the original relationship between the probability to get accelerated promotion and one's first job level was spurious. An interaction variable was created for **Edu** and **FirstJobLevel**, and its statistical power was insignificant.

Second, for the first function group variable (**FirstJobFunc**), only for the non-elites, one's first job function matters statistically: one's starting position as an administrative staff member rather than as a professional helps more to break promotion rules. This backs up Walder's argument that administrative posts had considerable authority and greater power, compared to professional positions with little authority and less privilege.⁹³

Third, for the variable **FirstJobSec**, it matters significantly for both the elites and the non-elites on various career steps. *The discrepancies in job sector compositions of the elites and the non-elites set the two groups apart* when the elites enjoyed larger percentages of representations in propaganda, education, public security, research sectors than the non-elites (these sectors altogether make up 44.32% of the elite composition vs 38.93% of the non-elites) and these job sectors were statistically more useful for pushing one to pass promotion hurdles than others, giving one an edge to achieve accelerated promotions to elite cadre status.

Fourth, one's initial occupation group matters for both elites and non-elites on different

⁹³ Andrew Walder, "Career Mobility and the Communist Political Order". *American Sociological Review*, 60 (3), June 1995, pp.309-328.

bureaucratic levels, and it gives one a better start working initially as cadre, professional, officer worker than as self-employed, industrial worker, service industry worker and peasant to be able to cross the promotion rule barriers(**FirstOccuGroup**). *What set the elites and non-elites apart were the higher percentages of cadres (26.86%) and professionals (44.29%) in the elite population than in the non-elite sample (22.7% of cadres and 37.03% of professionals).* The total 11.42% of difference could set them apart when logistic regression results demonstrate that working as cadres and professionals rather than workers increases one's likelihood of breaking promotions rules in one of the career steps in a statistically significant sense.

Fifth, for both the elites and the non-elites (**FirstOrg**), the logistic regression results indicate that it increases one's chance of breaking promotion rules if s/he starts his/her first job working for the government, public organisations, then state firms than collective, hybrid and private firms. More than 90% of the elite population chose to work for the government and in public organisations while the non-elite sample data offered similar reading in first job organisation choices. This finding, along with the statistical results on first occupation attainment patterns (**FirstOccuGroup**), adds a political dimension to the empirical debate on the role of property rights regimes in socialist redistributive economies.

What mechanisms account for the unequal distribution of resources among different property rights types of work organisations, and how do these resource flows stratify socialist societies? Indeed, in socialist economies, work organisations differ widely in the compensation they provide employees so scholars often focus on this remunerative aspect of property rights theory while neglecting that property rights could have significant political meanings for economies

in transition.⁹⁴ Just as Weimer argues, the movement to effective market economies requires the creation of more effective supporting institutions, especially systems of property rights that decentralize the control of economic resources.⁹⁵ Therefore, this process can be inherently political. To study resource distribution, be it political or economic, is to distinguish between market-based and authority-based systems of allocation.⁹⁶ Yet, as Boone argues, in the real world, “all national economic systems and property regimes are hybrids of these two”, and therefore the question is the relative influence of states and markets in property regimes.⁹⁷

In the Chinese case in the 1980s, Huang documents how private enterprises masqueraded as collectively owned township and village enterprises because private enterprises were politically suspect at the time.⁹⁸ Therefore, people working in the state sector tended to have higher civil service ranks, and enjoyed more extensive and closer ties with the political establishment than the non-state sector. Such political influence may give the elites advantages in the game of getting ahead as state sector organisations including government units still held unbeatable distribution rights of benefits, wages, and more importantly, political opportunities and life chances, at a time when property rights were still predominately held by the state and the rights of other property types were poorly articulated and weak: in this vein, economic institutions

⁹⁴ Neil Fligstein, et al. “Toward a Theory of Income Determination.” *Work and Occupations*, 1983(10):289-306. & Andrew Walder. “Property Rights and Stratification in Socialist Redistributive Economies”. *American Sociological Review*, Vol. 57, No. 4 (Aug., 1992):524-539. & Janos Kornai. “The Hungarian Reform Process: Visions, Hopes, and Reality.” *Journal of Economic Literature*, 1986(24):1687-1737.

⁹⁵ David Weimer, eds. *The Political Economy of Property Rights: Institutional Change and Credibility in the Reform of Centrally Planned Economies*. (Cambridge: Cambridge University Press, 1997).

⁹⁶ Charles Lindblom. *Politics and Markets: The World's Political-Economic Systems*. (Basic Books, New York, 1977).

⁹⁷ Catherine Boone. *Property and political order in Africa: land rights and the structure of politics*. (Cambridge: Cambridge University Press, 2014), p.21.

⁹⁸ Huang Yasheng. *Capitalism with Chinese characteristics: Entrepreneurship and the State*. (Cambridge: Cambridge University Press, 2008).

were still very redistributive.⁹⁹ This property rights perspective will be developed in more details in the next chapter when we deal with people's job shift patterns between/within these regimes to reflect on the larger societal changes in China's market transition era.

⁹⁹ Maria Csanidi, Maria. 1989. "Party-State Interlocking Directorates: Economic and Political Decision Making in Hungary." Presented at *the Northwestern University Seminar on Soviet and East European Economic Reforms*, 2 Mar 1989., Evanston, IL, USA.

3. Chapter conclusion

Using quantitative data and regression analysis, this chapter argues that one's first job attainment patterns held statistically significant influence on one's chances of breaking promotion rules to achieve accelerated promotions. What sets the elite population and the non-elite sample apart was their differences in many of these variables examined in the earlier sections. These differences gave the elites higher chances of achieving accelerated careers compared with the non-elites, thus further pushing the elites into vice-provincial/ministerial positions (regarded as elite cadre threshold).

With survey results and qualitative interviews, this chapter also reveals that the first job attainment decisions of the elites, and to a lesser extent, of the non-elites as well, were non-mainstream, non-majority and elitist, compared with the average job attainment situations in Chinese society in the 1980s, reflected in their job sector, job function, occupation group, organisation type and job location choices.

It is worth repeating here that this thesis puts significant emphasis on whether one actually made certain choices than how/why one made such choices, to analyze the significance and outcomes of these choices than their causes. In addition, the conditions and job remunerative prospects in China's rural world (agricultural and industrial), compared with their urban counterparts, have improved since the late 1980s so that an individual's capacity to choose an urban or a rural job has as much to do with people's intentions and motivations as with whether they can actually choose to do so: the hierarchy between an urban job and a rural job has lessened in the reform era so that the incentives for people with rural Hukou to choose to work in cities have weakened over the years when the attractiveness of urban jobs deteriorated.

This chapter then explains why the first job attainment patterns of the elite population and the non-elite sample were against the Chinese population's dominating job patterns and decisions, from a psychological perspective, citing their preference to trust established job prestige rankings, as a reflection of coercive preferences present in Chinese society in transition in the early reform era, over job monetary rewards rankings (remunerative preferences), as a decision-making mechanism to choose their first jobs.

It conjectures that when the elites and the non-elites chose first jobs, they tended to play safe in a reform period of high uncertainty. Growing up during the Cultural Revolution era, they were baffled by constant political upheavals and changes so that when they chose their first jobs in the reform era, they first chose politically safe routes. And this risk-averse mindset led to their unconventional first job attainment patterns, compared with the prevailing societal job decisions to chase immediate market sector opportunities framed as social structure in the 1980s: the elites and the non-elites, when making choices among alternatives that involved a certain amount of risk or uncertainty, they preferred a small, sure gain to a larger, uncertain one.

The certain thing in the well-established job prestige ranking and its related coercive incentives (in line with the political structural expectation) seemed more irresistible to the elite population and the sample than the new and potentially more rewarding yet more risky remunerative opportunities (more attractive to the general Chinese population), reflected in the monetary rewards ranking of different jobs.

In a sense, instead of feeling in control, the elites and non-elites in society in transition as in the 1980s' China felt unable to cope with the new opportunities created by the market reform, a sense of learned helplessness from the past traumatic experience of the Cultural Revolution

era that affected future motivation to try “new” things.

So that they chose the politically safest and seemingly surest routes as they perceived at the time. They were not trying to create their own identities but to accept the given identities as cadres, professionals, managers, workers, and peasants, by the state.

Many in the elite population and the non-elite sample got used to the government’s breaking its own words, its promises and its policies in the past that they took this constantly changing and reverting process as a given, and unlike the Chinese general population, they found it hard to believe that the government’s claims in the 1980s of opening up the economy, creating many private-sector jobs, and encouraging people to choose their own jobs in newly fashioned occupations and sectors were genuine. So they chose to stick to their own attitudes towards life aspirations and opportunities, ignoring the often fluid yet prevailing societal opinions on what should be the right career moves.

Victor Nee argues that private entrepreneurship became “an alternative to bureaucratic advancement in state socialism” during market transition years.¹⁰⁰ However, as this chapter finds out, the play-safe attitude of the elite population contradicts the market transition theory’s emphasis on economic principles overtaking political incentives in transitional economies especially when people had to weigh their options against uncertainties brought by reforms. More than 90% of the elites and non-elites chose to work for the government and in the public sector as their initial job organisations. They well represented people who were closer to the redistributive economy than to the competitive market sector, so if they did not follow Nee’s argument in choosing careers, the market transition theory would become less convincing.

¹⁰⁰ Victor Nee. “A Theory of Market Transition: From Redistribution to Markets in State Socialism.” *American Sociological Review*, 1989(54):667.

So what happened after the elite population and the non-elite sample entered into the force? How did they fare in the constantly changing reform era in their first 15 years into work? Did they change occupations/job sectors/job functions/job organisations/job levels (e.g. becoming private entrepreneurs as Nee would like to see) to try to achieve accelerated promotions when job mobility was still low in the 1990s? These would be the topic of Chapter 5/6 when we deal with job mobility and breaking promotion rules.

Chapter 5 – The Politics of Job Shifts in Market Transition: Setting the Scene

Advocates of rational calculations often ignored the possibilities that human capital accumulation can be a choice.¹⁰¹ The analysis of work experience, as a behaviorally determined investment decision, has received less attention from social scientists.¹⁰²

This thesis argues that the population's and the sample's schooling and career choices were much more multi-faceted and complex than social scientists previously suggest. In the past four chapters, it questions the presumption of market transition theory that economic principles have overtaken political incentives when the elites and the non-elites had to make these first job choices in the market reform era.

In Chapter 5 and Chapter 6, we move on to examine the first 15 years since the elite population and the non-elite sample's entry into workforce (as Figure 5.1 shows – major timeframe of analysis is from 1995 to 2005), by examining the impacts of a variety of independent variables on the likelihood of breaking promotion rules during their first 15 years into work (dependent variable: **BreakPromo2**), with a special focus on job shift patterns.

Job shifts deal with movements of employees from one workplace to another, involving changes in one's work environment and career. With specific regard to China's case, as Zhou and Moen argue, a focus on job shifts among different types of organisations, occupations, location levels and sectors "provides an excellent vantage point to assess institutional changes in China".¹⁰³ Job shift patterns reflect not only employee preferences and the attractiveness of

¹⁰¹ Jacob Mincer. "Investment in Human Capital and Personal Income Distribution". *The Journal of Political Economy*, Vol. 66, No. 4 (Aug, 1958), pp. 281-302.

¹⁰² Michael P. Keane & Kenneth I. Wolpin. "The career decisions of young men," *Journal of Political Economy*, 1997, Vol 105 (3), pp. 473-522.

¹⁰³ Zhou, Xueguang, and Phyllis Moen. "Job shifts patterns of Husbands and Wives in Urban China." in *Careers of Couples in Contemporary Society*, edited by H.-P. Blossfeld and S. Drobnic. (Oxford, UK:

different workplaces but also the relative strength of these competing institutions. As the hierarchy of workplaces and the structure of political authority in China are closely linked, job shift patterns could well reflect the arrangements of China's economic and political institutions.

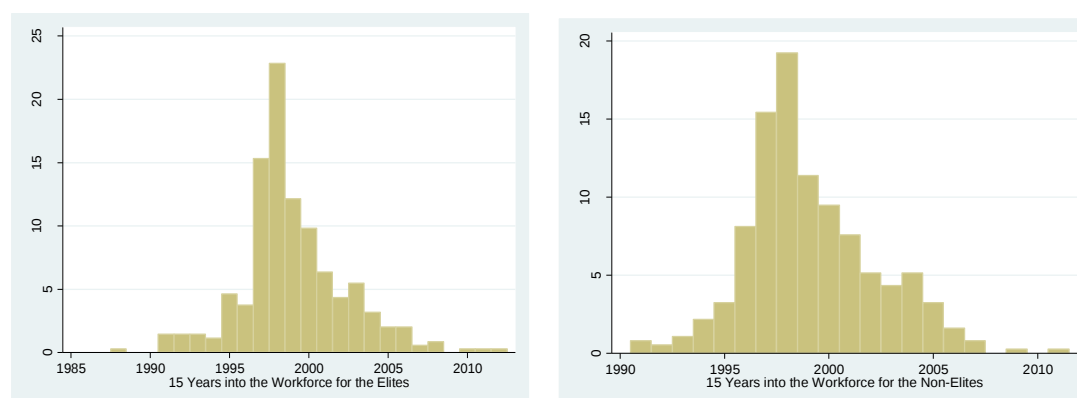


Figure 5.1 15 years into work for the elites and the non-elites

However, before we go into empirical data analysis involving job shift patterns of the elite population and the non-elite sample in Chapter 6 to see how these relevant statistics contribute to our understanding of their accelerated cadre promotion chances, it is helpful to investigate the historical settings in the 1990s and 2000s in **Section 1** of this Chapter, with respect to mainstream job shift tendencies and individual agency actions in Chinese society at the time, to see how they eventually connect with the market transition debate. For market transition theorists like Nee, benefits formerly associated with political power and favourable locations in state organisations diminished sharply relative to the economic returns offered to more market-oriented non-state firms during economic reform. Thus, higher economic returns in the market economy should induce individuals to shift jobs from redistribution-based state organisations to market-based private organisations.

This is indeed the case as **Section 1** will find that when people were weighing the benefits of

changing jobs in the 1990s and early 2000s, the attraction of the private sector seemed more irresistible to the average Chinese citizen than the things on offer in the state sector. This constitutes the mainstream societal preferences and prevailing social norms to chase private sector opportunities (social structure).

However, more than 90% of the elites and non-elites under study chose to work for the government and the public sector as their initial job choices. They represented people who were closer to the redistributive economy than to the competitive market sector, so if they did not switch to the market sector, the market transition theory by Nee would become less convincing. With the timeline set in the mid-1990s and early 2000s when the population and the sample saw their careers entering into the 15-year mark, the changes in job shift patterns should signal significant variations in these institutions and their surrounding settings in the reform era.

This chapter will then establish the finding in **Section 2** that who benefited most from China's redistributive economy (cadres and employees in government agencies) tended to maintain jobs in types of organisations and economic sectors closest to the redistributive economy: the elites and the non-elites had adopted unconventional (against social structure) yet risk-averse (in line with the political structure) decisions for switching jobs, compared with the mainstream societal preference to chase more and bigger immediate economic rewards in the private sector at the time (survey results would back up this claim on the general societal trend, framed as the social structure in **Section 1**). As an additional note, as in all the previous chapters, this thesis puts significant emphasis on whether one actually made certain choices than how/why one made such choices, to analyze the significance and outcomes of these choices than their causes.

Then Chapter 6 will review whether these non-mainstream moves had any significant effect

on the elites and the non-elites chances of securing accelerated promotions.

In short, as Chapter 5 and Chapter 6 will find out, the persistence of redistributive power and benefits still provided strong incentives for some to stay in the state sector: there were no significant shifts from state organisations to non-state firms during the reform years for the elites and the non-elites as they experienced their first 15 years into careers, contrary to market transition theorists' emphasis on the power and attractiveness of the market, which were chased more closely by the average Chinese at the time, i.e. the market's causal significance in enabling, motivating and guiding economic actions may only appeal to certain groups of people (e.g. private entrepreneurs) in Chinese society under transition but less to others (e.g. cadres).

Subsequently, this thesis finds it more instructive to consider the interactions between markets and politics in a co-evolutionary framework. These different mechanisms may compete with each other; but at a different level they may mutually adapt to and reinforce each other. For example, it is not difficult to imagine that the competition for able employees in the non-state sector causes the flow of talents from the state sector to the non-state sector after the job barriers have loosened. However, it is plausible that organisations in the state sector may adjust their own incentive structures to retain employees and to attract able employees from other organisations. Thus it is useful to move away from treating political and market processes as fundamentally incompatible and to appreciate more complicated interactions between the two and their consequences for the emergence of new institutional forms and career patterns.

1. Property rights regimes and mainstream job shifts: macro vs micro perspectives

This section adds a micro social science perspective to the macro debate on the importance of property rights types for the performance and legitimacy of transitional regimes, by investigating the changing dynamics of people whose jobs shifted between different property rights regimes to explain how they associated themselves with new market opportunities.

Using job shift patterns between different regimes, this section asks what job shifts from the state sector to the private sector and vice versa mean to the market transition debate and property rights literature, by first reviewing *the alternating opportunity structures of the Chinese job market in the reform era and people's resultant job shift decisions, depicting a trend of significant private sector employment growth over the state sector in 1990-2005*.

As briefly discussed in the concluding part of Chapter 4, property rights often refer to the rules that govern ownership and define the nature of a state's political economy. China's rapid economic growth during the past three decades has occurred without the systematic privatization programs once urged upon the former Communist regimes of Europe and the USSR.¹⁰⁴ Some observers argue that this shows that changes in property rights are not important in reforming a command economy; others insist that in China a façade of public ownership hides a variety of ownership forms that are essentially private in nature.¹⁰⁵

Most of these studies on property rights regimes work on the macro level that count the interrelationship between economic efficiency and profit maximization for firms and sectors of different property rights regimes. For many, prosperity (or economic development) and

¹⁰⁴ Edward S. Steinfeld. *Forging Reform in China: The Fate of State-Owned Industry*. New York, NY: Cambridge University Press, 1998.

¹⁰⁵ See a multi-faced argument: Jean C. Oi and Andrew G. Walder, eds., *Property Rights and Economic Reform in China*, Stanford, CA: Stanford University Press, 1999.

property rights are inextricably linked. Economists and political scientists often recognise the importance of having well defined and strongly protected property rights because a private property system gives individuals the exclusive right to use their resources as they see fit. That dominion over what is theirs leads property users to take full account of all the benefits and costs of employing those resources in an efficient manner. That in the end translates into higher standards of living for all.¹⁰⁶

However, in China's market transition era, the Chinese Communist Party developed a dual track approach to tackle the property rights issue: under the plan track, economic agents are assigned rights to and obligations for fixed quantities of goods at fixed plan prices as specified in the preexisting plan. In addition, a market track is introduced under which economic agents participate in the market often at free-market prices, provided that they fulfill their obligations under the preexisting plan. Under such an arrangement to transition, economists argue, the introduction of the market track provides the opportunity for economic agents who participate in it to be better off, whereas the maintenance of the plan track provides implicit transfers to compensate potential losers from the market liberalization by protecting the status quo rents under the preexisting plan.¹⁰⁷

Therefore, the dual track approach to market liberalization has been credited as the key to the success of the Chinese economic reform despite some economists' analysis that for the dual track approach to retain its appeal in a dynamic context, it had to alter its pricing mechanism to

¹⁰⁶ For a thorough review of this type of literature, see: Timothy Besley and Maitreesh Ghatak. "Property Rights and Economic Development". In Dani Rodrik and Mark Rosenzweig, eds. *Handbook of Development Economics*, Vol. 5, 2010, pp.4526-4592.

¹⁰⁷ Lawrence J. Lau, Yingyi Qian and Gerard Roland. "Reform without Losers: An Interpretation of China's Dual - Track Approach to Transition". *Journal of Political Economy*, Vol. 108, No. 1 (February 2000), pp. 120-143.

be more Pareto optimal.¹⁰⁸ *Nevertheless, unlike this section, all these mentioned macro studies do not deal with micro individual life choices under different property rights formations.*

Let us start from the time when job shifts became a possibility for a Chinese citizen. In the Mao era, entry into and exit from workplaces was tightly controlled by officials in local governments and workplaces. Most jobs were assigned by government agencies, and transfers between workplaces must be approved by the units involved, and often also by local government agencies.¹⁰⁹ In the post-Mao era, for example, Davis found limited job mobility among those working in state-owned firms in the early reform years, which she attributed to restrictive state labour policies and greater benefits available in state organisations.¹¹⁰ But Walder's 1992 Tianjin study found an average of around two job changes in one's career life among the employed, considering policy effects take time to be reflected in numbers.¹¹¹

In fact, from the mid-1980s onwards, many enterprises owned by individuals or local collectives could compete for qualified staff with state-owned firms. These changes, though small, paved the way to the rise of labor markets, when labor control policies were finally relaxed to allow job searches and switching.¹¹²

In 1977, only 150,000 Chinese workers in the entire country were employed in the market sector; however, the employed workers in the market sector climbed to over 62 million in 1999, an increase of more than 400 times within two decades, reflecting individual selective mobility

¹⁰⁸ Che Jiahua and Giovanni Facchini. "Dual track reforms: With and without losers". *Journal of Public Economics*, 91 (2007), 2291–2306.

¹⁰⁹ Barry Naughton. *Growing out of the Plan*. (New York: Cambridge University Press, 1996).

¹¹⁰ Deborah Davis. "Job Mobility in Post-Mao Cities". *China Quarterly*, 84(1992):1062–85.

¹¹¹ Andrew Walder. "Property rights and stratification in socialist redistributive economy", *American Sociological Journal*, 1992(57), pp.524-539.

