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**Does Socioeconomic Inequality Undermine Local Government Credibility in China? Evidence from China Family Panel Studies (CFPS)**

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**Abstract**

In this study, I argue that Chinese citizens' feelings of socioeconomic inequality will affect their approval of government performance at the local level. Using data from China Family Panel Studies' (CFPS) 2014 results, I present evidence that individuals who believe that China has a greater inequality problem are more likely to view local authorities less favorably. My study provides a theoretical framework to explain the link between perceptions of inequality and government approval and ends with a brief discussion of how this finding will improve the current understanding of political trust in authoritarian states like China.

**I. Introduction**

Despite the global surge of democratization in the early 21st century, the authoritarian rule of the Chinese Communist Party (CCP) has not faced significant opposition or popular resistance in nearly three decades. Contrary to most one-party regimes, the Chinese Government consistently enjoys a high degree of public approval among its citizens. Many theories have been proposed to explain the popularity of the Chinese regime. One theory argues that the CCP's public support comes from China's stellar economic growth since the 1980s. According to this theory, the legitimacy of the Chinese regime depends on its sustained ability to fulfill China's economic development goals. An alternative theory views

the Chinese regime's popularity from an institutional perspective, arguing that Chinese citizens' favorable views of the regime are constructed through strict media censorship, propaganda in education, and invocation of nationalist loyalism. A third theory attempts to explain the CCP's high approval ratings as a result of the regime's flexibility and adaptability. According to the theory, by interacting with citizens and gathering their feedback and opinions through multiple non-electoral channels, the regime is always available to make policy adjustments in response to the citizens' grievances and thus reduce public discontent.

In this paper, I wish to further develop the first theory that Chinese authorities achieve their legitimacy through sustained economic development. Instead of focusing on the overall economic growth under CCP rule, I hope to understand how economic inequality—the uneven distribution of wealth accrued from China's rapid economic growth—affects citizens' views of the government. As previous studies have revealed, the wealth gap among social classes has been steadily increasing in China, which has led to a severe lack of upward mobility and created a large disadvantaged population deprived of socioeconomic opportunities. The economic disparity in China is partially caused by the unbalanced development strategy of the Chinese Government, which places the economic goal of maintaining GDP growth above the social needs for redistributive justice and social equality.

How does socioeconomic inequality affect the popular sentiment toward the Chinese authorities? In this paper, I argue that citizens' feelings of economic inequality will undermine their approval of Chinese government performance. In Chinese political traditions, shaped by both long-term Confucian philosophy and modern Communist ideology, maintaining social fairness is considered an essential function of the state. Additionally, China's leadership has made repeated promises to promote social equality and has claimed that the reduction of the wealth gap is a key policy priority for the government. Consequently, when citizens observe the increasing

socioeconomic inequality, they tend to interpret it as a signal of the governments' failure to accomplish a key policy goal, rather than a result of individual differences.

Specifically, I argue that Chinese citizens tend to place more blame on local authorities than on the central government for the failure to ensure economic equality. There are two reasons for this difference in the amount of blame the public assigns to the different levels of government. First, since local officials are responsible for implementing specific policies, they have more direct interactions with the constituency and are under closer scrutiny from citizens. This closer engagement with citizens makes local officials more likely to receive criticism for alleged policy failures. Second, under China's censorship rules, the media are required to portray the central government in a positive and laudatory manner, but they are given some freedom to criticize local authorities and expose their corruption and misdeeds. As a result, local governments are more likely to be held accountable for their perceived failure to address inequality in their jurisdictions.

Data from the China Family Panel Survey (CFPS) results in 2014 show some evidence in favor of my hypothesis in this study. An ordered probit model is used to evaluate the association between citizens' perception of socioeconomic inequality in China and their evaluation of local governance. When controlling for respondents' demographic factors, socioeconomic conditions, and pre-existing political leanings, respondents' assessments of socioeconomic inequality are strongly correlated with their evaluations of local government performance. In particular, a citizen with a stronger perception of inequality is more likely to give a negative assessment of local government performance.

This result provides evidence that citizens who have stronger feelings on China's inequality problem tend to view local government performance more unfavorably. This study provides

new insights into the notion of "performance legitimacy," that is, the popular support of the Chinese regime not only depends on its ability to sustain economic growth, but also on how the benefits of economic growth are distributed among different groups of citizens.

## **II. Literature Review: Understanding the Legitimacy of the Chinese Regime**

Numerous studies attempt to explain the apparent longevity and stability of CCP's rule. A prevalent theoretical approach to understanding CCP's enduring rule, often called "performance legitimacy," is that the Chinese Government's public support depends on its sustained ability to accomplish a series of concrete policy goals (Goldman & MacFarquhar, 1999; Zheng & Wang, 2000; Tsai 2007; Laliberte & Lanteigne, 2008; Zhu, 2011; Yang & Zhao, 2014). These policy goals include maintaining strong economic performance (White, 1986; Dittmer & Liu, 2006; Holbig & Gilley, 2010), promoting good governance and stability (Tang, 2005; Shue, 2010), and strengthening China's status as an emerging global power (Zhao, 2005; Darr, 2011; Weiss, 2013; Johnson et al., 2014). The Chinese regime justifies its authority by arguing that these performance goals cannot be achieved without CCP's effective leadership. On the other hand, Chinese citizens' acceptance of CCP's legitimacy is conditioned upon its ability to deliver certain policy outcomes and generate economic benefits. This model perceives the public support for the Chinese Government as the result of a pragmatic bargain in which Chinese citizens willingly trade political loyalty in exchange for fulfillment of practical economic interests.

