Does social class matter to health in early 21\textsuperscript{th} Century China?  
——A qualitative analysis

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Introduction

- Studies on China’s economic growth and inequalities:
  - Zucman, G., Piketty, T., & Yang, L. (2019)
Introduction

The rise of per adult national income and inequalities

- Average national income per adult, 2017 Euro € (ppp)
- Pre-tax national income, top 10% share

Data source: World Inequality Database.
Study questions: In early 21\textsuperscript{th} Century China,

- to what extent health is associated with an individual’s social class, and
- how that association has evolved over time?
Data and methodology

- 16-60 years old
Data and methodology

Defining social class:

I. primary occupation (Neo-Marxist)
   i. owners and manager
   ii. professionals and skilled workers
   iii. urban unskilled workers
   iv. peasants

II. quartile of per capita household income
Data and methodology

- measurement of health:
  - self-rated health (SRH): 1=“excellent”; 5=”very poor”

- ordered logit model
Results

Odds ratios for better SRH by occupation  
(owners & managers in 2002 as the baseline group)

Note: Demographic and geographic confounders as well as the year effect are controlled for.
Note: Demographic and geographic confounders as well as the year effect are controlled for.
## Results

### Odds ratios for better SRH, 2002-2013

*(class defined by occupation)*

<table>
<thead>
<tr>
<th>Variables</th>
<th>Basic model</th>
<th>Mechanism: job stability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owners &amp; managers</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>Professionals &amp; skilled workers</td>
<td>1.072</td>
<td>0.981</td>
</tr>
<tr>
<td></td>
<td>(0.073)</td>
<td>(0.064)</td>
</tr>
<tr>
<td>Unskilled workers</td>
<td>0.828</td>
<td>0.897</td>
</tr>
<tr>
<td></td>
<td>(0.062)**</td>
<td>(0.059)*</td>
</tr>
<tr>
<td>Peasants</td>
<td>0.915</td>
<td>0.689</td>
</tr>
<tr>
<td></td>
<td>(0.070)</td>
<td>(0.051)**</td>
</tr>
<tr>
<td>Job stability</td>
<td>1.132</td>
<td>1.323</td>
</tr>
<tr>
<td></td>
<td>(0.033)**</td>
<td>(0.051)**</td>
</tr>
<tr>
<td>N</td>
<td>24,836</td>
<td>21,634</td>
</tr>
</tbody>
</table>
# Results

## Odds ratios for better SRH, 2002-2013

(class defined by income quartiles)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Basic model</th>
<th>Mechanism: job stability</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>Highest</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>Middle-high</td>
<td>0.879</td>
<td>0.947</td>
</tr>
<tr>
<td></td>
<td>(5.39)***</td>
<td>(1.89)*</td>
</tr>
<tr>
<td>Middle-low</td>
<td>0.958</td>
<td>0.794</td>
</tr>
<tr>
<td></td>
<td>(1.73)*</td>
<td>(7.76)***</td>
</tr>
<tr>
<td>Lowest</td>
<td>0.892</td>
<td>0.781</td>
</tr>
<tr>
<td></td>
<td>(4.46)***</td>
<td>(8.04)***</td>
</tr>
<tr>
<td>Job stability</td>
<td></td>
<td>1.128</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(6.08)***</td>
</tr>
<tr>
<td>N</td>
<td>54,227</td>
<td>37,335</td>
</tr>
</tbody>
</table>
Results

- Summary of findings:
  - During the second time interval (i.e. between 2007 and 2013), SRH has been improved for all social classes at different degrees;
  - Between 2002 and 2013, inequality in SRH has increased by class.
  - Over time, “owners and managers” and the top income quartile have gained the most, while peasants and the lowest quartile have gained the least.
Policies as explanations
Policies as explanations

- Policies that deepened social stratification in the early 2000s
  - For urban workers:
    - state-owned enterprise (SOE) restructuring
Policies as explanations

- Policies that deepened social stratification in the early 2000s
  - For peasants:
  - rural de-collectivization
  - liberalization of grain prices and gradual reduction in government subsidies on grain procurement price
  - heavy tax burden and falling welfare benefits since the early 1990s
Policies as explanations

- Policies that deepened social stratification in the early 2000s
  - For the entrepreneurial class:
    - Private entrepreneurs have begun to play an increasingly important role in China's economic, social and even political life
    - welcomed to join the CCP in 2001
Policies as explanations

- Discontents from urban workers and peasants in the early 2000s
  - soaring protests from peasants and urban workers

"harmonious society"
Policies as explanations

- Redistributive policies to appease discontents
  - universal health insurance for peasants and urban workers (2003, 2007)
  - agriculture taxes abolished and direct income subsidies and grain subsidies introduced (2005)
“In particular, one hypothesis raised by our research is that our two key findings—declining but still high public ownership of capital; rising income inequality, but less than in the United States—may be related. China's mixed economy structure (with a high public share in national wealth) may have mitigated the rise of inequality, compared to the rise that would have happened if the government had only relied on the tax-and-transfer system.”

——Zucman, G., Piketty, T., & Yang, L. (2019)
Concluding Comments and Perspectives

“to allow foreign banks, securities firms, insurers and asset management companies to buy larger stakes in their Chinese competitors.” (March 24, 2019)

“mixed-ownership reform” (a euphemism for partial privatisation)