¹¹² Bian Yanjie. "Getting a Job Through a Web of Guanxi in China". In: B. Wellman, eds. *Networks in the Global Village*. (Boulder: Westview, 1999) , pp. 225–278.

in response to changing opportunity structures during market reform.¹¹³ Consequently, peasant labor entered the cities, surplus workers left the state sector, either by force or choice, and new-entry job seekers flooded labor markets.¹¹⁴ Since 1995, stagnating state-owned enterprises have not done much hiring, but fast growing non-state economies have become the main employers absorbing labor supply in cities, particularly those in coastal areas.¹¹⁵

More shifts to market sector

If we dig into social questionnaires in the 1990s and 2000s, we could find surveys in thousands that mapped changing societal perceptions on job shifts. One survey of 6,409 respondents aged between 20 and 40 in Beijing, Shanghai, Guangzhou and Shenzhen in 1996 revealed that more than 17% of them wanted to change jobs, and high income earners and high education degree holders had a higher tendency to change jobs than lower ones.¹¹⁶ Another survey of 5,000 respondents in 1996 in five cities of Beijing, Shanghai, Guangzhou, Shenyang and Chengdu found that from 1991 to 1996, respondents on average in Beijing had 1.12 job shifts, 1.09 in Shanghai, 1.04 in Shenyang, 1.09 in Chongqing and 1.23 in Guangzhou and the difference between men and women on job changes was very small. Researchers also surveyed 300 private enterprise owners and managers and over 50% of them were mostly worried about the frequent job changes of their staff, criticizing their lack of loyalty.

This criticism was partially justified as 31.1% of the respondents in Beijing wanted to change

¹¹³ Wu Xiaogang. "Voluntary and involuntary job mobility and earnings inequality in urban China, 1993–2000". *Social Science Research*, 39 (2010) : 382–395.

¹¹⁴ Ma Zhongdong. Urban Labour-Force Experience as a Determinant of Rural Occupation Change: Evidence from Recent Urban-Rural Return Migration in China. *Environment and Planning A*, 2001(33): 237–255.

¹¹⁵ Bian Yanjie and Zhang Zhanxin. "Marketization and income distribution in urban China, 1988 and 1995". In Kevin Leicht, eds. *The Future of Market Transition*. (Volume 19, New York: Elsevier Science, 2002), p.382.

¹¹⁶ Editors. "Si chengshi jumin jiuyeguannian diaocha" (Four-city survey on job seeking and job change tendencies). *Jiuzhi*, 1996(08): 48.

jobs in the next two years, 28.2% in Shanghai, 13.4% in Shenyang, 27.6% in Guangzhou and 23.4% in Chongqing.¹¹⁷ Also in job market fairs in Shanghai in 1992, scholars found that more than 90% of the job seekers were already employed and 78.8% of them were from the state sector.¹¹⁸ So not surprisingly, in 1997, cities like Beijing even established new regulations to put job shifts, especially in the state sector, under control. “The regulations on talent management in Beijing” (北京市人才市场管理条例) stipulated that technical staff and managers working in major government and research projects/sectors were not allowed to change jobs (especially to the private sector) without permissions from higher authorities.¹¹⁹

These shifts did not only happen in factories as surveys done on 24 university campuses in Beijing in 1998 found that among 400 university lecturers being questioned, 41.15% intended to change jobs to seek better housing and financial packages in the private sector.¹²⁰ During another round of interviews with more than 60 young lecturers, researchers found these young teachers were mainly concerned with their low social status, meagre income levels as well as poor career advancement prospects.¹²¹ It is no surprise that some cities even stipulated new rules preventing teachers to jump ship without formal authoritative approval to protect and maintain local education quality.¹²²

And even in state-run industries and government sectors, job changes were becoming more

¹¹⁷ Ling Yue. “Tiaocao: ganshou pingjia gebutong” (Changing jobs: different perceptions in China), *Jingji yu xinxi*, 1996(09):42-3.

¹¹⁸ Wang Xiao. “Tiaocao xianxiang mianmian guan” (A study on job changes). *Society*, 1993(07): 46-49.

¹¹⁹ Find the regulation on Beijing government’s website: http://www.bjchy.gov.cn/workItemQTManage.do?action=basisQueryOne&wiiwb_id=4028838421d2f6d00121ed10de8503eb, accessed on 22 July 2015.

¹²⁰ Editor. “Jiaoshi yao tiaocao” (University lecturers want to change jobs). *Lingdao juece xinxi*, 1999(39): 30.

¹²¹ Liu Jun. “Qingnian jiaoshi tiaocao jiqi yuanyin” (Reasons behind young lecturers’ job shifts). *Youth Studies*, 1990(07): 41-42.

¹²² Li Qionghui. “Huadu shi 6000 duoming jiaoshi wuyi tiaocao” (No teacher changed jobs under new rule in Huadu city). *Renmin zhisheng*, 1994(06): 14.

frequent when units were given more responsibility for hiring/firing according to their needs.¹²³

For example, there were reports revealing that even some village and county level cadres were anxious to move to other sectors when they considered that the working condition in the countryside was poor, salary level was far from satisfactory and they did not win enough respect from local villagers.¹²⁴ They did not want to work for the rural government and mostly considered shifting to local banks, commerce bureaus or private enterprises for better financial packages and rent-seeking prospects. They said they had more responsibility than power to help their villages grow and were often involved in local disputes by disgruntled villagers. They complained that very long hours of working did not result in equivalent job satisfactions and rewards.¹²⁵ Township and village enterprises (TVEs) also suffered from this job shift phenomenon when managers complained that they found it hard to retain high education level technical staff who were lured by better financial packages offered by private enterprises.¹²⁶

Erosion of state-sector advantages?

However, it was also not unusual to hear of staff/workers preferring to switch from non-state-run enterprises to state-run sectors. Private company managers/owners were investigated when surveys showed that for some companies, the employee turnover ratio reached 50% per year while 20% of their senior managers changed their jobs in the same period. The reasons were revealing when researchers found out that among 300 private enterprises with at least one

¹²³ Nan Lin and Wen Xie, "Occupational Prestige in Urban China", *American Journal of Sociology*, Vol. 93, No. 4 (Jan., 1988): 793-832.

¹²⁴ Chen Chuanming. "Rang xiangzhen ganbu anxin xiangzhen"(Making village and county level cadres stay in the countryside), *Nongcun gongzuo tongxun*, 1997(07):26.

¹²⁵ Zhang Ling. "Xiangzhen ganbu tiaocao yuanyin zhongzhong" (Multiple reasons for village level cadres to change jobs), *Tribunes of Villages and Townships*, 1991(11):6.

¹²⁶ Xia Bing. "Xiangzhen qiye nengren tiaocao zhide zhongshi" (We should pay attention to key personnel job shifts in TVEs), *Chinese Rural Economy*, 1988(07): 63-64.

million Yuan in assets surveyed in 1997, 37% of them did not sign a formal contract with their employees, who felt very insecure when market conditions tumbled.

Others felt that private enterprise owners and entrepreneurs did not have a clear vision for the future growth of their business and most of the companies were run like family workshops, making decisions inconsiderably without taking into accounts of what their employees had to say (surveys showed that only 7.1% of these owners and managers were willing to listen to their employees' suggestions). They were also unhappy with their social status compared with people closer to the redistributive sectors. Some others felt that many private companies paid people not according to their skills and abilities but nepotism.¹²⁷

Not every job shifts result in a happy ending as multiple surveys recalled the stories of peasants who moved from farming to township and village enterprises but found out later that it did not take long before these enterprises went into bankruptcy when the market condition turned sour.¹²⁸ In some job market fairs, scholars found that among people who wanted to change jobs, more than 30% stayed in their last jobs for less than a year.¹²⁹

In 1993, scholars found that for many SOEs, more than 30% of their key technical staff were recruited by private companies and these seriously worried SOE managers.¹³⁰ However, in 1997, we witnessed a reversal trend when scholars and journalists found that among 6,900 private and non-state companies surveyed, 30-60% of their staff changed jobs in the past two

¹²⁷ Zhang Hong. "Siying qiye yuangong liudong chengyin tanxi" (The reasons behind high job turnover rates in private companies). *China Talents Magazine*, 1998(01): 50-51.

¹²⁸ Chen Wenjia. "Cong tiaocao dao tiaotiao" (From job changes to life changes in tragedy). *Zhongguo nongken*, 1990(02): 19.

¹²⁹ Xu Mingfa. "Daxuesheng gangshanggang jiu tiaocao" (Students busy with job changes). *Rencai kaifa*, 1996(02): 4.

¹³⁰ Cai Yuejing. "Dangbuzhu de datiaocao" (Unstoppable job shifts trend). *Human Resources Development of China*, 1993(02): 16-18. & Mei Jianhua. "Guoyou qiye rencai liushi dasaomiao" (Job shifts out of the SOEs). *Oriental Entrepreneurs*, 1994(02): 4-7.

years, and most of these employees went to the state sector, chasing job security.¹³¹

More systematic job shift statistics

Thus, it is paramount that we rely on more systematic statistics to gauge the extent of job shifts between China's diverse property rights regimes, apart from the above surveys and reflections. Sonja Opper demonstrated that from 1977 to 1997, SOE employment was only reduced in "agriculture" and "geological prospecting". The most significant relative and absolute employment increases were achieved in "education". In contrast, employment gains in typical growth branches, like "construction", "transport, postal and telecommunication services" as well as "trade and catering services", grew only comparatively modestly by 1.30 million, 2.16 million and 1.30 million new jobs. Hence the relative shares of these branches actually decreased: thus SOEs actually experienced negative structural job-shifts out of the major booming industries. TVEs, as representatives of the new reform track, experienced the most job increases in "building materials", "machinery and metal products" and "textile, garment and leather", with 6.02 million, 5.12 million and 3.82 million between 1982 and 1997. No branch experienced lay-offs.¹³²

This implies that structural change was basically forced by non-state enterprises onto the newly emerging parallel system, while the old system did not cope appropriately with the changing environment: in other words, the quality of SOE employment change stood in sharp contrast to its non-state counterparts. And SOEs did not shed any net labour until 1997, which meant that SOEs were not able to reduce the financial burdens caused by severe amounts of

¹³¹ Journalists. "Minqi weishenme liubuzhu rencai" (Why private enterprises cannot make employees stay). *Shandong rencai*, 1999(01):40.

¹³² Sonja Opper. "Dual-track Ownership Reforms: Lessons from Structural Change in China, 1978 - 1997", *Post-Communist Economies*, 2001(13:2): 205-227

labour surplus. Thus, Oppen suggested that structural adjustment was basically generated by the new track, i.e. by the entry of new producers, the newly established TVEs, whereas structural change of SOEs lagged far behind. She suggested that there is a positive relationship between the exclusivity of property rights and the speed of structural change.

Sociologists Zhou Xueguang, Nancy Tuma and Phyllis Moen gathered a national representative sample of 4,600 residents from 17 cities in China in 1993 and 1994 and found that in the post-Mao era (1980-1994) the rate of job shifts to non-state organisations increased substantially, while the rate of shifts to state organisations declined, compared with the 1949-1965 and 1966-1979 periods.¹³³

These statistical results offered us a mixed picture on job shift rates in the reform era. Then what do official statistics tell us about the situations in this 1990-2005 transition era as this chapter mostly focuses on the first 15 years into work for both the elites and the non-elites? Chinese government data offered us some insights as **Table 5.1 and Table 5.3** depict job shift patterns between different property rights regimes when we could witness *a sharp decline of the number of people who worked in the urban state sector in the 1990s while the number of people working for the private sector steadily grew. The situation in the countryside was in line with the urban story when rural TVEs/private companies saw their employees gradually rise.*¹³⁴

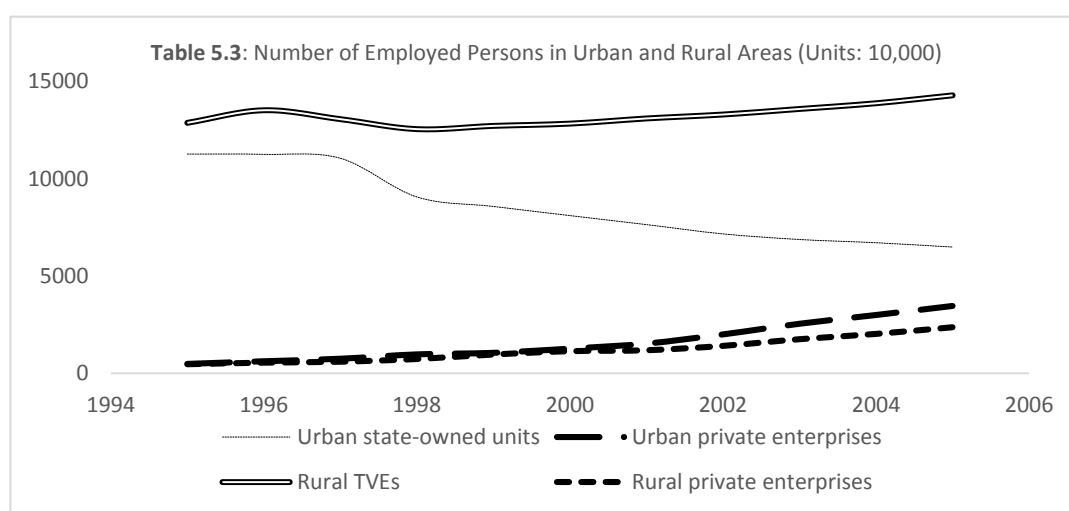
Huang Yasheng finds that during the 1980s, TVEs were more privately-owned than collectively-owned (he argues that the mainstream got it all wrong by treating TVEs as collectives) and in the huge privatizations of the 1990s, 50% of private entrepreneurs in China's

¹³³ Zhou Xueguang, Nancy Tuma, and Phyllis Moen. "Institutional change and job-shift patterns in urban China, 1949-1994". *American Sociological Review*, 1997(62):339-365.

¹³⁴ Chinese statisticians regard village level government as informal administrative divisions so that the official lowest level of PRC government belongs to township levels, often listed as part of the urban infrastructure.

poor regions got their startup capital from seizing control of collective fixed assets, as village governments sold some or all of their enterprises to individuals at extremely low prices.¹³⁵

Therefore, we should treat the rise of the TVEs in the 1995-2005 period as part of the overall private sector growth story over state sector employment as this structural change was mostly forced by non-state enterprises onto the state sector:



Source: China Statistical Yearbook 2009

We could also see from **Table 5.2** that the growth rate of the number of employees in the state, Party and mass organisations covering the number of cadres in the 1995-2005 ten year period was almost *flat* (or at least not as high as the increase in the private sector with *almost 200% increase in the private sector vs less than 10% increase in cadre numbers vs more than 40% decrease in state sector employment in the same time period* – as calculated by this author using statistics in **Table 5.1/5.2**). Thus, in the transition period between 1995 and 2005, we could witness a steady increase in private sector employment and a gradual (sometimes sharp) decrease of state-sector employment, both in percentage and absolute figure.

¹³⁵ Huang Yasheng. *Capitalism with Chinese characteristics: Entrepreneurship and the State*. (Cambridge: Cambridge University Press, 2008).

Table 5.1: Number of Employed Persons at Year-end in Urban and Rural Areas (Units: 10,000 Persons)

Year	Urban Areas						Rural Areas		
	State-owned units	Collectively-owned units	Cooperative units	Joint ownership units	Private enterprises	Self-employed individuals	Township and village enterprises (TVEs)	Private enterprises	Self-employed individuals
1995	11261	3147	N/A	53	485	1560	12862	471	3054
1996	11244	3016	N/A	49	620	1709	13508	551	3308
1997	11044	2883	N/A	43	750	1919	13050	600	3522
1998	9058	1963	136	48	973	2259	12537	737	3855
1999	8572	1712	144	46	1053	2414	12704	969	3827
2000	8102	1499	155	42	1268	2136	12820	1139	2934
2001	7640	1291	153	45	1527	2131	13086	1187	2629
2002	7163	1122	161	45	1999	2269	13288	1411	2474
2003	6876	1000	173	44	2545	2377	13573	1754	2260
2004	6710	897	192	44	2994	2521	13866	2024	2066
2005	6488	810	188	45	3458	2778	14272	2366	2123

Source: China Statistical Yearbook 2009

Table 5.2 Estimated number of cadres, 1985–2005 (Unit: Million – source see footnote)¹

Year	Employees in state, party, and mass organisations	Number of cadres
1985	6.91	6.18
1986	7.42	6.62
1987	7.78	6.96
1988	8.17	7.34
1989	8.59	8.69
1990	9.03	8.08
1991	9.46	8.47
1992	9.69	8.61
1993	10.30	9.22
1994	10.07	9.01
1995	10.27	9.57
1996	10.75	9.62
1997	10.80	9.67
1998	10.84	9.70
1999	10.88	9.72
2000	10.91	9.76
2001	10.88	9.72
2002	10.56	9.45
2003	11.71	10.18
2004	11.99	10.23
2005	12.41	10.39

Furthermore, *these statistics and findings suggest that when people were weighing the benefits of changing jobs in the 1990s and early 2000s, the attraction of the private sector seemed more irresistible to the average Chinese citizen than the things on offer in the state sector. This constitutes the mainstream societal preferences to chase private sector opportunities (social structure). And social statistics and surveys confirmed such preferences.*

For example, in 1995, scholars have done a national survey of urban youth (between 16 and 35 years old) in eight provinces with 3,800 valid respondents to gauge their job satisfaction.

¹ Source: Calculated on the basis of the total number of employees in state, party and mass organisations minus an estimated number of about 8–13 percent logistic workers and temporary personnel. Source: *China Statistical Yearbook 2007*. For this method of calculating the number of civil servants, see Zhu Guanglei, *Dangdai Zhongguo shehui gejieceng fenxi* (Analysis of Social Strata in Contemporary China) (Tianjin: Tianjin renmin chubanshe, 1998), p. 141 & Kjeld Erik Brødsgaard, “Bianzhi and Cadre Management in China: The Case of Yangpu”. In Kjeld Erik Brødsgaard and Zheng Yongnian, eds. *The Chinese Communist Party in Reform*. (London: Routledge, 2009), p.106.

The urban area may not represent the whole China but they do tell us how a significant portion of the Chinese society think about their life situations. Of the respondents, the reasons for their job shift desires were revealing as 37% of them wanted to increase their incomes (mainly drawn by the private sector), followed by 19.5% who wished to change work environment, to learn new techniques and skills (17.4%), to upgrade social status (8.3%), and to look for new challenges and opportunities (7.2%).²

But job shift choices for the elites and the non-elites, as the next section will review, were against these mainstream social preferences. *More than 90% of the elites chose to work for the government and in the public sector as their initial job organisation choices while the non-elite data offered almost identical reading. They were closer to the centre of the redistributive political system than most people in China were (people surveyed in Table 5.1/2), so if they did not switch to the market sector, Nee's market transition theory would become less convincing.*

Close to half of the elites and the non-elites changed their initial job organisation choices but almost all these shifts were from the private sector to the state sector, from private firms to state firms, and from public organisations to government offices, rising in prestige (Chapter 3/4).

Economists' models often involve two types of activities: business activities that generate revenue, and government activities that use existing revenue to provide local public goods to enhance future revenue.³ They treat national government and local government as two major players interacting with each other *without taking into account* of the aspirations, choices and

² Li Chunling. *Zhongguo chengzhen shehui liudong (Social mobility in China's townships)*. Beijing: Shehuikexue wenxian chubanshe, 1997) :205-8

³ For example, see: Sanford Grossman and Oliver Hart. "The Costs and Benefits of Ownership: A Theory of Vertical and Lateral Integration". *Journal of Political Economy*, XCIV (1986), 691-719. & Klaus Schmidt. "The Costs and Benefits of Privatization: An Incomplete Contracts Approach". *Journal of Law, Economics, and Organisation*, XXII (1996), 1-24.

activities of people who work in the state and private sectors both national and local, from a micro-perspective, which is adopted by this section.

This career choice and life chance perspective investigates the changing dynamics of the general Chinese population whose jobs shifted between different property rights regimes in order to explain how they associated themselves with new market opportunities during the economic reforms in the 1990s and early 2000s, adding some important micro level elements to the macro theoretical debate on the importance of property rights types for the performance and legitimacy of transitional economies and polities.

2. Market transition and job shift choices: swimming against the flow

This section deals with the 1995-2005 period when the Chinese economy gained strong momentum towards privatization. Particularly, it will contrast the job shift patterns of the elites and the non-elites to the mainstream societal job shift preferences to chase private sector opportunities as revealed in **Section 1**. It will also analyze the implications behind the elites' and the non-elites unconventional job shifts, questioning how these moves contribute to the wider market transition debate, that focuses on institutional changes in resource allocation mechanisms, and asking whether a shift from plan to market leads to a shift of power and economic advantage from cadres to private entrepreneurs.

In this vein, this section situates these three different market transition propositions through evidence found in job shift patterns of the elites and the non-elites in the 1990s and 2000s. Since a majority of them started their careers in the state sector as revealed in the previous chapters, this becomes more of a question over job shift patterns of people working closer to the redistributive economy rather to the market. Therefore, the analysis of this section adds another layer to the market transition debate by providing fresh evidence on how the redistributive elites reacted to market opportunities in the reform era. It finds that the persistence of redistributive power and benefits still provided strong incentives for some employees to stay in the state sector.

Indeed, transition from state socialism provides social scientists rare opportunities to observe grand social changes, from the rise of markets and the growth of private property, to the collapse of the party-state system and the creation of democratic institutions. In the political and sociological literature, there have been some contradictory accounts of how different social groups associate themselves with new market opportunities in economic reforms.

For example, in his study of Hungarian entrepreneurship, Szelényi found that cadres were less likely to participate in market-oriented businesses, and that the new economic elites were more likely to emerge from less privileged groups.⁴ Various surveys conducted in urban China in the early 1990s confirmed that most private entrepreneurs and individual business owners were migrant peasants, unemployed youth, dismissed workers, former criminals and retirees, who were unable to secure employment in the state sector.⁵

But as Róna-Tas showed, in post-1989 Hungary after the collapse of the communist regime, the communist elites became more likely than ordinary workers to convert themselves into corporate entrepreneurs and to maintain their economic advantages.⁶ In China, the market economy gained full legitimacy since 1992, when the paramount leader Deng Xiaoping made his famous trip to southern China and called for further economic reforms. Cadres and professionals increasingly started giving up their career opportunities within the state sector in search for new advantages in the market sector. A new Chinese phrase, *xiahai* (“jumping into the sea”), was coined to refer to the new phenomenon of people moving into the market sector.⁷

In sum, there are three major strands in this market transition debate.

The *erosion-of-cadre-power* strand predicts the decline of political capital and the erosion of cadre income advantages.⁸ Therefore, market-based power, incentives and opportunities

⁴ Ivan Szelényi. *Socialist Entrepreneurs*. (University of Wisconsin Press, Madison, WI, 1988).

⁵ For example, see Deborah Davis. Self-employment in Shanghai: a research note. *China Quarterly*, 1999(157):22–43. & Li Qiang, 1993. *Dangdai Zhongguo de Shehui Fenceng Yu Liudong* (Social Stratification and Mobility in Contemporary China). (Beijing: China Economy Press 1993). & Zhou Xueguang, Nancy Tuma, and Phyllis Moen. Ibid.

⁶ Akos Róna-Tas. "The First Shall Be Last? Entrepreneurship and Communist Cadre in the Transition from Socialism." *American Journal of Sociology*, 1994(100):40-69.

⁷ Wu Xiaogang and Xie Yu. "Does the market pay off? Earnings returns to education in urban China". *American Sociological Review*, 2003(68): 425–442. & Liu Xinwu. *Jumping into the sea: from academics to entrepreneurs in South China*. (Oxford : Rowman, 2001).

⁸ Victor Nee. "A Theory of Market Transition: From Redistribution to Markets in State Socialism." *American Sociological Review*, 1989(54):663-81.

predict a decline of the advantage of redistributive power relative to non-state economic actors who possess market power. This claim was supported by evidence of the decline in returns to political power and the increase in returns to human capital and to private entrepreneurship.⁹ Private entrepreneurship, according to Nee, became “an alternative to bureaucratic advancement in state socialism”.¹⁰ The *persistence-of-cadre-power* thesis emphasizes the benefits conferred by the public sector and the persistence of cadre advantages.¹¹ And the *conversion-of-cadre-power* thesis predicts a transformation of political advantage into new entrepreneurial opportunities.¹²

These different arguments arise in part because they capture the different contexts of market transition. In China, as Walder argues, the erosion-of-cadre-power thesis captures the very beginning of market transition when the commune system has disbanded but collective enterprises have yet to develop.¹³ Using nationally representative survey data collected in 1996, he finds that cadre household advantages do not change with market expansion.

The persistence-of-cadre-power thesis describes the urban sector in which market reforms lag behind the rural sector. Potentially it also pertains to rural areas where local government enterprises have prospered, providing ample opportunities for graft.

The conversion-of-cadre-power thesis is said to suit Eastern Europe and Russia, where the political system has experienced a fundamental change, and former elites have a lot to lose if

⁹ Ivan Szelenyi. "Social Inequalities in State Socialist Redistributive Economies." *International Journal of Comparative Sociology*, 1978(19):63-87.

¹⁰ Victor Nee. 1989 *Ibid*:667.

¹¹ Bian Yanjie and John Logan. "Market Transition and Persistence of Power: The Changing Stratification System in Urban China." *American Sociological Review*, 1996(61):739-58.

¹² Akos Rona-Tas. "The First Shall Be Last? Entrepreneurship and Communist Cadre in the Transition from Socialism." *American Journal of Sociology*, 1994(100):40-69.

¹³ Andrew Walder. "Markets and Income Inequality in Rural China: Political Advantage in an Expanding Economy". *American Sociological Review*, 2002(67):231-253.

they cannot find new lucrative opportunities.¹⁴

In fact, parties involved in the market transition debate each can find some pieces of evidence to support their respective arguments. So as Wu points out, recent research has moved beyond the usual framework of the debate and attempted to explain these diverse empirical findings within concrete institutional contexts.¹⁵

For institutional contexts specifically relevant to this thesis, as Walder suggests, we should study the opportunities and constraints faced by elites in changing political premises under which markets seek to replace bureaucratic allocation. He argues that these political processes are often exogenous to market transitions and they could help predict “the subsequent life chances of those who were prominent in Communist regimes”.¹⁶

After specifying these institutional contexts, empirical findings previously cited to support different theoretical arguments are not necessarily contradictory, just as Szelenyi and Kostello pointed out, the rapidly expanding market sector created new opportunities, and those who were able to take advantage of the expanded new opportunities would become the winners. However, who was able to do so varied under different circumstances.

In the early stage of the reform when participation in the market was highly risky and required little skill, most self-employed entrepreneurs came from the lower ranks of the social hierarchy. As private economic activities played a greater role in economic operations, people with more human capital and political capital began to be involved in business activities. Some

¹⁴ Theodore P. Gerber and Michael Hout. “Tightening up: Declining Class Mobility during Russia's Market Transition”. *American Sociological Review*. Vol. 69, No. 5 (Oct., 2004), pp. 677-703.

¹⁵ Wu Xiaogang. “Communist Cadres and Market Opportunities: Entry into Self-Employment in China, 1978-1996”, *Social Forces*, Vol. 85, No. 1 (Sep., 2006), pp. 389-411

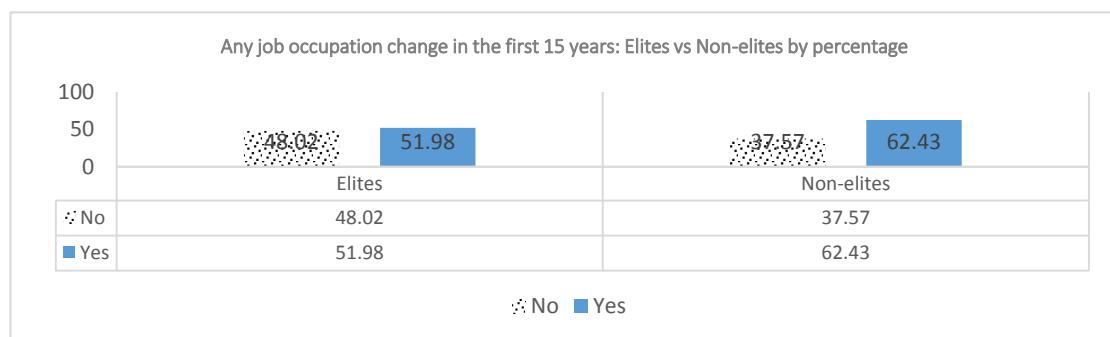
¹⁶ Andrew Walder. "Elite Opportunity in Transitional Economies." *American Sociological Review*, 2003(68):900.

cadres converted their political privileges into new economic advantages at this stage.¹⁷

However, at almost the same time, as Walder argues, market reforms not only created opportunities in the private sector, but also generated new value for public properties, thereby creating opportunities for elite insiders.¹⁸

So how do these debates contribute to our understanding of the elites and non-elites patterns when their working lives entered into the first 15-year mark? Previous chapters have shown that the variance between the key socio-political indicators of both the elites and the non-elites is quite high. First, let us start with job occupation changes (independent variable: **JobOccuChange1**). For both elites and non-elites, job occupation changes happened for the majority of them (51.98% vs 62.43%) and it is not hard to spot that the elites were less active in changing occupations than non-elites in their first 15-year career:

Figure 5.2 Any job occupation change in the first 15 years: Elites vs Non-elites



As revealed by the previous chapters, professionals (44.29%), cadres and state administrators (26.86%), and office workers (26.29%) made up the majority of the elite populations' job occupation composition while for the non-elite sample, professionals (37.03%) still occupied the largest percentage, followed by office workers (35.95%) and cadres (22.70%).

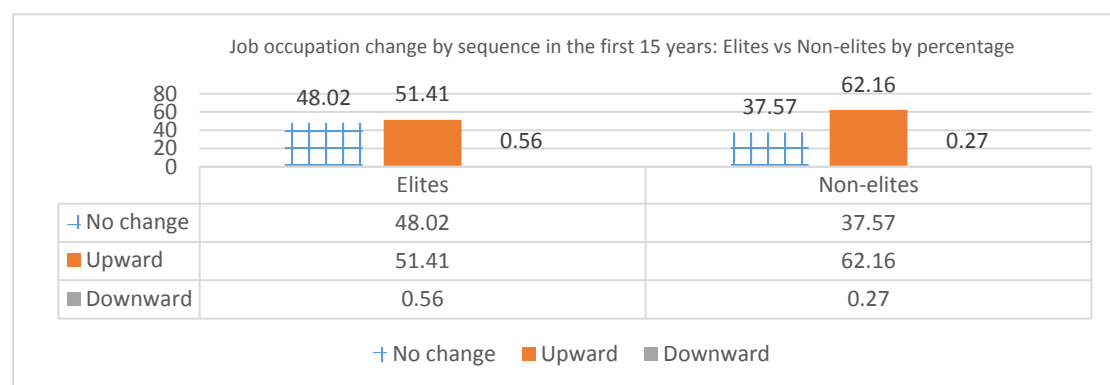
¹⁷ Ivan Szelenyi and Eric Kostello. "The Market Transition Debate: Toward a Synthesis." *American Journal of Sociology*, 1996(101):1082-96.

¹⁸ Andrew Walder. "Elite Opportunity in Transitional Economies." *American Sociological Review*, 2003(68):899-916.

Almost no one in the population and the sample chose to start as a peasant or agricultural labourer while very few of them started as workers in factories or service industries, showing a strong preference to work for the government and in public organisations.

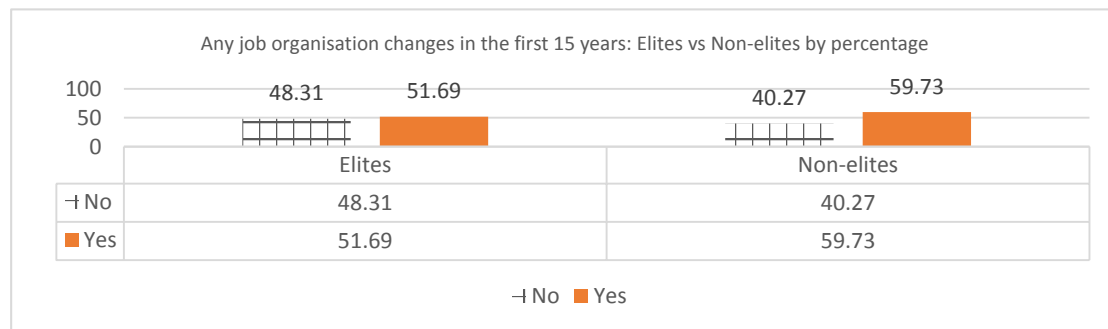
Then the job occupation change results show that more than half of the elites and the non-elites made occupation shifts even when the majority of them were already serving in more esteemed/prestigious roles such as professional and cadres. However, if we rate job occupation groups from agricultural labourer, industrial worker, professional to cadre and state administrator (who possess the most redistributive power) as rising in attractiveness (“upward moves”), we could find almost all the shifts by the elites and the non-elites were in accordance with this rising sequence. Only 0.56% of the former (elites) reversed such a sequence, compared with 0.27% of the latter (non-elites) who did so:

Figure 5.3 Job occupation change by sequence in the first 15 years: Elites vs Non-elites



Second, the patterns for job organisation changes (**JobOrgChange1** measures whether one has changed job organisation in the first 15 years of one’s career when 0 denotes no and 1 means yes) were similar to job occupation changes as we could witness a majority of both the elites and the non-elites made job organisation shifts:

Figure 5.4 Any job organisation changes in the first 15 years: elites vs non-elites by percentage

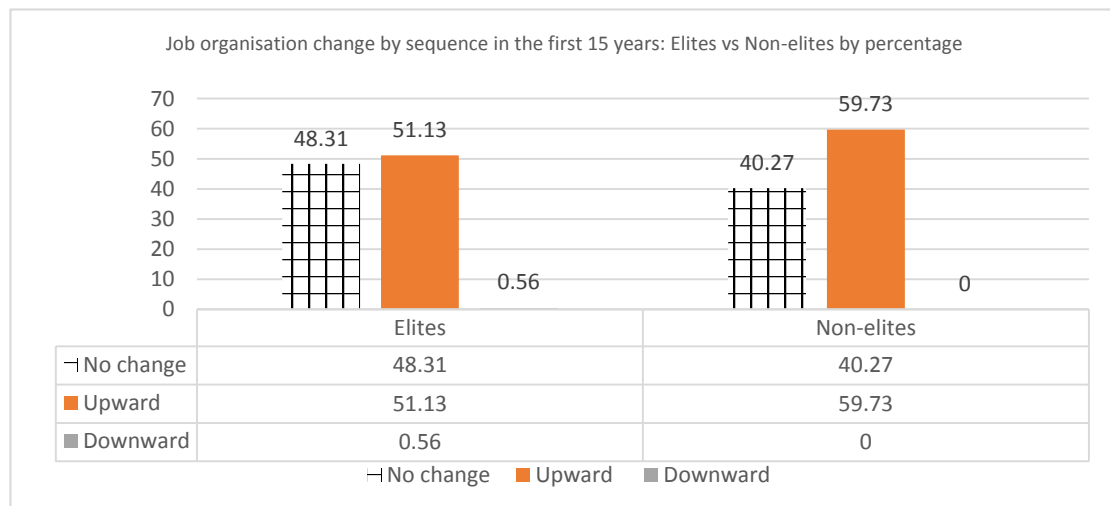


Considering that more than 90% of the elites chose to work for the government and the public sector while the non-elite sample data offered very similar reading in first job organisation decisions, it is surprising to find that more than half of both changed job organisations.

But if we take into account of the fact that just over 40% of the elites and the non-elites started in the government sector, the potential for employees from other job organisation categories to join them in the bureaucracy was still huge.

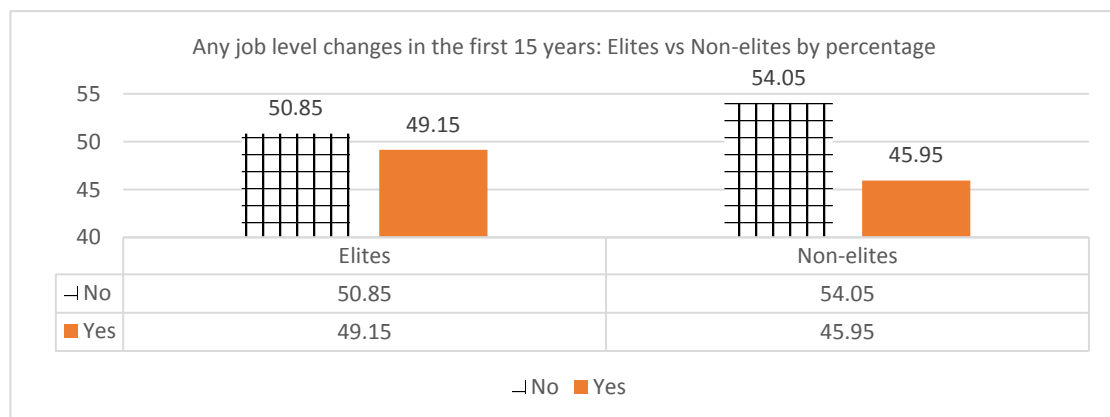
Thus, if we rate different job organisations as rising in desirability and attractiveness in the following sequence: self-employed, farm, collective firm, hybrid firm, joint venture, state firm, public organisation and government (upward trend of changes in line with the market transition theory of redistributive power), we could find that for the elites, 51.41% changed job organisations according to this order, compared with 0.56% who reversed it while for the non-elites, all the 59.73% who made such shifts did so according to this rising order:

Figure 5.5 Job organisation change by sequence in the first 15 years: elites vs non-elites



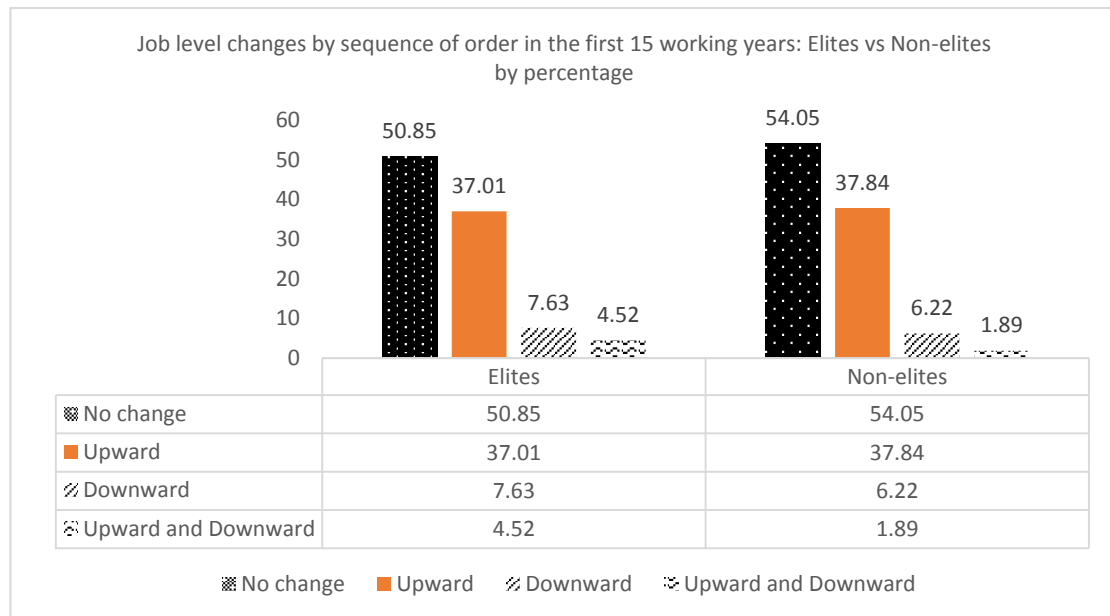
Third, the findings on whether they have changed their job levels (**JobLevelChanges1**) were equally revealing as we could witness that less than half of the elites (49.15%) changed their job location levels, compared with 45.95% of non-elites who made such moves:

Figure 5.6 Any job level changes in the first 15 years: elites vs non-elites



If we mark job location level from the rural side, township to country, prefectural and province level as a rising order of attraction (upward move), we could find that for the elites, 37.01% made job location level shifts according to this order versus 7.63% who reversed such an order and 4.52% whose moves included both climbing up and down such a ladder of attraction in different years. For the non-elites, 37.84% were following such an order, 6.22% reversed it and 1.89% did both:

Figure 5.7 Job level changes by sequence of order in the first 15 working years: elites vs non-elites



The elites also had also changed job levels more often than the non-elites:¹⁹

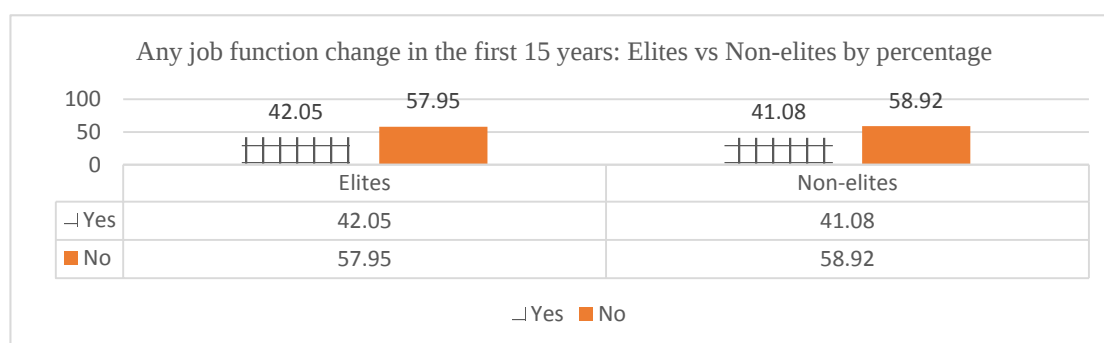
Figure 5.8 Number of job level changes for the elites/non-elites within the first 15 years



Fourth, this chapter designs a variable **JobFuncChange1** to signal whether s/he has made job function changes in the first 15 working years:

Figure 5.9 Number of job function changes for the elites/non-elites within the first 15 years

¹⁹ This chapter did not design count variables to measure the number of job occupation and job organisation changes because they are mostly one way upward and did involve more than two changes.



Considering that a majority of the elite population (52.84%) did not start as a professional or a specialist while a slightly higher percentage of the non-elites started their first jobs in administrative function (55.31%), as shown in Chapter3 and 4, these job shift moves were revealing as we could witness more than 40% of each switched to become a professional/specialist in some sense and whether such moves had any statistically significant impact would be examined in the next chapter.

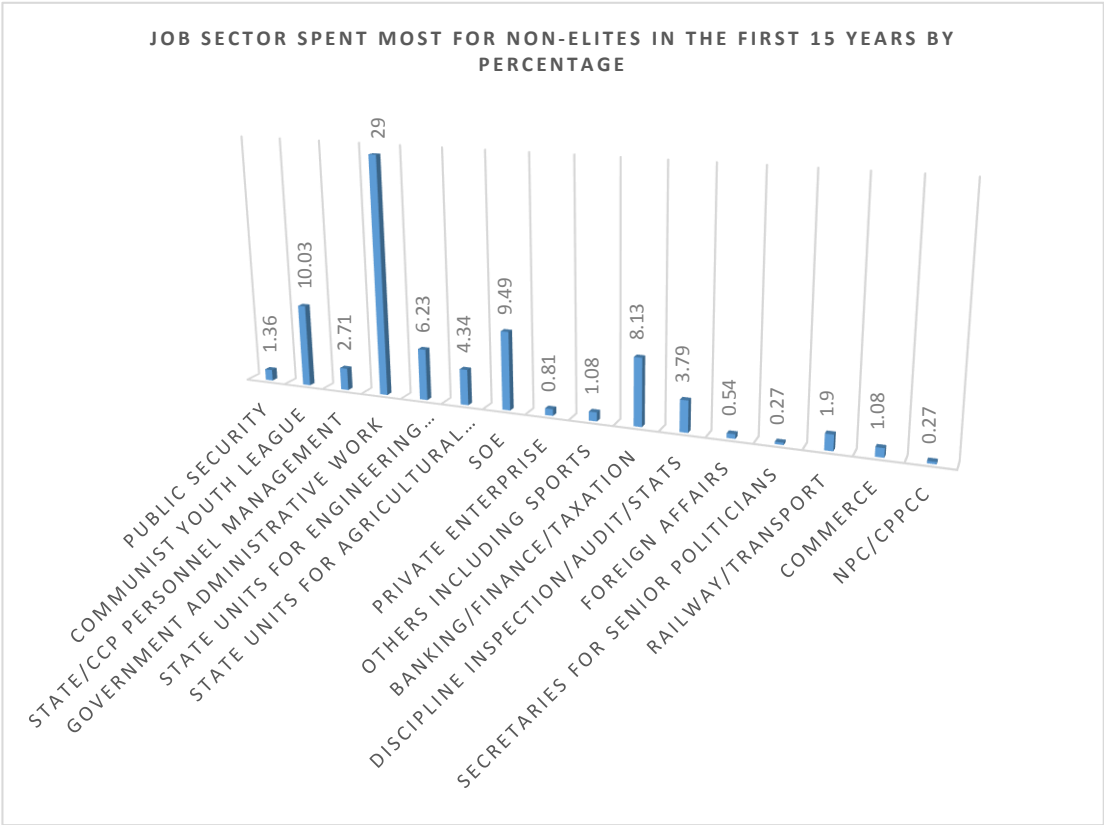
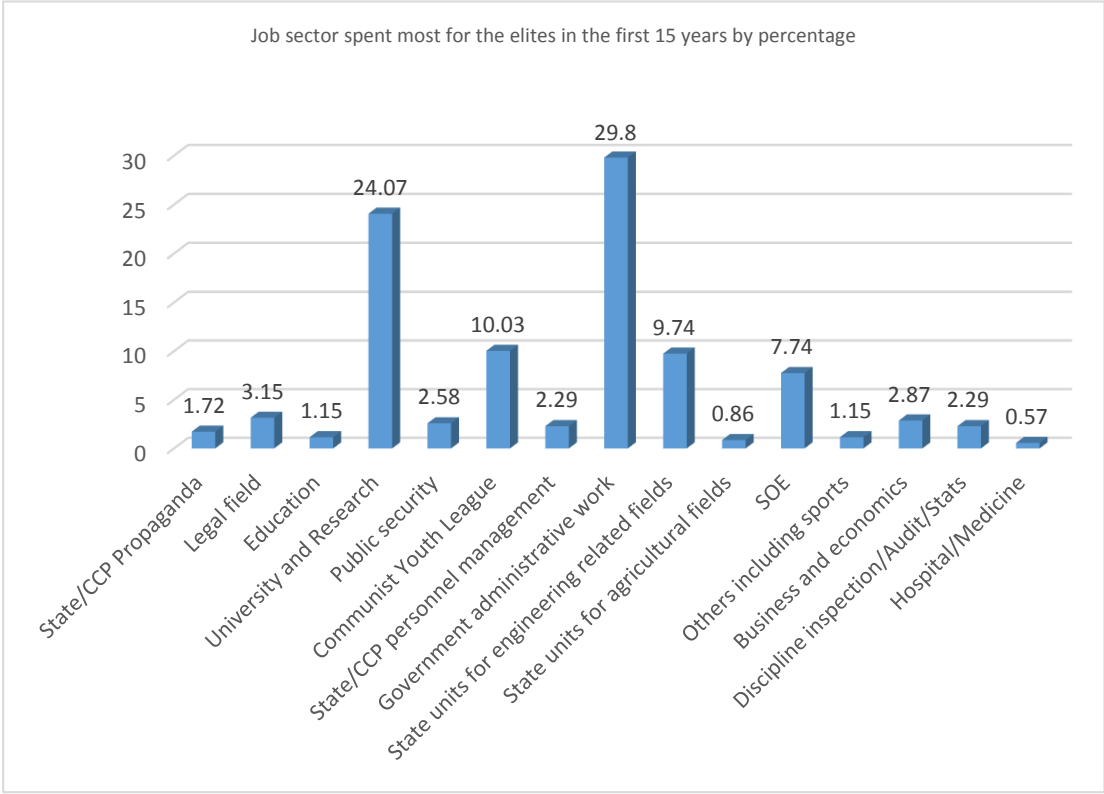
Fifth, in the reform era, the pace and extent of economic reform and marketisation have varied greatly across China's economic sectors. Hence, job shifts across work sectors provide additional evidence on the relative incentives offered by redistributive and market institutions across these sectors. Thus, **JobSecMost1** measures one's longest spell in years in the job sector categories in the first 15 years. **JobSecChange1** denotes whether s/he has changed job sector in the first 15 working years while **JobSecChange3** measures the number of times or frequency of these changes by the same time scale.

As the data show, for the elites, the top 5 job sectors were made up of non-specialised general government administrative related work, followed by university/research sector, the Communist Youth League, state units for engineering related fields and the SOEs.

The situation for the non-elites was different when the government administrative work sector still took the top spot, followed by the Communist Youth League, the SOEs,

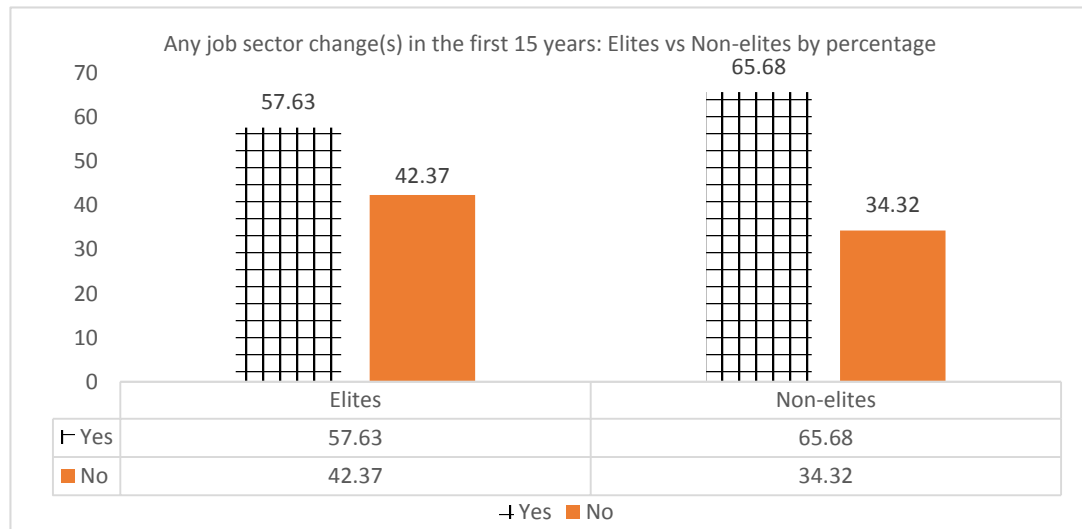
banking/finance/taxation and state units for engineering related fields:

Figure 5.9A Job sector for the elites/non-elites within the first 15 years



And did both groups experience job sector changes in their first 15 years? It is quite apparent that the elites were less inclined to change job sectors than the non-elites

Figure 5.9B Any job sector change(s) in the first 15 years: elites vs non-elites



All these five independent variables measuring one's job sector, level, occupation, organisation, and function changes will be tested in Chapter 6 to see whether they influenced one's probability of getting accelerated promotions in China's bureaucratic workplace.

2.1 Social vs political structure in the job shifts debate

These findings in the earlier section mark a sharp contrast to the market transition presumption of the triumph for the private sector in terms of its attractiveness for job seekers/switchers when we witness the rates of job shifts from workplaces in state organisations to ones in collective or non-state firms remained almost non-existent in the reform era for both the elite population and the non-elite sample. These people's decisions mark a sharp contrast to those of the general Chinese population as the national statistics in the earlier section demonstrate that people on average tended to join the private sector to chase more immediate economic opportunities than to join the state sector in the period between 1995 and 2005.

As Chapter 3 demonstrated, the gradual rise of prestige and economic status of private company entrepreneurs and self-employed showcased the influence of the market place. For example, in 1983, 30.8% of the self-employed people in Beijing's Xicheng district were previously unemployed people, another 21.5% were retired people, and 47.7% were youths waiting to be assigned jobs by the government. Other surveys from Shanghai, Nanjing and Zhejiang offered very similar results.²⁰ However, surveys done in 1993 in several Chinese cities demonstrated drastic self-employment composition changes over the decade as the better educated came into sight when professionals accounted for 12.1% of the self-employed, cadres of the state 22.1%, workers made up 25.2% of the self-employed, commercial and service industry workers 7.6%, soldiers made up 1.2%, and peasants 17.2%.²¹

However, the elites and non-elites could well represent people who were closer to the

²⁰ Xu Xinxin. *Dangdai zhongguo shehuijiegou bianqianyu liudong (Social mobility and state structure in contemporary China)*. (Beijing: Shehuikexue wenxian publishing house, 2000), pp.173-5.

²¹ Zhang houyi and Liu Wenpu. *Zhongguo de siyingjingji yu siyingqiyezhu (China's private economy and private ownership)*. (Beijing: Zhishi publishing house, 1995), p.346.

redistributive economy than to the competitive market sector – thus they form a group that the market transition theorists like Nee would find appealing to support their theory: more than 90% of the elites chose to work for the government and in the public sector as their initial job organisation choices while the non-elite data offered identical reading.

They were closer to the centre of the redistributive political system than most people were in China (the national average), so if they did not switch to the market sector, market transition theory by Nee would become less convincing. In fact, as this section shows, close to half of these elites and the non-elites changed their initial job organisations but almost all these shifts were from the private sector to the state sector, from private firms to state firms, and from public organisations to government offices. *These patterns suggest that governmental agencies and public organisations largely kept their advantages and were still the more desirable workplaces in the 1995-2005 period than those in the private sector, at least for the elites and the non-elites.*

In sum, we should take into account the demonstrated statistics that the mainstream societal job preference under the prevailing social structure was about chasing private sector opportunities during the 1995-2005 period as we could witness a sharp decline of the number of people who worked in the urban state sector in the 1990s while the number of people working for the private sector steadily grew. The situation in the countryside was in line with the urban story when rural TVEs and private companies saw their employee numbers gradually rise.

Therefore, we should treat the rise of the private enterprises and TVEs in the 1995-2005 period as part of the overall private sector growth story over state sector employment as this structural change was mostly forced by non-state enterprises onto the state sector.

So evidently, the elites and non-elites' job shift choices can be considered as against

mainstream and conventional societal preferences, i.e. social structure.

But why did they adopt these unconventional moves? In 1995, researchers from the State Council organized a national survey of more than 400 bureaucrats to see why they did not want to move to other non-governmental sectors, 48% of the respondents chose to stay in government agencies and public organisations for job security and stability in an age of economic transformation and uncertainty; 27.8% chose this type of jobs for its associated political and social status, 18.2% for its political power, 2.9% for job satisfaction, 2.0% for other benefits while only 1% chose it for its income and fringe benefits.²²

Stories told by the elites and non-elites also confirmed such insights. For example, the difference in risk-taking attitudes can be found for the elite population and the non-elite sample as one elite reflected on his job changing experience by saying his preference to stay put in his first job sector and organisation was for job stability and certainty, against mainstream societal preference and structure to chase the more immediate gold from the private sector:

I understand that in the reform era, many people were tempted by the wealth of new economic opportunities. I know a few cadres in my workplace, a central government department, who quit their jobs and set up their own businesses. As a reflection, 30 years on, almost all of them have failed to make a good fortune. One even went into bankruptcy. I tended to play safe. I showed my loyalty to the CCP, not only because it is the most viable organisation to trust in China but also because it offered me a shelter against these uncertainties. Some of my work mates changed job sectors, some of them shifted to public organisations which they thought could offer them a more flexible and less rigid work environment. But I stayed put.²³

This conservative attitude was also picked up by another elite cadre who started in a university research sector. She said that the traumatic Cultural Revolution shattered her faith:

I did not move to work for the government, at least not during my early years. At that time, I did not trust politicians as my father was victimized during the Cultural Revolution. Even though many intellectuals were wrongly prosecuted during that time as well, I held firm beliefs in doing research,

²² Sun Li. *Zhuanxing shiqi de zhongguo shehui: zhongguo shehui diaocha (China in transition: social surveys)*. (Beijing: Gaige chubanshe, 1997): 94.

²³ Elite cadre interviewee number 7 and his experience was shared by elite cadre interviewee 23.

which was my career joy and I did not want to involve myself in the murky political world.²⁴

This play-safe attitude echoes well with behavioural psychologists who show that individual judgments under uncertainty reflect heuristics and bias rather than rational calculation.²⁵

Given the uncertainty of market opportunities and of policy stability, individuals' decisions related to career progression depend heavily on their interpretations of their past experiences. Those who have experienced extreme fluctuations in the past are likely to weigh heavily the potential costs of (future) adverse state policies, and adopt a risk-averse attitude. This consideration is especially relevant given the fluctuation and turmoil in China's political history whose track record creates uncertainties. With the cumulative benefits in the state-owned organisations, some individuals, for example, may be especially risk averse in response to new types of jobs outside of state protection zones and see them more as risks than opportunities.

For example, state policies discriminating against private entrepreneurs create uncertainties about jobs in non-state firms, thereby discouraging some employees from leaving state organisations. However, it was not hard to find elites and non-elites who possessed risk-taking attitudes. One non-elite recalled his experience of switching to work for a private enterprise:

I started working for a local county office when graduated from a vocational school. Life was boring and work was easy. As a fresh young boy, I was looking for challenges. When the reform effects kicked in, I switched to a private company for new opportunities. The enterprise's proprietorship was founded by private equity. The management adopted a flexible marketing strategy and the first 7 years were wonderful as profits piled on. However, in the 1990s, this enterprise experienced tons of difficulties when the local government squeezed the credit flows to the private sector. Seeing no future, I wanted to go back to my original government office but there was no position. Finally, after so much efforts and some waiting, I found a public organisation that agreed to take me in.²⁶

His experience of the uncertainty of the market has not been alone. For instance, Huang

²⁴ Elite cadre interviewee 20. Her account echoed elite cadre interviewee 14's experience.

²⁵ Daniel Kahneman, Paul Slovic, and Amos Tversky. *Judgment under Uncertainty: Heuristics and Biases*. (Cambridge: Cambridge University Press, 1982).

²⁶ Non-elite cadre interviewee number 16. His account is backed up by non-elite cadre number 22 and elite cadre interviewee 21 with similar experiences.

Yasheng documents that in the 1990s, China moved towards a form of entrepreneurial capitalism marked by rural policy bias, financial liberalisation, and security of proprietors: the country switched to state-led capitalism with substantial urban bias, massive infrastructural investment, and preference for large state-owned enterprises and foreign direct investment (FDI) over indigenous capitalists. Although both capitalist systems generated rapid GDP growth, they produced significantly different welfare outcomes.

Huang illustrates that many productive policies of the 1980s (e.g., fiscal decentralisation and private-sector financing) were reversed in the 1990s, thus rejecting the widespread gradualist interpretation of Chinese reforms. He also finds that some state policies actively discriminate against private entrepreneurs and this creates uncertainties about jobs in non-state firms and sectors, thereby discouraging employees from leaving state organisations.²⁷

Another non-elite's experience echoed such research finding:

I graduated from a local university in my native province in the middle of China and started as an administrative assistant in a local government-owned enterprise. The work was interesting, compared with my classmates' dull lives in government offices. However, since my province was not rich and I wanted to move to a big city, I went to Shanghai to further my career. Through some connections, I got a job in a public organisation there but after only one year, I changed job again to work for a local private company with a better wage/allowances package. This venture was short-lived for only 6 months when the owner started to fire people due to bad financial performance of the company. I then went back to a public organisation. In my early careers, I thought job sectors and organisation types did not matter to me as I wanted a city life more than anything else. However, later I found out that the stability offered by a government office was most attractive as not all private-company adventures were successful and can guarantee long-term job security.²⁸

²⁷ Huang Yasheng. *Selling China: Foreign Direct Investment during the Reform Era*. (New York: Cambridge University Press, 2005).

²⁸ Non-elite cadre interviewee number 20 with similar experience shared by non-elite interviewee number 18 and non-elite interviewee number 19.

3. Chapter conclusion

Rona-Tas in his seminal study found that cadres in Hungary in the 1990s enjoyed continuing benefits by moving to more profitable and more market-oriented workplaces.²⁹ However, the story for China in the same period was quite different.

Using the elite population and the non-elite sample as a database for analysis, this chapter adds another empirical layer to the market transition debate, finding out that who benefited most from China's redistributive economy (cadres and employees in government agencies) tended to maintain jobs in types of organisations, occupations, and sectors closest to such redistributive economy (or move within rather than out of these organisations, occupations, and sectors) despite the low average income compared to the market economy when other redistributive benefits such as job security in the state sector provided considerable attraction for them to stay, despite the possibilities that these politically safer jobs could also bring them graft opportunities, which in return are actually more risky to bear than those more legitimate opportunities existing in the market sector (much more CCP Disciplinary Commission attention against potential corruptions and higher cost of punishment if found out).

Therefore, the elites and the non-elites had adopted unconventional decisions for switching jobs, sticking to the dominant political structure at the time, compared with the mainstream societal preference to chase more and bigger immediate economic rewards in the private sector, reflected in the prevailing social structural preference and expectation at the time: earlier statistics demonstrate that employment in private and hybrid firms had grown while the state sector suffered job losses. Overtime, private firms and hybrid firms have indeed increased their

²⁹ Akos Rona-Tas. Ibid, 1994.

status in the national economy. More educated employees and the younger generation tended to shift their jobs to these most market-oriented sectors and firms.³⁰

Thus, using this social vs political structure dichotomy, this thesis updates Giddens' structuration theory in an authoritarian context by demonstrating that even under authoritarian circumstances in China's early reform era, individuals still have a choice to choose between adhering either to social structural expectations or political requirements or neither or both, to be held responsible for their own agencies. Paying enough attention to pre-existing structural constraints does not necessarily lead to an overwhelming emphasis on macro social and historical structure over process driven by individuals.

After analysing the difference between the elites and the non-elites and their unconventional and non-mainstream decisions in job shifts, we should refocus our attention to see how these relevant statistics contribute to our understanding of cadre promotion patterns.

In other words, one may wonder why these unconventional decisions matter for accelerated careers. Therefore, the next chapter will review whether these non-mainstream job shift moves had any significant effect on the elites and the non-elites' chances of breaking promotion patterns.

³⁰ Such evidence was also provided in Cao Yang and Victor Nee. "Comment: Controversies and Evidence in the Market Transition Debate". *American Journal of Sociology*, Vol. 105, No. 4 (Jan., 2000):1175-1189.

Chapter 6 - The Politics of Job Shifts in Market Transition: Data Analysis

Chapter 5 has investigated the historical settings in the 1990s/2000s with respect to job shift tendencies and individual actions, and how they eventually connect with the market transition debate. It finds that who benefited most from China's redistributive economy (cadres and employees in government agencies) tended to maintain jobs in types of organisations and economic sectors closest to the redistributive economy despite of its low income compared to the private sector: thus the elites and the non-elites had adopted unconventional decisions for switching jobs, compared with the mainstream societal preference and social structural expectations to chase more immediate economic rewards in the private sector at the time.

Thus this chapter in **Section 1** will test whether these unconventional moves, in line with the dominant political structural expectations at the time, had any statistically significant effect on the elites and the non-elites' chances of breaking promotion patterns. Equally important, like Chapter 5, this chapter in **Section 2** will also reveal how these findings correspond with the market transition theory by Nee that suggests that the emergence of market economies was evolving into an increasing force, competing with state organisations for human capital.

To investigate job shift patterns and their impacts on the chances of getting accelerated promotions, a basic premise of our study is that all job changes are not the same. While some job changes entail upward mobility, others represent lateral or even downward movement.³¹

Here particularly, we should distinguish two types of job shifts. External job shifts are shifts to a different type of organisation or occupation or economic sector. Internal job shifts are shifts

³¹ David Hachen. "Three Models of Job Mobility in Labor Markets." *Work and Occupations*, 1990(17):320-54.

to a different workplace/level but within the same type of organisation or occupation or economic sector. Patterns of external shifts are especially informative about institutional change because they could reflect the rise and decline of economic sectors and the types of organisations with different property-rights relationships to the redistributive economy.

In contrast, internal shifts reflect individuals' efforts to relocate while remaining in the same property-rights regime. For example, a cadre may move from one government agency to another. And these changes do not involve a change in the workplace's property-rights relationship with the state. Nevertheless, such internal job shifts are also informative because rewards varied considerably within as well as across organisational types/sectors/levels.

Under market transition theory by Nee, individuals could shift jobs from redistribution-based state organisations to market-based private organisations (external shifts). Furthermore, even within the realm of state organisations (internal shifts), the market transition theory guides us to expect an increase in job shifts from companies close to the redistributive economy (government agencies/public organisations) to those more involved in market activities (state-owned firms). And all these shifts should help promote individual's life chances and promotions.

Therefore, it is up to this chapter (with Chapter 5) to find out how the elites and the non-elites' job shift patterns situate within these market transition theorists' presumptions.

1. Data analysis and discussion

As discussed in Chapter 5, it is important to test how a range of different independent variables influence the dependent variable of breaking promotion rules in the first 15 working years (**BreakPromo2**) for both the elite population and the non-elite sample.

Here this thesis adopts binary logistic regression to estimate the probability that a characteristic is present (i.e. estimate probability of getting an accelerated promotion) given the values of independent variables. Then Let Y be a binary dependent/outcome variable denoted in **BreakPromo2** and $Y_i = 1$ if the trait is present in observation i and $Y_i = 0$ if the trait is NOT present in observation i ; $X = (X_1, X_2, \dots, X_k)$ be a set of independent variables just set out in the earlier sections, which can be discrete, continuous, or a combination or a set of interaction terms. x_i is the observed value of the independent variables for observation i . The Model is as:

$$\ln L = \sum_{i=1}^n [y_i(\beta_0 + \beta_1 X_{i1} + \dots + \beta_p X_{ip}) - \ln(1 + \exp(\beta_0 + \beta_1 X_{i1} + \dots + \beta_p X_{ip}))]$$

Figure 6.1 Parameter estimates of logistic regression for breaking promotion patterns in the first 15 years for the elites

The Elites

Model: Logistic regression	Parameter estimates of logistic regression for breaking promotion patterns in the first 15 years for the elites without interactions	Parameter estimates of logistic regression for breaking promotion patterns in the first 15 years for the elites with interactions
Independent Variable	(Dependent variable: BreakPromo2)	(Dependent variable: BreakPromo2)
Intercept	0.78	2.77**
Gender	-0.33	-0.29
Ethnicity	-1.08*	-0.85
JobSecMost1	0.06	0.05
JobSecChange1	-1.11***	-1.26***
FirstJobFunc	0.95*	0.92
JobFuncChange	-1.0*	-0.98*
PartySchool	-0.41	-4.08**
DCMs1	0.16	0.19
DPMs1	-0.17	-0.29
Coast1	0.63	0.79
PartyExp1	-0.59	-1.58***
MilitaryExp1	-0.45	-0.63
GovExp1	-0.39	-0.57
MassExp1	1.64***	1.66***
TownExp1	13.87***	12.92***
CountyExp1	-0.24	-0.09
RuralExp1	-14.85***	-13.75***
EnterpriseExp1	-0.35	-0.34
Seniority1CCP	0.08**	0.09**
JobLevelChange3	0.01	-0.04
JobSectorChange3	-0.46***	-0.49***
FirstJobLevel	0.41*	-0.11
JobOccuChange1	14.21***	13.22***
JobOrgChange1	-14.46***	-13.49***
JobLevelChange1	-0.45	-0.42
ProMost1	0.01	-0.02
PSchool1		1.11**
ProPE1		0.9***
Without interaction terms:		Wald chi2(29): 949.11
Log pseudolikelihood = -140.63158		
With interaction terms:		Wald chi2(29): 593.30
Log pseudolikelihood = -134.75455		

Notes: N = 341

Robust standard errors are in parentheses: ***P<0.01 **P<0.05 *P<0.10

First, judging from the above result table, it is apparent that being male or female (the **Gender** variable is statistically insignificant) or an ethnic minority (the **Ethnicity** variable)

does not affect one's likelihood of breaking promotion rules in the first 15 years of one's career. Coefficients for both the elites and the non-elites (documented below) are never significant, nor are their signs consistent with a hypothesis of gender/ethnic promotion discrimination: i.e. women were just as likely to be promoted in an accelerated fashion as their male counterparts.

Second, which job sector an elite spent most years in his/her first 15 years (the **JobSecMost1** variable) also does not influence the likelihood of breaking promotion rules. However, the statistically significant variable **JobSecChange1** signifies that not to change one's job sector in the first 15 years actually helped one's climbing of the career ladder faster. This result corresponds well with **JobSectorChange3** that measures the number of job sector change(s) for the elites in their first 15 years: one's likelihood to break promotion rules decreased with the number of job changes, therefore, staying in one's original sector was most useful.

Third, this section finds no statistical effects for variables **FirstJobFunc** and **JobFuncChange** as these indicate that working in an administrative role or professional role did not matter when it came to accelerating your careers and thus it was not necessary for one to change job function to pursue *pogē tībā*. This result challenges the dual career paths theory championed by Walder who argues that in reform China, two specialized paths exist: one that emphasizes expertise and education (but not politics) and leads to professional occupations with little decision-making authority, and a second path that emphasizes political loyalty (but not higher education) and leads to influential leadership positions.³²

But the results from the statistical table earlier shows that at least in one's early careers, job

³² Andrew G. Walder, Li Bobai and Donald J. Treiman. "Politics and Life Chances in a State Socialist Regime: Dual Career Paths into the Urban Chinese Elite, 1949 to 1996". *American Sociological Review*, Vol. 65, No. 2 (Apr., 2000), pp. 191-209.

functions had no impact on one's quick promotion chances in the bureaucratic ladder.

Fourth, the result for job occupation shifts (**JobOccuChange1**) was significant when we could witness the positive statistical effect of changing job occupations on the likelihood of breaking promotion rules in the first 15 years, and as revealed by Chapter 5, almost all the job occupation changes were made according to the rising order of upward moves: from agricultural labourer, industrial worker, professional to cadre and state administrator.

Fifth, the statistically significant result for job organisation changes (**JobOrgChange1**) was negative when we find out that not changing job organisations actually helped career progression to be in a faster stream. Considering over 90% of the elites started their first jobs working for the government and in the public sector, it is not surprising to gauge the implication of this result: staying in rather than moving out of these types of organisations helped run a bureaucratic career faster. More importantly, these findings ran contrary to the market transition emphasis on the power of the market that attracts talents with strong human and political capital into the private sector because for people who wanted to get faster promotions, staying in organisations and occupations and sectors closer to redistributive power helped more.

Sixth, what about job location level changes? For all three variables (**FirstJobLevel**, **JobLevelChanges1**, and **JobLevelChange3**) relevant to this prospective, none of them mattered in a statistical sense: which job level one started, be it in a rural village, a town, a county, a prefecture or a province did not influence the likelihood of breaking promotion rules. Nor did change job levels by any sequence of order in the first 15 years.

Seventh, in additions to the graphs and statistics regarding these five job shift variables in Chapter 5, consistently, it is also not surprising to find out that working in a coastal region

(**Coast1**) or a direct-controlled municipality (**DCMs1**)³³ or a deputy provincial municipality (**DPMs1**)³⁴ did not improve the chance of getting faster career progression. These findings challenge the notion that officials posted in certain regions have an unfair advantage because of geographical economy alone or that the hierarchical order of work locations alone influenced one's chances of getting quickly ahead.

Particularly, coastal regions' supposed economic advantages against inland cities were not found in these results, further validating the fact that the Party's stated preference for performance-based career advancement is hardly consistent with the revealed preferences of Party committees in action.³⁵ In this sense, my findings are in accordance with Bo's conclusion that local GDP growth per se does not explain promotion patterns among cadres.³⁶

Eighth, if job location (levels) did not matter when it comes to breaking promotion rules, how about grass root work experience in rural villages, townships and counties? The 1995 temporary regulations by the CCP Central Organisation Department stipulated that appointments to the level of county magistrate require at least five years of professional experience, including two at a lower level of government, in at least two distinct positions (CCP

³³ This chapter designs a binary variable DCMs1 to test whether work experience in one's first 15-year career in a direct-controlled municipality or province-level municipality (直辖市) could influence the possibility of breaking promotion rules when these municipalities (Beijing, Shanghai, Tianjin and Chongqing) were the highest level classification for cities used by China as they have the same rank as provinces.

³⁴ It is also interesting to investigate whether work experience in a deputy provincial municipality/division(副省级市/地区) as reflected in binary variable DPMs1 can influence promotion results in the first 15 years. A deputy provincial division's status is below that of municipalities but above other regular prefecture-level divisions. So the mayor or chairman of a deputy provincial division is equal in status to a vice-governor of a province

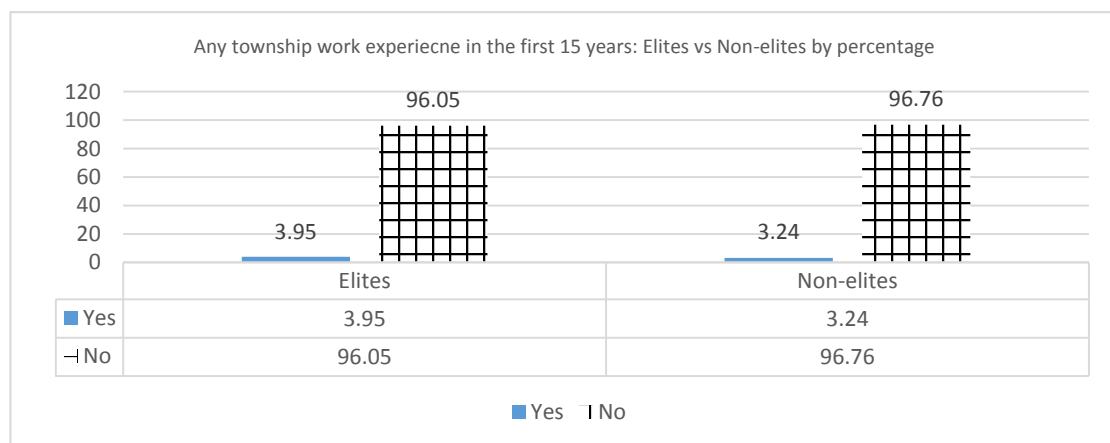
³⁵ For this type of argument that emphasising the importance of local economic contribution, see Pierre Landry, *Decentralized Authoritarianism in China: The Communist Party's Control of Local Elites in the Post-Mao Era*. (New York: Cambridge University Press, 2008), pp.163-5.

³⁶ Bo Zhiyue. *Chinese Provincial Leaders: Economic Performance and Political Stability since 1949*. (Armonk, NY: M. E. Sharpe, 2002).

Central Organisation Department, 1995, Section 2, Article 72).³⁷ The current version reaffirmed this principle as it requires at least five years of work experience and at least two years of experience working at the grass roots, for promotion to a leading position at the county (division) level (CCP Organisation Department, 2002: Article 7).³⁸

Three variables associated with this prospective (**RuralExp1**, **TownExp1** and **CountyExp1**) show diverse readings: township work experience demonstrated a positive significant impact on the likelihood of breaking promotion rules while zero work experience in the rural villages actually enabled faster career progression. Work experience in counties did not matter at all for the dependent variable of getting ahead quickly in their first 15 years into the workforce:

Figure 6.2 Any township work experience in the first 15 years: elites vs non-elites by percentage

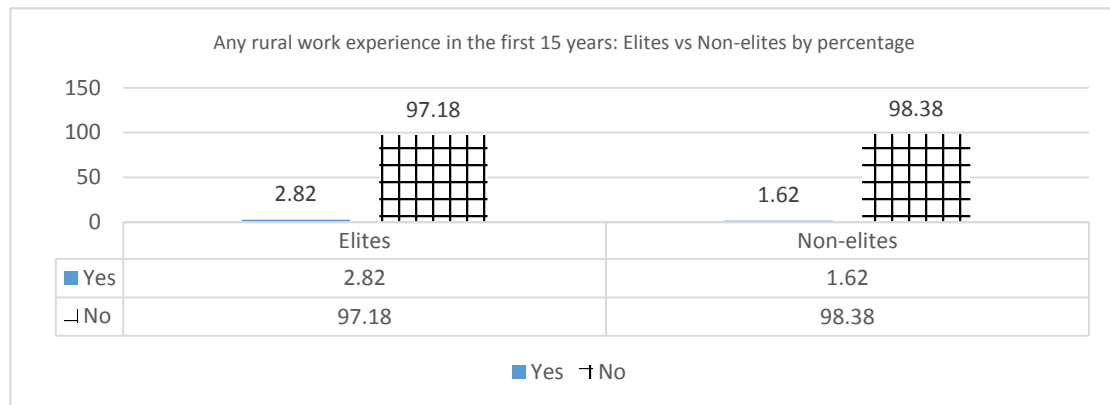


It is evident that for both the elites and the non-elites, township level work experience in their first 15 working years was mostly absent; the rural village level work experience for both groups also offer similar reading:

³⁷ CCP Central Organisation Department. “Dangzheng lingdao ganbu xuanba ren Yong gongzuo zanxing tiaoli” (Temporary Regulations on the Work of Selecting and Appointing Leading Party and Government Cadres. (<http://www.people.com.cn/GB/channel1/11/20000804/172987.html>, accessed on May 30, 2015)

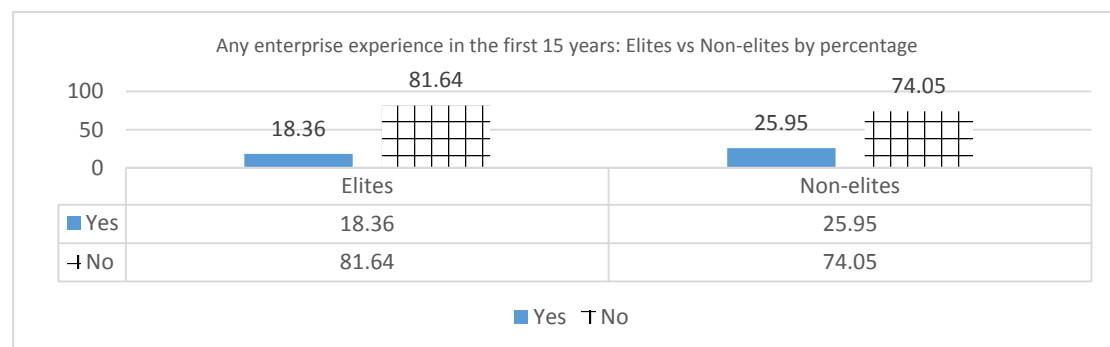
³⁸ CCP Central Organisation Department. “Regulations on the Work of Selecting and Appointing Leading Party and Government Cadres, 2002.” (<http://www.china.org.cn/english/features/45399.htm>, accessed on June 20, 2015).

Figure 6.3 Any rural work experience in the first 15 years: elites vs non-elites by percentage



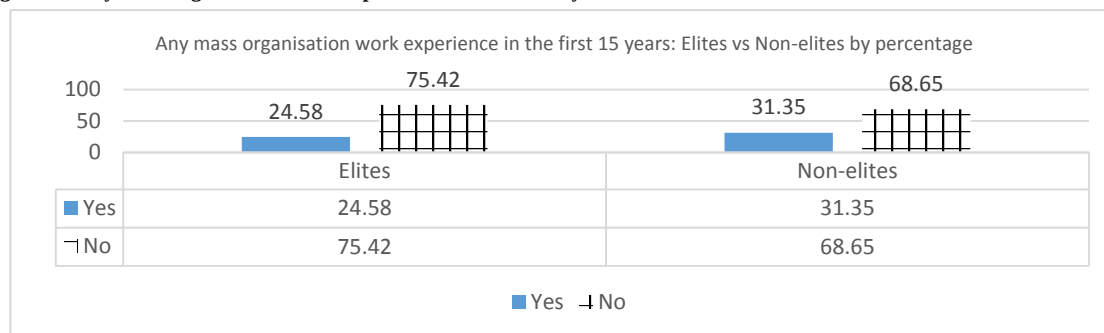
Ninth, the regression results showed that enterprise work experience (**EnterpriseExp1**) and military work (**MilitaryExp1**) in the first 15 years did not matter for the chances of breaking rules (i.e. the question is can anyone with past enterprise/military experience fare better than bureaucrats who only worked in the Party or government to achieve accelerated promotions) while early mass organisation work (**MassExp1**) positively influence such chances:

Figure 6.4 Any enterprise work experience in the first 15 years: elites vs non-elites by percentage



The result shows, for both groups, very few of them actually had enterprise experience in their first 15 years into work, making us rethink the possible business-government relations model as championed by a number of scholars who often argue that when individuals employed in enterprises gain economic and business experience, it opens the possibility that successful entrepreneurs are favoured to be co-opted into administrative jobs in the Party state.³⁹

³⁹ For example, see Bruce Dickson. *Red Capitalists in China: The Party, Private Entrepreneurs, and*

Figure 6.5 Any mass organisation work experience in the first 15 years: elites vs non-elites

Besides the Party, the Chinese bureaucratic system “includes” a number of mass organisations. Although they remain under the “leadership” of the Party, they maintain distinct institutions and appointments. As was the case in other communist regimes, the CCP relies on mass organisations to enhance its penetration of civil society. Experience in these organisations could serve as a training ground for young officials for future promotions.⁴⁰ Therefore, mass organisation experience including the Communist Youth League, the Women’s federation, trade unions, cultural and arts association, industry and commerce association in the first 15 working years can also be important for understanding cadre career progressions (variable: **MassExp1**).

The non-elites had a higher number of people (31.35%) who had mass work experiences (mostly the Communist Youth League) in their first 15-year than the elites (24.58%). This has demonstrated the Party’s willingness and strong will to penetrate the Chinese government-controlled civil society in which these mass organisations play an important role of coordination and governance, just as Ding has argued, the dichotomous concept “civil society versus the state”, when used to explain the transition from communism, is applicable only in rare, extreme

Prospects for Political Change. (Cambridge: Cambridge University Press, 2003).

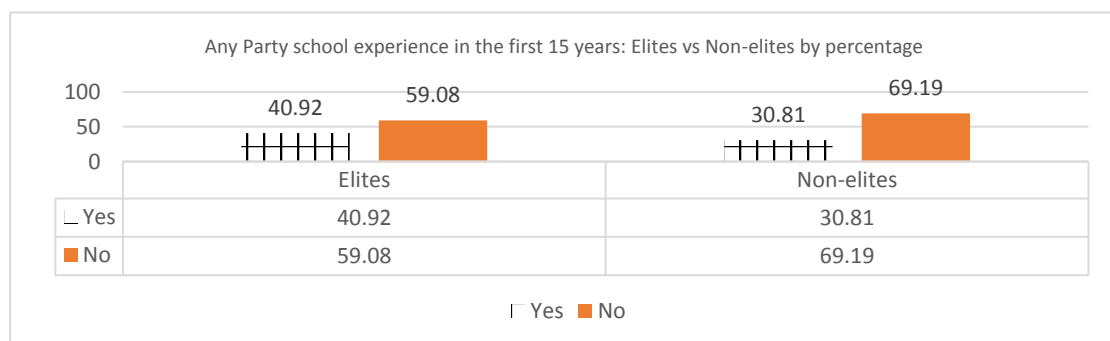
⁴⁰ Xu Ying. “Chinese Communist Youth League, political capital and the legitimising of volunteering in China”. *International Journal of Adolescence and Youth*, 2012(17):2-3, 95-112. & Wu Junfei. “Rise of the Communist Youth League”. *Economic and Political Weekly*, Vol. 41, No. 12 (Mar. 25-31, 2006), 1172-1176. & Konstantinos Tsimonis. “Purpose’ and the Adaptation of Authoritarian Institutions: The Case of China’s State Feminist Organisation”. *Journal of Chinese Political Science*, 24 Sep (2015), pp 1-18.

cases and misleading in most.⁴¹ Instead, we should look for institutional parasitism, manipulation and conversion of civil society and mass organisations in China's case.

In communist societies, many organisations that were described by observers as “independent”, were actually in a parasitic relationship with party-state structures. They depended, in a greater or lesser degree, on official structures, and for personnel and material support. They may bear a strong resemblance to voluntary associations in liberal democracies but were actually an indispensable part of the communist state system.

Tenth, did participating in a Party school in one's early stages accelerated one's bureaucratic career? The **PartySchool** variable showed no statistical effect. But when this chapter introduced an interaction variable **PSchool1**, it became apparent that the effect of attending a Party school lecture or seminar was working through one's first job level:

Figure 6.6 Any Party school work experience in the first 15 years: elites vs non-elites



Therefore, it is logical to conclude that the positive influence of attending a Party school on breaking promotion rules increases when one's first job level increases. This finding is consistent with Li and Walder's theory of Party-sponsored mobility that career prospects are brighter for cadres with access to sponsored remedial education than for those without.⁴²

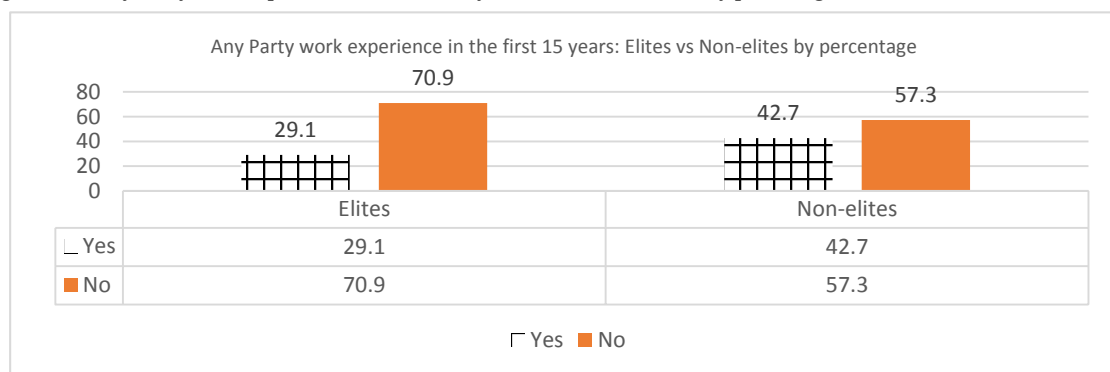
⁴¹ Ding Xueliang. "Institutional Amphibiousness and the Transition from Communism: The Case of China". *British Journal of Political Science*, Vol. 24, No. 3 (Jul., 1994), pp. 293-318.

⁴² Li Bobai and Andrew Walder. "Career Advancement as Party Patronage: Sponsored Mobility into the Chinese Administrative Elite, 1949–1996." *American Journal of Sociology*, 65 (April 2001): 191–209.

But the finding from this chapter adds that this sponsored mobility has to depend on one's job location level, the higher the better. This finding adds some further notes to Frank Pieke's book on elite training and social network building within China's Party schools, supporting his argument that socialism is a form of governance and the Party school system is one important mechanism within such a governance structure.⁴³ In this vein, training at a party school helps cadres not only in their current job, but, if and when they get promoted, also in their future one, reinforcing and creating the hierarchically nested administrative communities of cadres that are the backbone of the Chinese administrative system, and translating formal vertical and horizontal administrative lines of command into human relationships.

Eleventh, the same thing happened to **PartyExp1** variable that measures whether any Party work experience was helpful for getting ahead quickly:

Figure 6.7 Any Party work experience in the first 15 years: elites vs non-elites by percentage



Along with **ProMost1** that analyses which province one spent most of his/her first 15 years in career, it showed no statistical effect working alone:

Figure 6.8 Top five provinces the elites spent most years in the first 15 years by percentage

⁴³ Frank Pieke. *The Good Communist: Elite Training and State Building in Today's China*. (Cambridge: Cambridge University Press, 2009).



But when this chapter combined the two to form an interaction term **ProPE1**, the coefficient was significant, demonstrating the strong effect of localism because the positive effect of Party work experience had to depend on where one spent most in a particular province, e.g. working as a Party cadre in Qinghai (coded as 30) and Gansu (coded as 29) accelerated one's career progression faster than in Beijing (coded 0) or Shanghai (coded as 1).⁴⁴

In a sense, Party work experience and localism act together as a vehicle for quicker promotion. Localism reflected in the provinces one spent most years during the first 15 years of careers suggests there might be systematic variations of promotion mechanisms in different localities and this is conditioned on people who held Party work experiences.⁴⁵

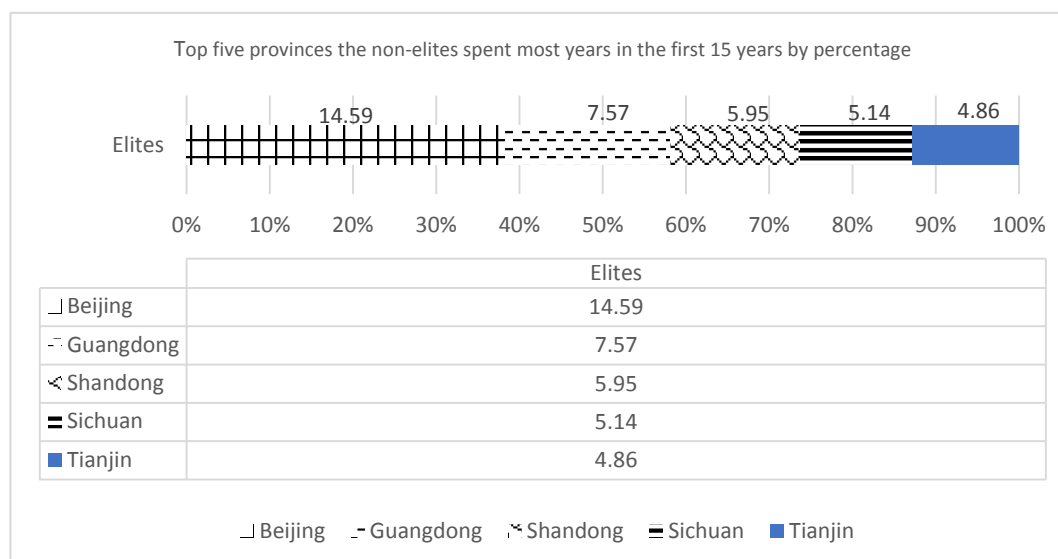
Thus, compared with other variables that tackles work locations, this chapter finds that localist biases in promoting a cadre only worked with provincial level considerations while any

⁴⁴ Variable **ProMost1** signify which province one has worked most years in his/her first 15-year working career: for example, 0 means Beijing, 1 means Tianjin, 2 means Shanghai, 29 leads to Gansu, 30 is Qinghai province, etc. The detailed coding is as: Beijing:0/Tianjin:1/Shanghai:2/Chongqing:3/Neimeng:4/Guangxi:5/Xizang:6/Ningxia:7/Xinjiang:8/Hubei:9/Shanxi:10/Liaoning:11/Jilin:12/Heilongjiang:13/Jiangsu:14/Zhejiang:15/Anhui:16/Fujian:17/Jiangxi:18/Shandong:19/Henan:20/Hubei:21/Hunan:22/Guangdong:23/Hainan:24/Sichuan:25/Guizhou:26/Yunnan:27/Shaanxi:28/Gansu:29/Qinghai:30

⁴⁵ Li Cheng and David Bachman. "Localism, Elitism, and Immobilism: Elite Formation and Social Change in Post-Mao China". *World Politics*, Vol. 42, No. 1 (Oct., 1989), pp. 64-94.

place below such a bureaucratic altitude produced no favoritism acts (other local variables down the administrative hierarchy were tested with no statistically significant results found):

Figure 6.9 Top five provinces the non-elites spent most years in the first 15 years by percentage



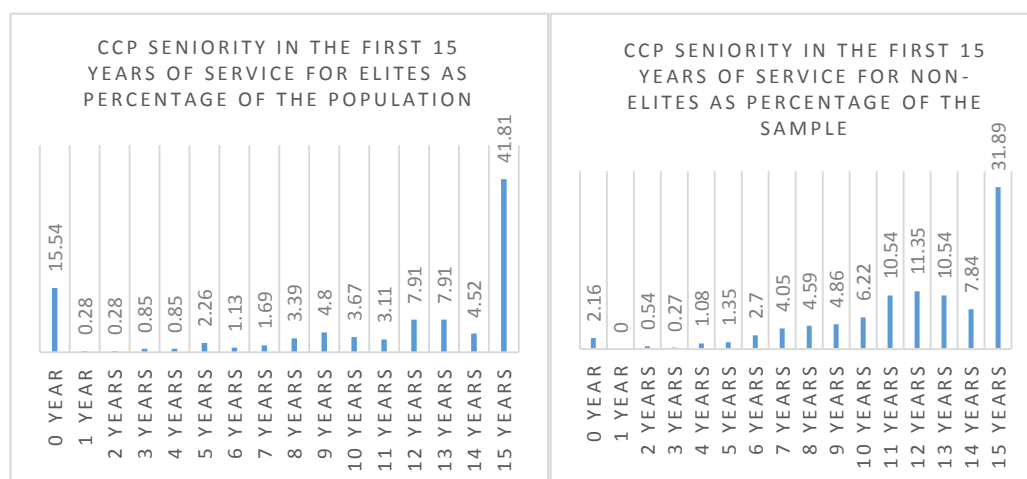
Twelfth, apart from Party work experience, it is not always useful to account for the impact of Party membership as a binary variable (1 means being a Party member) as some researchers suggest,⁴⁶ because Party seniority can sometimes be a more appropriate control variable when long-standing members are likely to be more trusted than novices.⁴⁷ So seniority as a Party member measured in years (first 15 years) is included in the analysis of cadre promotion as an independent and continuous variable (**Seniority1CCP** – 0 is coded for non-CCP member).

The below results demonstrate the distribution of Party years for both groups when the elites had a higher percentage of members (more than 10%) who had had more years of Party membership duration than the non-elites, setting a significant impact on their *pogē tībā* chances:

Figure 6.9A CCP seniority in the first 15 years of service for the elites and the non-elites

⁴⁶ Andrew Walder, Li Bolai and Donald Treiman. "Politics and Life Chances in a State Socialist Regime: Dual Career Paths into the Urban Chinese Elite, 1949 to 1996." *American Sociological Review*, 2000, 65 (3): 191–209.

⁴⁷ Pierre Landry. *Decentralized Authoritarianism in China: The Communist Party's Control of Local Elites in the Post-Mao Era*. (New York: Cambridge University Press, 2008):183.



Therefore, local officials were promoted not only because of their educational credentials and mass organisation experiences but also for their proven loyalty in Party institutions, to maintain the political cohesiveness of the elite corp, showing the chances of breaking promotion rules increased with the years one spent as a CCP member, and demonstrating the Party's inclination to trust Party veterans than novices.

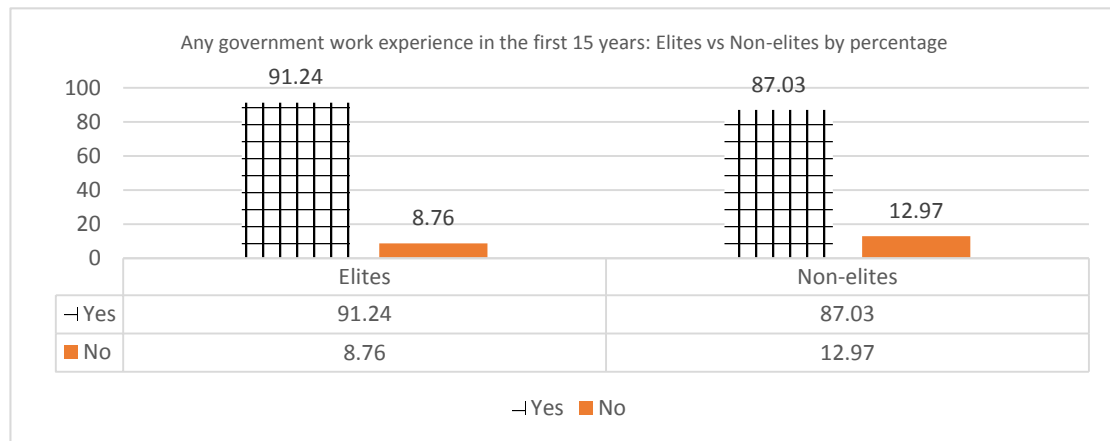
Thirteenth, surprisingly, this conclusion did not correspond well with one's experience of governmental work when the variable **GovExp1** demonstrates that whether one has worked in a government office in his/her first 15 years did not matter on the likelihood of getting accelerated bureaucratic careers: in reform China, the effect of Party work experience or membership seniority was still stronger than government-related work for promotion purposes, honoring the principle that "the Party must exercise complete control over itself, over its members and its cadres"(党管干部原则), established in August 1989 right after the Tiananmen massacre.⁴⁸

The Fourth Plenum of the Communist Party held in September 2004 outlined a course of

⁴⁸ CCP Central Committee. "Zhonggong zhongyang guanyu jiaqiang dangde jianshe de tongzhi" (The notice by the CCP Central Committee to strengthen Party building work). Accessed online in Jan 14 2016 at: <http://cpc.people.com.cn/GB/64184/64186/66697/4494965.html>. (In Chinese).

reform aimed at establishing the Party as a permanent governing party (执政党). The new idea is meant to underline that the Communist regime no longer understands itself as a “revolutionary party,” but that it seeks to adjust its ideology while maintain the Party over state structure, making it more adaptable to a changed and more complex social environment:⁴⁹

Figure 6.9B Any government work experience in the first 15 years: elites vs non-elites



⁴⁹ Brantly Womack. “Democracy and the Governing Party: A Theoretical Perspective”. *Journal of Chinese Political Science*, vol. 10, no. 1, April 2005, pp.23-42.

1.1 Setting the elites and the non-elites apart

Figure 6.9C Parameter estimates of logistic regression for breaking promotion patterns in the first 15 years for the non-elites

Model: Logistic regression	Parameter estimates of logistic regression for breaking promotion patterns in the first 15 years for the non-elites (Dependent variable: BreakPromo2)	Parameter estimates of logistic regression for breaking promotion patterns in the first 15 years for the non-elites with interactions (Dependent variable: BreakPromo2)
Independent Variable		
Intercept	-3.07**	-3.08**
Gender	0.19	0.15
Ethnicity	0.18	0.24
JobSecMost1	0.05	0.05
JobSecChange1	-0.08	-0.12
FirstJobFunc	-1.05	-0.93
JobFuncChange	0.88	0.71
PartySchool	-0.05	-1.16
DCMs1	-0.12	-0.05
DPMs1	0.52	0.49
Coast1	-0.03	-0.04
PartyExp1	0.04	0.49
MilitaryExp1	-0.41	-0.36
GovExp1	-0.36	-0.31
MassExp1	0.54*	0.52*
TownExp1	-0.63	-0.66
CountyExp1	-0.68**	-0.63**
EnterpriseExp1	-0.57**	-0.57**
Seniority1CCP	0.14***	0.15***
JobLevelChange3	0.21	0.19
JobSectorChange3	-0.20	-0.21
FirstJobLevel	0.26	0.17
JobOccuChange1	-0.16	-0.14
JobOrgChange1	0.56	0.56
JobLevelChange1	-0.35	-0.39
PSchool1		0.37
ProMost1	-0.01	0.01
ProPE1		-0.32
Log pseudolikelihood = -214.49108		Wald chi2(29) = 50.49
With Interactions - Log pseudolikelihood = -215.06644		Wald chi2(29) = 52.46

Notes: N = 364

Robust standard errors are in parentheses: ***P<0.01 **P. <0.05 *P<0.10

However, the regression results for the non-elites sample were surprising as only three

variables (**CountyExp1**, **EnterpriseExp1** and **Seniority1CCP**) were statistically significant and the two interaction variables were not. The **RuralExp1** variable was dropped because it was regarded as a perfect predictor. So this makes us question the model fit, so just as I did for the elite model, I run a Hosmer-Lemeshow test of goodness-of-fit to help decide whether the model is correctly specified. They both produce a p-value—if it is low (below 0.05), we reject the model. If it is high, then the models pass the test: the result for the elite model was 0.41, and the non-elite model also passed the test with p-value at 0.15.

Here, it is important to go back to the original intention of introducing the non-elite sample as a comparison group to the elite population, which is of course the focus and main attraction of this thesis: the ultimate aim is to find out about the life trajectories of the 1960s born people who managed to get past the elite cadre threshold of vice-provincial/ministerial position quickly. The comparison group who did not pass the elite threshold is designed to remind us of the difference between the two groups.

From this finding, we understand that work experience at a county-level office/company would diminish the likelihood of getting ahead quickly for the non-elites, enterprise work experience in the first 15 years was also running against the non-elites' push to break promotion rules while the chances of breaking these promotion rules increased with their seniority as CCP members. The significant effects of job sector/organisation/occupation changes, Party work experience, mass organisation, township and rural village experience that mattered to the elites did not influence the non-elites chances of getting ahead quickly in the first 15 years.

As revealed by the earlier pages, less than 4% of the non-elites had township level work experience and less than 2% of them had rural village work experience. 28.92% of them had

county-level work experience which actually reduced their likelihood of breaking promotion rules. So these statistics prove that while most of the non-elites started their work experience at prefectural level and higher, they better not to revert to county level positions and gaining any enterprise work experience did not help them either.

More importantly, these differences between the elite population and the non-elite sample help us understand more of the elites' accelerated routes to bureaucratic career success especially in the first 15 working years. For instance, **JobSecChange1** and **JobOrgChange1** were significant for the elites but not for the non-elites. We could see some of the reasons behind these results in the earlier descriptive statistics section: around 10% more of the non-elites than the elites changed job sectors and job organisations in their first 15 years and since changing job organisations and sectors actually hindered faster career progression in a statistical sense, the difference in these statistics could be setting the elites and the non-elites apart.

Moreover, county work experience (**CountyExp1**) was significant for the non-elites but not for the elites. The descriptive statistical result shows that 10% more of the non-elites had this type of experience that did not help the promotion process and this difference could have contributed to the statistical discrepancy in the same variable for these two diverse groups following the same logical reasoning for **JobSecChange1** and **JobOrgChange1**, partially explaining why the non-elites fell behind of the elites to achieve faster political promotions.

And the elites had more than 10% of its members having 15 years of Party membership during their first 15-year entry into work than the non-elites, as more of them joined the Party during college or before, and these moves, as shown by Chapter 1 and 2, have statistically pushed them to achieve accelerated promotions, more quickly than for the non-elites.

However, it is important to acknowledge that this line of logic does not explain all the statistical discrepancies in the two previous regression tables. For instance, for the mass organisation work experience variable (**MassExp1**), we know it is significant for the elite population but not for the non-elite sample, i.e. any mass organisation work experience was useful for breaking promotion rules for the elites. However, the descriptive statistics show that around 7% more of the non-elites than the elites had such type of experience in their first 15 years into work. How should we explain this? The same type of question lingers on the **TownExp1** variable that significantly pushes the elites to accelerated tracks but not for the non-elites, a slight higher proportion of whom actually had more township experience than the elites.

Therefore, it is important to bear in mind that the first four chapters of this thesis introduced other differences between the elite population and the non-elite sample and those discrepancies altogether could lead to different conclusions for these independent variables and their effects on individuals' probability to achieve accelerated promotions as we witness in this chapter.

No variable is an island, entire of itself.

2. Market transition theory as a context to understand job shifts in reform China

How do Section 1's findings correspond to the market transition theory by Nee that suggests that the emergence of market economies was evolving into an increasing force competing with state organisations for resources: for Nee and his followers, higher economic returns in the market economy should induce individuals to leave workplaces in the state redistributive system and to engage in market activities.

This chapter and Chapter 5 add to the market transition debate by finding that the rates of job shifts from workplaces in state organisations to ones in collective or non-state firms were almost zero in the reform era for both the elite population and the non-elite sample, just at a time when the national statistics demonstrate that people on average tended to join the private sector to chase more immediate economic outcomes than to join the state sector in the period between 1995 and 2005. However, the elites and non-elites represent people who were closer to the redistributive economy than to the competitive market sector than most people were in China at the time – thus they form a group that the market transition theorists like Nee would find appealing to support their theory. So if the elites and non-elites did not switch to the market sector, the market transition theory would become less convincing.

As Section 1 finds, the five major job shift variables, covering one's job sector, occupation, organisation, function and level changes have yielded diverse results with regard to their impacts on one's chances of getting accelerated promotions in China's bureaucracy.

First, take job organisation as an example: close to half of these elites and the non-elites changed their initial job organisation choices but almost all these shifts were following the rising order from the private sector to the state sector, from private firms to state firms, and

from public organisations to government offices. These patterns suggest that government agencies and public organisations largely kept their advantages over the private sector.

Thus, for an elite/non-elite to succeed in climbing the bureaucratic ladder faster, it was counterproductive to change job sectors and organisations in their first 15 years because most of them started their careers in public organisations and government offices and concentrated in a few privileged sectors that required high human capital such as a college education.

Second, we could also witness the positive statistical effect of changing job occupations on an elite's likelihood of breaking promotion rules in the first 15 years, as almost all the job occupation changes were made according to the rising order from agricultural labourer, industrial worker, professional to cadre and state administrator.

Third, there is no evidence that the Organisation Department has a bias for promoting cadres in one coastal or interior region/city/prefecture faster than another. And changing job location levels also did not affect one's likelihood of getting ahead quickly.

Fourth, it is evident that township work experience was good for quick promotions while lower-ranked location levels in the rural parts of China decreased this likelihood: a few years in townships would help further a bureaucratic career as the CCP openly encourages grass root experience but a step further down to villages could be counterproductive. This shows an anti-rural biases in the Chinese bureaucracy as one elite cadre openly reflected his experience:

Our Party was encouraging us to have a few years grass root experience to help set our feet on the ground (脚踏实地) so that we could learn the mechanism of lower level government operations from inside out. However, it was rare to see someone who started in the rural villages managing to climb up to high-ranked level positions. In the Chinese bureaucracy, the rural-urban divide was apparent and strong. Working in a rural village was quite another world. We in the cities do not understand those rural cadres very much.⁵⁰

⁵⁰ Elite cadre interviewee number 3.

During the reform era in the 1990s, the centre of gravity of the Chinese political economy tilted decisively towards cities. The unprecedented pace of China's economic transformation favored urban growth, which in turn increased the political relevance of municipalities and the officials who rule them. Cities now control a far greater share of the country's resources. For example, in 2000, municipalities accounted for 51.8% of China's GDP, 50.1% of its industrial output, and 76% of the value of services.⁵¹

Cities also enjoy greater formal institutional weights when their formal bureaucratic rank as well as those who rule them have been increased, e.g. fifteen cities have been upgraded to achieve vice-provincial rank (副地级市).⁵²

In addition, from a political economy perspective, Chung and Lam offer an interesting note on why the rural parts in the bureaucratic hierarchy has often been deliberately overlooked. In the decentralisation efforts engineered by the CCP in the 1990s, the provinces were instructed to delegate the management of county-level cities to the municipalities but the reach of municipal governments was cut back from extending to as far down as village-level cadres. This reversal of policies compared with the 1980s greatly decreased municipal leverage in rural areas, but at the same time had decreased the number of cadres under their jurisdiction exponentially, greatly cutting administrative costs.⁵³

⁵¹ China Urban Development and Research Centre. *China Urban Yearbook 2001*. (Beijing, China Urban Yearbook Publishing 2002):178–180.

⁵² Currently, there are 15 sub-provincial cities after Chongqing was designated direct-control in 1997. They are Changchun, Chengdu, Dalian, Guangzhou, Hangzhou, Harbin, Jinan, Nanjing, Ningbo, Qingdao, Shenyang, Shenzhen, Wuhan, Xiamen, and Xi'an. Additionally, the heads of Pudong New Area of Shanghai and Binhai New Area of Tianjin, which is a county-level district, are given sub-provincial powers. And Ili Kazakh Autonomous Prefecture enjoys the same vice-provincial status. See: Liu Dasheng. "Research on Reforming the Constitutional Standing of Cities and the Urban System." In *Reform and Construction*. (<http://www.bjsjs.net/news/news.php?intNewsId=1217>, accessed on June 24 2014).

⁵³ Jae Ho Chung and Lam Tao-chiu Lam. "China's "City System" in Flux: Explaining Post-Mao Administrative Changes". *China Quarterly*, 2004(180), (December): 945–965.

In other words, this reversal implies the reasoning behind the Organisation Department's reluctance to pick up lower-level cadres in villages because of lack of bureaucratic reach down to these rural areas. As the elite cadre interviewed further reflects, this unfamiliarity creates uncertainty when the Party and the state's personnel management staff come to pick up cadres to promote as they are not too sure of these cadres' task management skills and capacity, and most important of all, their political reliability and loyalty.

Fifth, from the results in the earlier section, we also come to understand that the CCP has adopted a tolerant and even encouraging attitude to work experience outside the government and the Party. For example, work experience in the Chinese Communist Youth League along with All-China Women's Federation, Workers' Union as mass organisations positively influenced one's chances of breaking promotion rules in the first 15 years.

However, contrary to earlier assumptions by a number scholars who argue that the Party became more willing to take on entrepreneurs and business people, the CCP seemed to become less tolerant of its own bureaucrats' experiences in the business world.⁵⁴ Enterprise work experience either did not help career progression as the elites' stats showed or hindered such progression as the non-elites results demonstrated.

Sixth, it is surprising to find that government work experience in the first 15 years did not matter to the CCP when considering promoting cadres in a fast-line stream. In sharp contrast to this finding, Party work experience mattered but it had to depend on which province one spent most years in (e.g. as shown earlier, experience of working in Beijing, Sichuan, Shandong, Shanghai and Tianjin help more) while Party seniority helped enable faster promotions.

⁵⁴ For example, see Bruce Dickson. *Red Capitalists in China: The Party, Private Entrepreneurs, and Prospects for Political Change*. (Cambridge: Cambridge University Press, 2003).

Chapter summary – the Party goes on

Job shift patterns help us understand institutional changes in China, and particularly, market transition because the attractiveness of jobs in some organisations, sectors, and locations reflects both continuing redistributive rewards and benefits from newly developed market activities of such workplaces. Therefore, scholars have come up with a variety of theories and findings to explain such patterns.

For example, Landry's book singles out the distinctive importance of county work experience as he argues that, throughout much of Chinese history, counties have remained the most permanent level of local government, one that the state can effectively penetrate, and the post-Mao leadership have been "careful to avoid experimenting with an institution that could possibly threaten this reach: they have allowed communes to be abolished and replaced by townships and prefectures to merge with municipalities. They have also experimented with new types of municipalities", but the county level has been the least-contested level of local government in China, implying the significance of county level government in China's political hierarchy.⁵⁵ However, as this chapter finds out, county-level work experience could hinder one's chance of accelerated promotions to senior cadre posts while township experience could positively facilitate such a progression. This result demonstrates that the cadre promotion logic designed by the Party state may be a complex question that cannot be answered wholly by scholars' emphasis on the centre's (de)centralised drive.

This chapter also reveals, cadre promotion patterns do not fit well with the market transition

⁵⁵ Pierre Landry. *Decentralized authoritarianism in China: the Communist Party's control of local elites in the post-Mao era*. (Cambridge: Cambridge University Press, 2008): 37-80.

theory either. For instance, a cadre who had worked in an enterprise was no more likely to obtain an accelerated promotion than his peers who worked in government bureaus. One explanation could be that the political credentials of enterprise managers remained somewhat suspect, because, for example, the degree of county control over enterprises especially TVEs was uncertain when many of these individuals with demonstrated competence in economic areas were regarded as removed and politically distant from the Party state's bureaucratic reach.

Lee Hung-Yong once famously argued that personnel policy in the reform era turned “revolutionary cadres” into “career technocrats.”⁵⁶ As the previous chapters have shown, professional experience combined with formal university education has been helpful. And it is true that the Party may no longer be the revolutionary instrument of mass mobilisation of the Maoist era, its official ideology may no longer be convincingly appealing to its cadre members but Party organs still operate as powerful filtering devices that help perpetuate the CCP's political leadership: the long-standing insistence on political reliability has never gone.

As the results of this chapter demonstrate, government work experience do not help as much as Party work experience and Party membership seniority for quicker career promotion chances. Access to political power remain highly correlated not only with CCP membership but with specific experience in institutions involving Party work that effectively control the decision-making process throughout China's polity. Attempts to separate Party from government units and to separate government bureaus from enterprises do not weaken the pivotal role of the CCP as the key allocator of political power, at different levels of China's bureaucracy. The Leninist principle that the Party must always control cadres goes on, in both official and unofficial terms.

⁵⁶ Lee Hung-Yong. *From Revolutionary Cadres to Party Technocrats in Socialist China*. (Berkeley: University of California Press, 1991).

Conclusion Chapter: Agency against Structure in Tournament Career Progression

“When theories are particularly interesting or important, there should be greater leeway in terms of empirical support. A small set of interviews, a demonstration experiment, a pilot survey, a bit of archival data, may be all that is necessary to show why a particular process might be true. Subsequent research will of course be necessary to sort out whether the theoretical statements hold up under scrutiny, or they will join the long list of theories that only deserve to be true.”¹

How does authoritarianism persist in China during the third democratization wave since the 1970s? Scholars credit China’s bureaucracy as providing the organisational robustness for the country’s authoritarian resilience by successfully tapping individual life aspirations, career chances and strategic behaviors for governance, thereby underpinning regime stability.

This thesis offers mixed responses to such a claim by unfolding the career trajectories and behavioral decisions of bureaucratic elites in China who achieved accelerated promotions (*pogetiba*) as a case study, based on interviews and statistics, using an original dataset of the 1960s born cadre population whose career timeline corresponds to China’s market transition era.

It starts with the examination of career patterns and promotions. During the past several decades, scholars have studied job mobility, and they have emphasized the importance of career paths. Organisations “size up” new employees and allocate them to different socialization experiences.² This selection and allocation is repeated with later assessments being based not only on age and duration, but also on one’s particular career history and one’s coming up on the “correct” path.³ Unfortunately, although these studies have described selection and

¹ Robert Sutton and Barry Staw. “What Theory is Not”. *Administrative Science Quarterly*, Vol. 40, No. 3. (Sep., 1995), pp. 371-384

² Edgar Schein. *Career Dynamics: Matching Individual and Organisational Needs*. (Reading, MA: Addison-Wesley, 1978). & Sherwood Peres. *Factors Which Influence Careers in General Electric*. (NY: Management Development and Employee Relations Service, 1966).

³ Rosabeth Kanter. *Men and Women of the Corporation*. (New York: Basic Books, 1977). & Robert Faulkner. “Coming of age in organisations.” *Sociology of Work and Occupations*, (1974)1: 131-173. & Douglas Bray, et al. *Formative Years in Business*. (New York: Wiley, 1974). & Barney Glaser.

socialization processes in extensive detail, they have been far less thorough in examining long-term career patterns that last decades. The difficulty of obtaining appropriate longitudinal data is understandable and may also explain why these micro-level studies of organisational careers have never been integrated with macro-level studies on institutional changes in societies under market transitions. This thesis fills in parts of this gap in a specific context: China.

The dependent variable explained here is getting career accelerated promotions or *pogē tībā* when the possibility of receiving a promotion is likely to be an extremely effective control mechanism over a fairly broad group of employees by the elites. Indeed, promotions may be the most common form of mobility for some segments of the labor force, and they are important functions in organisations and occupational groups. Yet while there have been many systematic studies of mobility among occupations, there have been few longitudinal analyses of promotions within occupations or organisational hierarchies in China, let alone on accelerated promotions and their importance for individuals' career trajectories.

In sum, empirically, no research has focused on achieving accelerated promotion that measures the mobility speed to elite status in the bureaucratic pecking order as the dependent variable: such promotion rate determines one's later chances to top politics in China's tournament model of advancement.⁴ Moreover, this project transcends the static approaches of comparing individual careers at a point in time, by examining the evolution of their careers over time to reveal which factors contribute to accelerated promotion at different stages of their education and work lives in relation to wider societal, economic and political contexts

Organisational Scientists: Their Professional Careers. (New York: Bobbs-Merrill, 1964).

⁴ For a thorough review of different models of advancement in an organisation used by political sociologists, see Hiroshi Ishida, et al. "Models of Career Advancement in Organisations". *European Sociological Review*, 18(2): 179-198.

prevailing within China over two market transition decades.

Findings suggest cadres achieving accelerated promotions made unconventional choices throughout their careers, against prevalent social norms and mainstream benchmarks for individual accomplishments and advancement priorities (social structure), but these unconventional yet risk-averse decisions reflected their capacity to play within the confine of the bureaucratic promotion logic (political structure): thus those who had the capacity to entertain the political structure while ignore the social structure, will of course chase such structure's specific expectations, and these advancement choices set a statistically significant impact on their way to a political fast track.

Theoretically, my research contributes to the interdisciplinary fields of politics and sociology by operationalizing the significance of agency decision makings against shifting structural expectations and constraints into this social vs political structure framework: studying bureaucratic elites formation, it updates Giddens' structuration theory which suggests agency action being shaped by structure also reproduces structure in democracies, by proving that, multiple structures started to emerge in China's authoritarian context in the reform era, compared with the pre-1977 periods, and thus the significance of agency action does not rest solely on one's capacity to reshape and transform structure but also on one's capacity to choose one structure over another, within which to engineer his or her own mobility path.

Using historical narratives with statistical analysis, this thesis also finds that in China's early market transition era (late 1970s to early 2000s), counter-intuitively, individual choices can be unconventional and non-mainstream (against the social structure) yet politically risk-averse and conservative at the same time (in line with the political structure).

Thus, in short, tying all the chapters together in this conclusion are two primary arguments to be discussed in the following pages in sequence: the first argument (**Section 1**) suggests that early career accelerated promotions are crucial for one's later ventures into high politics in China, as under a career tournament model, an organisation's opportunity structure points to the initial years in an employee's career as an important selection period, that mobility may become less frequent by middle age or after the first 15 years into work. It describes the career system in a way that suggests an underlying governance "bird-cage" logic, and consequently, it provides a framework for relating organisational structure at the "macro level" to employee perceptions, attitudes, and behaviors at the "micro level".

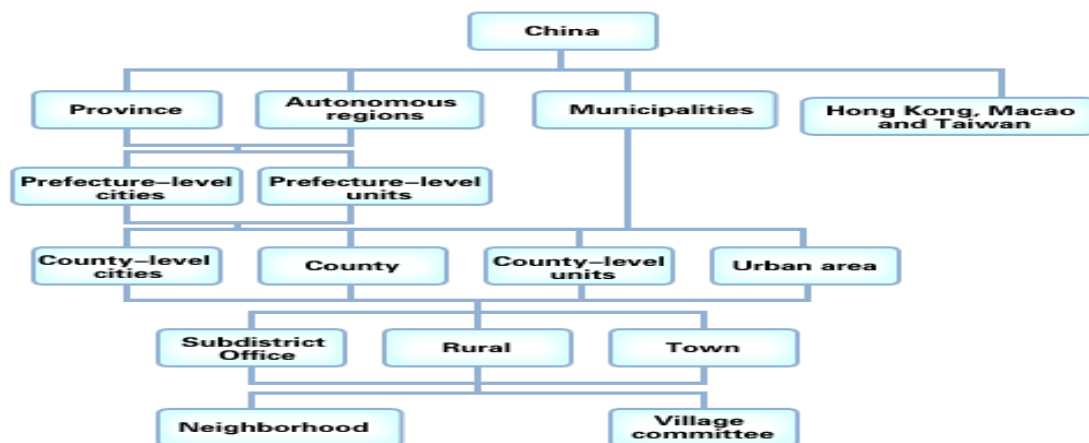
In short, little research has been done to measure the timing of mobility events. This thesis fills in such a gap by gauging the influence of achieving early career *pogē tībā* on predicting later career accelerated promotion outcomes, thus confirming the tournament model's strong emphasis on the importance of early climbs up the career ladder in China's political context.

The second argument (**Sections 2/3**) suggests that on this tournament model platform, there is tension between individual agency requests and macro structural expectations. Therefore, building on Giddens' structuration theory, my research assesses such tension by examining the effectiveness of an authoritarian regime's survival strategies and testing how China's bureaucracy taps the allegiance of society's most powerful members by shaping their career aspirations, life goals, and behaviors for governance. It challenges the market transition theory contention that market reform is a process which replaces political authority in the design and distribution of opportunities, using a useful social vs political dichotomous framework with statistical tests, through the eyes and careers of the Communist cadres directly involved.

1. The importance of early accelerated promotions and tournament mobility

The first argument of this thesis project is that early accelerated career promotions affect later career chances to high politics in China since the Chinese bureaucracy like most organisational hierarchies are shaped like a pyramid, with many more low-level than high level positions, presenting barriers to the advancement of its employees.⁵ A glimpse of the organisational chart of the central vs local government already offers a picture of complexity:

Table B.1 Organisational Chart of China's local and central government



Source: Tony Saich. *Governance and Politics of China*. (London: Palgrave, 2015, 4th ed), Chapters 4-6.

Relevant issues under this pyramidal shape type of hierarchy on early mobility have been much discussed in the status-attainment and organisation-career literatures in the Western context. Turner first presented two ideal types of career mobility: contest and sponsored mobility. Contest mobility systems delay selection and allow individuals complete freedom for mobility, and thus are totally ahistorical. Sponsored mobility systems select individuals for their ultimate careers very early on and allow no freedom for departures from these early-assigned careers. They are ahistorical in the sense that a later position is predicted by the immediately

⁵ Harrison White. *Chains of Opportunities: Systems Models of Mobility in Organisations*. (Cambridge: Harvard University Press, 1970).

preceding position, and earlier positions do not improve the prediction.⁶

Then a more historical model - the “tournament mobility” model was conceptualized. It combines the efficiency of sponsored mobility (early selection) with the flexibility of contest mobility.⁷ In this tournament model, careers are conceptualized as a sequence of competitions, each of which has implications for an individual’s mobility chances in all subsequent selections.

Although tournaments can be constructed with numerous variants in the rules, the central principle involves an important distinction between winners and losers at *each* selection point. Winners have the opportunity to compete for high levels, but they have no assurance of attaining them; losers are permitted to compete only for low levels or are denied the opportunity to compete any further. As in a contest model, winners must continue competing in order to attain high levels, for there is no assurance; but as in a sponsored model, early selections have irreversible consequences for losers.

1.1 The tournament model and the problem with age

This model has diverse applications in the social sciences. Starting in business economics, scholars often ask whether performance on an entry-level job predicts promotion as a top executive years later. The 20 year longitudinal study by Howard and Bray provides us with the best data on this question. There were statistically significant correlations between the level reached within the organisation and certain measures taken 20 years earlier. The best predictor was education—was the person a college graduate or not?⁸

Rosenbaum also finds that only those who were promoted within the first three years of their

⁶ Ralph Turner. “Sponsored and Contest Mobility and the School System,” *American Sociological Review*, (1960)25: 855-867.

⁷ James March and Herbert Simon. *Organisations*. (New York: Wiley, Martin, N. H, 1958).

⁸ Ann Howard and DW Bray. *Managerial lives in transition: Advancing age and changing times*. (New York: Guilford, 1988).

careers made it to middle management within 13 years.⁹ Sheridan et al. then find that entering a studied firm through a trainee program at an early age pushes careers.¹⁰ Even in Japan career track decisions are made very early. You must prove yourself to be a winner very early or else you are out of the race.¹¹ Berlew and Hall even find that the first year of one's work career is crucially related to his/her success five years later.

Following this line, scholars discovered that the age when a person enters a job grade has a negative effect on promotion similar to that of firm seniority.¹² Even beyond such age barriers, those who enter a system at relatively young ages or are promoted when younger may be perceived as those who are especially able and likely to achieve still more: in Great Britain, those who first became Members of Parliament when they were younger, especially in their 30s, had higher rates of movement to higher positions.¹³ Male academic psychologists who received their doctorates at an earlier age moved faster between schools, rising in institutional prestige.¹⁴

Overall, the empirical analysis based on the tournament model supports the "historical-effects" position, finding that very early job moves are related to subsequent mobility even a decade later. Thus early promotion is of critical importance in shaping careers.¹⁵

In sum, the tournament results in a progressively greater winnowing down of the winner's cohort at each successive stage.¹⁶ Assessments in an employee's first few years have profound

⁹ James Rosenbaum. *Ibid*, 1984.

¹⁰ John Sheridan, et al. "Effects of corporate sponsorship and departmental power on career tournaments". *Academy of Management Journal*, Vol. 33, No. 3 (Sep., 1990), pp. 578-602.

¹¹ Mitsuru Wakabayashi, et al. "Japanese management progress: Mobility into middle management". *Journal of Applied Psychology*, 1988(73), 217-22.

¹² Shelby Stewman. "Organisational demography". *Annual Review of Sociology*. 1988(14): 173-202.

¹³ Stuart Macdonald. *Political ambition and attainment: A dynamic analysis of parliamentary careers*. PhD thesis. (University of Michigan, Ann Arbor, 1987).

¹⁴ Rachel A. Rosenfeld and Jo Ann Jones. "Institutional mobility among academics: The case of psychologists." *Sociology of Education*, Vol. 59, No. 4 (Oct., 1986), pp. 212-226.

¹⁵ James E. Rosenbaum. "Tournament Mobility: Career Patterns in a Corporation". *Administrative Science Quarterly*, Vol. 24, No. 2 (Jun., 1979), pp. 220.

¹⁶ The tournament model grew out of research on mobility patterns in a school track system and in

and enduring effects on later career outcomes.

In this way, tournament mobility represents a form of Social Darwinism in which repeated competitions select the “fittest” managers. The survivors of a tournament gain the social image label of “winners”. Thus, building on Spence’s Nobel winning job-market signaling model, the tournament definition of the ability signal can be expressed as the quotient of job status divided by tenure and entry age: *ability is indicated by how high one has risen in a span of time.*¹⁷ Decision makers rely on the rate of upward mobility in relation to age or tenure as a signal of an individual’s ability.

1.2 The tournament model in China’s context

In this thesis’ context, what is valuable about this tournament model is that it suggests an organisational opportunity structure that points to the initial period in an employee’s career as an important selection period. All chapters have confirmed such type of stratification literature by recognizing that mobility (achieving *poge tiba*) is indeed less frequent by middle age.¹⁸

As the introduction chapter notes, as a cadre grows older in a post, age will start to become an obstacle to official promotion. The thesis chapters have used logistic regressions to show that for the elites, achieving *poge tiba* on bureaucratic rank Level 1 positively influences the chance of securing such accelerated promotions on Level 2/4/6, while achieving *poge tiba* on Level 2 is related to achieving such type of promotions on Level 3/4/6/7; similar story goes for

students’ post-graduate careers. The research revealed a tournament pattern where students who were moved out of the college track any time between 7th and 12th grades had no chance of getting back in that track and very little chance of getting into college, regardless of how hard they strived. See: James Rosenbaum. *Making Inequality: The Hidden Curriculum of High School Tracking*. (New York: Wiley, 1976).

¹⁷ Michael Spence. “Job market signaling”. *Quarterly Journal of Economics*, 1973(83), 355-374.

¹⁸ Peter Blau and Otis Duncan. *The American Occupational Structure*. (New York: Wiley, 1967), pp.178-188. & David Berlew and Douglas Hall. “The socialization of managers: Effects of expectations on performance.” *Administrative Science Quarterly*, 1966(11): 207-223. & Douglas Hall. *Careers in Organisations*. (Pacific Palisades: Goodyear, 1976), chapter 4.

successes on Level 3/4/5 as they influence people's later chances of securing accelerated promotions on higher levels in a positive direction, speedy moves for later successes:

Table B.2 Poge tiba's early and later career influence

Influenced/Influencer	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
Level 1	.	.	.	.	.	.	.
Level 2	0.95**	.	.	.	.	.	.
Level 3	0.29*	0.77**	.	.	.	.	.
Level 4	0.59***	1.01***	0.52**	.	.	.	.
Level 5	0.19	0.37	0.1	0.78**	.	.	.
Level 6	0.63***	0.69***	0.78**	0.93***	0.79***	.	.
Level 7	0.29*	0.77**	0.14	0.56**	0.63***	0.67***	.

Notes: *** $p < 0.01$ ** $p < 0.05$ * $p < 0.10$ ¹⁹

Overall, it is safe to conclude from these statistics, the influence of early career *poge tiba* is positively significant for predicting later career accelerated promotion chances, thus confirming the tournament model's emphasis on the importance of early speedy climbs up the career ladder.

It is evident to see why this 1960s born group of elite cadres are hailed as political stars of their generation by reaching the elite cadre level, very early in their careers than their peers. *But how did they (over 90% of them) land on the train of accelerated promotion track of poge tiba while others failed to secure such tracks (e.g. the non-elites sample)?*

As **Sections 2/3** would summarize the findings from previous chapters, these elites achieved accelerated promotions only when their career choices played more in tune with macro political structural forces (political structure) and these strategic moves (statistically helpful for getting *poge tiba*) to secure promotions were deemed by average citizens as unworthy, unconventional and counter-intuitive at a time when higher and more immediate monetary rewards were chosen

¹⁹ This chapter mean-centred these independent variables and calculated the variance inflation factor (VIF), indicators of the collinearity among the predictor variables. All mean VIFs were below 1.8 — well below the generally accepted limit of 10.0 while similar tests were performed for all the below analysis and results were about the same. See: Michael Kutner, et al. *Applied linear regression methods* (4th ed.). (Chicago: McGraw-Hill/Irwin, 2004).

by mainstream societal choices as the benchmark for life successes and individual accomplishments (social structure).

2. Structure vs individual decision making by analytical narratives

How can structures turn individual aspirations into certain sets of practices? This section shifts the focus from specifying how individual careers quickly unfold over time under a tournament model to describe career trajectories that are affected by structural forces. These cadres' careers are viewed as outcomes not only of individual attributes but also of both organisational and historical contexts.

In essence, this DPhil project depicts how individuals chose to work through societal, social and political structures and succeed in a chosen terrain, i.e. the Chinese bureaucracy.

What are the premises and results of individual choices? They could involve agenda, perception, ambition, aspiration as well as conservatism all under diverse structural expectations. As mentioned in the theoretical framework section in the Introduction Chapter, bounded rationality under historical institutionalism is adopted as the guiding principle for this thesis to examine this interaction between agency and structure: individual rationality becomes bounded when the constraints are imposed by the macrostructure on individual choices.

So to operationalize this interaction, this thesis uses six empirical chapters to gauge the significance of these individual career choices. Adopting in-depth interviews and econometric statistics, it investigates how individual destinies can, or cannot, be shaped by structural forces using the career trajectories and decisions of bureaucratic elites in China who achieved accelerated promotions as a case study. These chapters thus trace the behavior of particular actors, clarify sequences, describe structures, and explore patterns of interaction.²⁰

²⁰ Terrence McDonald. *The Historic Turn in the Human Sciences*. (Ann Arbor: University of Michigan Press, 1996).

Analytical narratives and social science imagination

In other words, the purpose of this thesis seeks to explore the choices of individuals who are embedded in specific settings. It traces the sequences of their actions, decisions, and responses that generate events and outcomes. The individuals I study possess capacities and expectations. This type of scholarly strategy combining micro-level bounded rationality with macro-level historical analysis is branded as analytical narratives by Robert Bates because it puts together analytic tools that are commonly employed in economics and political science with the narrative form, which is more commonly employed in history.²¹

Paying close attention to stories, accounts, and context, it constitutes in-depth investigations of events that transpired in particular periods and settings. By reading documents, going through archives, interviewing, and surveying the relevant literature, this thesis seeks to understand these actors' preferences, their perceptions, their evaluation of alternatives, the information they possess, the expectations they form, the strategies they adopt, and the constraints that limit their actions. Then it seeks to piece together the story that accounts for the outcome of interest: the maintenance of career incentives and order, the decision to fight for accelerated promotion, etc., accounting for outcomes by identifying and exploring the mechanisms that generate them and by cutting into the specifics of a time and place. Then the chapters thus build narratives. But the narratives are analytic narratives in the sense of combining micro-level bounded rationality with macro-level historical institutionalism: by modelling the processes that produced the outcomes, this thesis seeks to capture the essence of stories in China's early market reform era.

²¹ Robert Bates et al. *Analytic Narratives*. (New Jersey: Princeton University Press, 1998).

Thus all these chapters combine rich, qualitative, and descriptive narrative with quantitative statistics by providing an explicit and logically rigorous account of the career events of the target population. Most of the recent literature on career events are structural: they focus on the origins and impact of alignments, cleavages, structures, and institutions. My approach, by contrast, focuses on choices and decisions as well. It combines the macro and the micro in orientation, by delineating mechanisms and focusing on the determinants and impact of choices.

As seen, for example, in the work of Bates et al, I too explore the impact of large-scale political forces in China: of market transition started in the 1970s, or of a neoliberal approach towards the economy in the late 1990s. But I also focus on the mechanisms that translate such macro-historical forces into specific political outcomes of bureaucratic career promotions.

By isolating and unpacking such mechanisms, analytic narratives thus contribute to structural accounts. Analytic narratives and macro-structural analyses therefore stand as complementary approaches to explanation.²²

In short, my chapters capture the influence of history, the importance of uncertainty, and the capacity of people to manipulate and strategize, under the limits of their ability to do so. They aim to show that larger political issues are interconnected with people's ordinary lives, their history, biographical experiences and social structural context.

Following Mills' advice and imagination for sociology, this political science project is in the service of the "small" person to help unravel the connections and make public the way in which "big" institutions have taken over control of people's ordinary lives.²³

Mills also writes of the notion of a unified social science, i.e. such a sociological imagination

²² Robert Bates et al. *Ibid.*

²³ Charles Wright Mills. *Ibid*, p.13.

should equally apply to other social science disciplines by giving social, political and economic reality a three dimensional quality:²⁴

First, the social science reality is simultaneously microscopic, based around individuals' personal worlds, and macroscopic, in that the social structure impacts on people's personal environment. Second, social reality is also concurrently historical and contemporary, in that present structures, circumstances, events, processes and issues have a history that may impact on their current form and future development. Thirdly, reality is simultaneously social and political; society is deeply impacted by the operation of power within the nation-state and beyond.

This three-dimensional perspective views society as simultaneously macroscopic and microscopic in nature whilst trying to merge both historical and contemporary social realities. And for us social scientists, we should be aware of the need to integrate the social, biographical, and historical versions of reality in which individuals construct their social milieus with reference to the wider society, always testing the empirical adequacy of theoretical frameworks.

Thus, to test this novel social vs political structure theoretical framework to develop Giddens' structuration theory on agency-structure and micro-macro interactions, following Mills' advice on empowering agency through the analysis of structures, **Section Three** would summarize the six chapters' findings to shed light on bureaucratic career promotion patterns under the tournament model of promotions in China

²⁴ John Brewer. "Imagining The Sociological Imagination: The Biographical Context of a Sociological Classic", *British Journal of Sociology*, 2004(55):3, pp. 320-321.

3. Accelerated promotions and the agency/structure debate

As the tournament model shows in Chapter 1 and Chapter 2 relating to the social and historical settings of the late 1970s and 1980s, educational attainment is an appropriate starting point for this thesis when the population and the sample started to make their schooling choices because it is the earliest major event and driving force in one's status and job attainment.

3.1 Chapter 1 and Chapter 2

The majority of the people in the elite population and to a slightly lesser extent, the non-elite sample, chose an unconventional, non-mainstream and elitist route to go to college at a time when university education was neither a popular nor an affordable option.

As statistics and surveys have demonstrated, entering into high schools with the aim of finally going to college worried most Chinese at the time as the worthiness of additional investment in education was in doubt when many came to regard vocational education that would guarantee a more immediate job more highly than senior high school education that would lead to university entrance. We should also take into account the fact that a college education in the late 1970s and 1980s was only open to a tiny minority of the age cohort ready to enter higher education.

Therefore, all the statistics and fieldwork interviews in these two chapters demonstrate that one's decision to pursue higher education in the early reform era was both non-majority and non-mainstream (*against social structure*), compared with the relevant age cohort's schooling decisions when the national relevant age cohort's university entrance rate was below 2%: in sharp contrast, more than half of the elites and the non-elites obtained a full-time college degree amid aforementioned mainstream societal trends of chasing immediate economic rewards

brought by market transition and reform via vocational degree and practice-based trainings, than sticking to old political principles to be loyally “red” (*within political structure*).

Even more surprisingly, these elites’ unconventional decisions continued when they entered university as more than half of the elites (not for the non-elite sample) joined the CCP during college time. According to surveys, a large majority of college students on campus did not want to join the CCP as they calculated that early Party membership might constrain their pursuits of individual economic ambitions during market reform while Party leaders had also been reluctant to recruit these new youths, so that in the 1980s, only 2-3% of college students were willing and able to join the Communist Party.

As a sharp contrast (*against this social structure*), the majority of my elite population joined the Party in college (56.94% vs 20.81% of the non-elites joining the Party in college), signifying their capacity to play around the Party hierarchy to enhance their accelerated promotional chances (*within political structure*).

Equally important, as these two chapters show, these elites held an overwhelming political leverage over the non-elite sample and the general Chinese population when political credentials such as Party membership during college time signal that a person meets an organisation’s standards for political trustworthiness early on, *statistically* crucial for securing accelerated promotion and career success.

In short, Chapter 1/2 highlight early educational trajectories and Party membership as factors that have enabled elite cadres to enjoy rapid promotions. They demonstrate that these elite individuals decided to pursue academic-track education at a time when such education were regarded as not so useful, when the economic benefits of a non-applied subject were unclear

and when the earning opportunities offered by academic education were limited. It also shows that these elites entered the Party while still studying, much earlier than the non-elite cadres. Moreover, they opted to join the Party at a time when Party membership was unattractive to the wider population and to educated people and students in particular.

So what were the main motivations behind such counter-intuitive moves? One key reason behind the elite population's almost counter-intuitive and unconventional decisions in the area of education attainment and political activities at school was due to a risk-averse political mindset, against market transition theorists' presumption that economic principles prevailed and political incentives declined. In the 1980s, when the government gradually opened up the market, more and more people got a greater say in choosing their education paths and work destinations, compared with the Cultural Revolution era. However, this did not mean that Chinese citizens got all the freedom to choose their life paths in the 1980s.

At least for the population and the sample, many were not trying to seize those newly opened opportunities brought by the market, in sharp contrast to the general population's mainstream decisions to chase more immediate economic benefits in newly emerged sectors, as market transition theorists like Nee would like to presume under a rational choice framework: the elites and the non-elites were more likely to accept politically-safe education and career routes, created by the state, as they believe those new economic opportunities were too risky to bear due to China's past record of turmoil brought by shifting state policies and politics.

Because educational attainment is the earliest major event and driving force in one's status and career attainment, fluctuations in educational opportunities and their relevant selection mechanisms are likely to have a lasting impact on one's subsequent life course and career. And

this is indeed the case, as discussed in the stage of one's first job attainment.

3.2 Chapter 3 and Chapter 4.

As youngsters came to the end of their educational journeys, they faced the next critical stage in their life course: getting a job. This is a critical stage because, until the 1990s, job mobility across work organisations in China was very low. In this sense, for many employees, location in the first workplace can often mean their only and life-long work destination. Therefore, it is important for Chapter 3 and Chapter 4 to examine first job attainment patterns of the elites and non-elites under study to see how their decisions reflect or contradict the broader societal trends and preferences for first job choices at the time.

Moreover, this thesis puts significant emphasis on whether one made certain choices than how/why one made such choices, to analyse the significance and outcomes of these choices than their causes. It is thus crucial to understand how these patterns influence their later accelerated promotion chances in the bureaucratic game of getting ahead under China's market transition when political logics and social structural forces clashed to encourage certain choices.

In the early reform era, we could see a rapid differentiation of jobs in terms of their economic compensation (*remunerative preferences defined by social structure*) vs prestige perception (*coercive preferences within the confine of political structure*), which influence young people's career objectives and first job choices. The results show that to the elite population and the non-elite sample, they tended to see a job's social prestige as more important than its economic earning power though some people could have been attracted by the widespread public perception of serious corruption in government in the early 1980s and its resultant incentives for grafts and rent-seeking opportunities residing in political jobs. Nevertheless, we currently lack reliable data to

gauge the comprehensive extent of corruption in China at the time and in addition, it could be unreasonable to assert, without sufficient evidence that most people actually aspired to be become a corrupt official or to benefit from grey incomes if they got the opportunity to join the public sector). And these tendencies and their following first job choices held statistically significant influence on one's chances of achieving accelerated promotions.

But what is equally important is that these tendencies and choices made their career decisions both non-mainstream and non-majority (*against social structure*), compared to conventional job attainment situations in Chinese society in the 1980s and 1990s, reflected in their job sector, job function, occupation group, organisation type and job location preferences and decisions.

Of course, the job preference ethos in reform China was not all about being bourgeois and economically minded: the dominant culture of achievement and capitalism (*social structure*) did not prevail against the ambivalence and conservatism relayed in the evaluation of job prestige (*political structure*), which could serve as coercive preferences to push people to play safe in an era of political uncertainty after the great Cultural Revolution turmoil and the more recent June 4 1989 Tiananmen Square protest.

Psychologists and behavioural economists would argue that when making choices among alternatives that involve a certain amount of risk or uncertainty, we prefer a small, sure gain to a larger, uncertain one. The certain thing in the job prestige ranking seemed more irresistible to the elite population and the non-elite sample than the new and potentially more rewarding yet more risky opportunities in the reform era as reflected in the monetary rewards ranking of different jobs. In a sense, instead of feeling in control, the elites and the non-elites in society in transition as in the 1980s' China felt unable to cope with the new opportunities created by the

market reform, a sense of learned helplessness from the past traumatic experience of the Cultural Revolution that affected their future motivation to try “new” things.

Therefore, they chose the politically safest and surest routes as they perceived at the time, reflected in their confidence to play in line with established, and socially/politically accepted job prestige rankings despite the possibilities that these politically safer jobs could also bring them graft opportunities, which in return were actually more risky to bear than those more legitimate opportunities existing in the market sector (more CCP Disciplinary Commission attention against potential corruptions and higher cost of punishment if found out).

Overall, this thesis here is not trying to gloss over the political nature of the market and its impact on remuneration for political office. Indeed, for people who chose their first jobs in the 1980s, the perception of widespread corruption in society could influence their job preferences but this view has to be balanced with the fact that, in 1979, on the threshold of the reform era, China had one of the most equally distributed national incomes in the world. Economic equality was a hallmark of Maoist policy. In 1981, as the transition to a market economy was just beginning, the Gini ratio for rural China was estimated at 0.25, and that of urban China at 0.18, signifying remarkably low levels of inequality, i.e. on average throughout the Chinese society in the 1980s, the monetary incentives associated with different jobs saw no sharp contrast.

Then what happened after the elite population and the non-elite sample entered into the force? How did they fare in the constantly changing reform era over 15 years?

3.3 Chapter 5 and Chapter 6

These two chapters moved on to examine the first 15 years since the elites and the non-elites’ entry into work, by analysing the impacts of a variety of independent variables on their

likelihood of breaking promotion rules, with a special focus on job shift patterns.

Findings suggest that who benefited most from China's redistributive economy (cadres and employees in government agencies) tended to maintain jobs in types of organisations and economic sectors closest to the redistributive economy: the elites and the non-elites had adopted non-majority decisions for switching jobs, compared with the mainstream societal preference to chase more immediate and bigger economic rewards in the private sector at the time (*against social structure*). However, these unconventional and conservative moves were proved to have had statistically significant effect on the elites and the non-elites chances of breaking promotion patterns to get ahead (*within political structure*).

Job shift patterns help us understand institutional changes and agency responses in China during market transition, because the attractiveness of jobs in some organisations and sectors reflects both continuing redistributive rewards and benefits from newly developed market activities of such workplaces. Market transition theorists like Nee argue that benefits formerly associated with political power and favourable locations in state organisations diminished relative to the economic returns offered to more market-oriented non-state firms during economic reform. Thus, higher economic returns in the market economy should induce individuals to shift jobs from redistribution-based state organisations to market-based private ones. Accordingly, benefits formerly associated with political power and favourable locations in state organisations/sectors should have diminished relative to the economic returns offered to more market-oriented non-state firms. So employment in state organisations should have become less attractive, and employment in non-state organisations/sectors should have become more appealing than in the past. And employees should have become more likely to leave jobs

in state sectors to enter jobs in the more profit-oriented non-state firms/sectors.

More than 90% of the elites and non-elites under study chose to work for the government and in the public sector as their initial job organisations. They represented people who were closer to the redistributive economy than to the competitive market sector, so if they did not switch to the market sector, the market transition theory by Nee would become problematic.

With the time set in the mid-1990s when the population and the sample saw their careers entered into the 15-year mark, the persistence of redistributive power and benefits still provided strong incentives for employees to stay in the state sector: there were no significant shifts from state organisations to non-state firms for the elites and the non-elites as they experienced their first 15 years into careers (*political structure*), contrary to market transition theorists' emphasis on the attractiveness of the market and against mainstream job shift choices (*social structure*). In this vein, the market's causal significance in enabling, motivating and guiding economic actions to immediate monetary rewards could only appeal to certain groups of people (e.g. private entrepreneurs) in Chinese society under transition but less to others (e.g. cadres)

Thus tying up all the chapters together, this thesis provides a novel approach to examining the interactions between markets and politics in a co-evolutionary framework, through the eyes and careers of bureaucratic elites in China's market transition.

3.5 One last reminder: the triumph of the political structure?

Shirk conceptualises the post-1977 tensions between the Party and the government as a principal–agent relationship: the Party committees can issue direct and binding orders to governmental units over governmental decisions that may contradict Party interests. The findings are consistent with this proposition because it is evident that the Party has devised promotion criteria that favour cadres whose work experiences in CCP (supervised) organs to reinforce its control over the central and local governments.²⁵ The Party has well designed an effective mechanism of elite recruitment, promotion, and control that are compatible with the CCP’s overarching goal of economic modernisation while at the same time maintaining political discipline and reliability in its central bureaucracy and localities.

However, this thesis also shows a different side to Shirk’s macro-governance argument by depicting a story of how soon-to-be elites came to the fore from a micro-agency perspective. It explores people’s life opportunities and micro career events with the reconstruction of macro politics and ideas under the grand context of market transition. Moreover, it recognizes that that some individuals may have attributes in social-psychological factors such as ambition, motivation, career-mindedness, a willingness to submit to organisational principles and group pressures, or a penchant for organisational work that help them succeed—regardless of institutional settings, without gainsaying the importance of institutional analysis.

This recognition opens a micro individual level perspective on the post-communist transition debate, as Gerber carefully reminds us, “many individuals can effectively resist the tyranny of institutions: they adroitly circumvent whatever new institutions come their way. Students of

²⁵ Susan Shirk. *The Political Logic of Economic Reform in China*. (Berkeley: University of California Press, 1993).

stratification should themselves resist attributing stratification outcomes solely to institutionalized advantages and disadvantages”.²⁶

Therefore, from a social history stand, in China’s unique early market transition era (late 1970s to late 1990s), counter-intuitively, individual choices can be unconventional and non-mainstream (against the social structure) yet politically risk-averse and conservative at the same time (in line with the political structure), indicating agency’s prowess over structural constraints, under an updated version of Giddens’ structuration theory in China’s authoritarian context.

Furthermore, from an employee’s perspective, whether s/he works for a political hierarchy or a commercial enterprise, the attractiveness or value of outcomes also differs among individuals, implying the significance of individual choices against structural constraints.

This thesis ends with two contrasting examples, which perfectly illustrate agency power and capacity against structural expectations and constraints.

Elite cadre A graduated from a mid-ranked college in his native province with an engineering degree before starting to work for a state-owned enterprise managed by the prefecture government. Through sheer hard-work and skills as an engineer, he invented a method that doubled the productivity of the enterprise’s steel mill and was awarded a medal of honour by the enterprise’s Party secretary. However, the man’s pursuit of his political ambition was in more troubled water as he was deemed by the senior management as politically naive for openly challenging the chief engineer (who also acted as a vice Party secretary for the unit) on a technical issue involving a product’s design.

²⁶ Theodore Gerber. “Membership benefits or selection effects? Why former Communist Party members do better in post - Soviet Russia”. *Social Science Research*, 2000, 29 (1): 25 – 50. & Theodore Gerber. “The selection theory of persisting party advantages in Russia: More evidence and implications”. *Social Science Research*, 2001, 30 (4): 653 – 671.

The chief engineer lost face on this issue as his specification was proved wrong. And he retaliated by sabotaging elite cadre A's chance of quick promotion to a more senior role.

Angry and frustrated, cadre A transferred from the enterprise to a government bureau in another province, working as a junior administrator. This time, he became more mellow and shrewd in seizing opportunities and updating education qualifications for future uses. Less than two years into his new job, he won a promotion to deputy section chief position and one year later got another promotion to take the section chief position. And he never lost the intensity to keep going by managing to reach the bureau chief position before the age of 51.²⁷

Non-elite cadre B offers a counter example to cadre A as his career track was not as shining. He was actually an early starter by reaching the deputy section chief level very early on at the age of 31. Five years later, he was promoted to the chief position. Then a long spell of more than 13 years of no promotions until he reached vice-bureau chief post. He reflected on his lacklustre performance by saying that he lost the drive after his marriage fell apart, missing the chance to enrol in a local Party school program for a year, which hurts his career intensity:

When I reached the section chief position at a young age, breaking several departmental records, complacency made me arrogant and I lost several friends in my work unit. Then I was too busy with my divorce proceedings that kept me away from concentrating on my work. I did not value the chance of attending a Party school and ignored the opportunity to move to a more suburban bureau that had a vacant position for a senior post, which was eventually taken by a younger friend of mine. Then more than 10 years of no promotions destroyed my confidence. In the end, because of my CCP seniority, I got promoted but no longer had the political ambition to reach elite status. Even though I still had a few years to retirement age, I already started to enjoy the role of being a caring grandpa to help my daughter bring up her young son. It was more challenging than my work!²⁸

²⁷ Elite cadre interviewee number 17.

²⁸ Non-elite cadre interviewee number 14.

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