One criticism of this economic-rationalist approach is that it fails to consider the Chinese regime's ability to proactively shape citizens' political views. Many scholars argue that citizens' attitudes toward the Chinese Government are not formed spontaneously by themselves but instead are constructed by the government through a

complex mechanism of social control and persuasion (Zeng, 2014; Brady, 2008; Brady, 2009). Political scientists extensively studied the effects of social control measures—such as the censorship of media and Internet forums (MacKinnon, 2008; King et al., 2013; Huang, 2015; King et al., 2013), mass propaganda campaigns in the public sphere (Lynch, 1999; Holbig, 2006; Qian, 2014; Zhao, 2016), and the systematic silencing of collective opposition through force and coercion (Thornton, 2002; Gries & Rosen, 2004; MacKinnon, 2011; Wang, 2014)—in shaping CCP's public image (Edney, 2015). Their studies show that the Chinese Government can effectively shape its citizens' political views by manipulating the channels of public information and civic participation.

The theory that views CCP's popular support as a result of state propaganda and manipulation is not without flaws. Many recent scholars point out that although it is true that the Chinese Government makes strong efforts to shape public opinion in its favor, it also actively responds to public sentiment by showing strong flexibility and adaptability in its governance (Oi, 2003; Nathan, 2003; Brodsgaard & Zheng, 2006; Shambaugh, 2008; Dickson, 2016; Shen & Tsai, 2016; Li, 2017). Instead of suppressing all voices of opposition that question its governance, the regime selectively responds to citizens' criticisms and grievances by making practical adjustments to its policy based on popular feedback (King et al., 2013). The regime relies on a variety of non-electoral channels—such as opinion polling, tracking of Internet posts, and analysis of citizen complaint letters—to understand citizens' policy preferences (Brian & Li, 1995; Minzner, 2006; Dimitrov, 2014; Hartford, 2015; Distelhorst & Hou, 2017). The CCP's adaptability to public opinion not only explains many of its major policy changes over time, but also contributes to its legitimacy by reducing popular discontent with its governance. This theory reveals that, in lieu of an electoral mechanism to justify its legitimacy, non-democratic regimes like China can rely on multiple

non-electoral means to address popular will and strengthen their political stability.

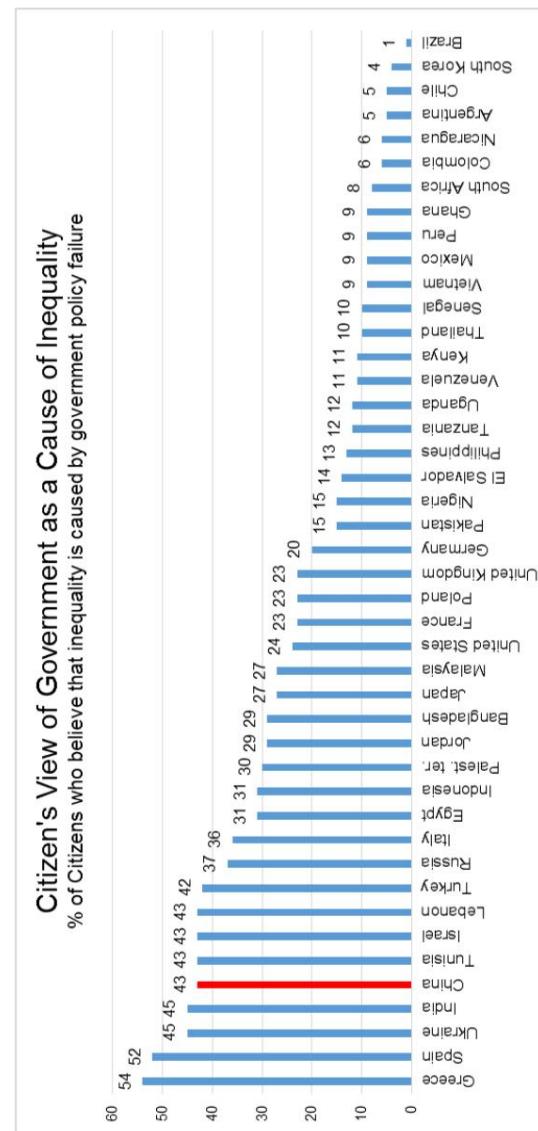
Many empirical studies have been designed to test these theories and measure the factors that influence CCP's legitimacy. The “performance legitimacy” argument is well supported by empirical evidence. Various surveys show that economic opportunities and competent governance are citizens' main reasons for supporting the Chinese government (Chen, 1997; Shi, 2001; Munro et al., 2013). Specifically, individuals who are better off economically show stronger trust in the government, which may suggest a patron-client relationship between the regime and its economic beneficiaries (Kennedy, 2009). Previous survey results also support the argument that media, education, and propaganda campaigns can increase Chinese citizens' political loyalty (Bernstein & Lü, 2000; Chen & Shi, 2001; Li, 2004). Propaganda through education seems to have a mixed effect on political loyalty: although more educated citizens display higher levels of support for the government, citizens at the highest level of education are more resistant to political indoctrination (Kennedy, 2009). Finally, recent studies show that higher responsiveness to citizens by the government may improve the citizens' political trust. In particular, high-quality constituency services and easier access to government officials are strongly associated with higher public approval of government agencies (Jiang & Xu, 2009; Saich, 2012; Distelhorst & Hou, 2017).

Previous studies also highlight that central and local governments in China do not receive the same level of public trust from citizens (Li, 2004; Yang et al., 2014; Su et al., 2016; He & Su, 2017; Zheng, 2017). Empirical surveys unanimously show that citizens' political trust in the central government is significantly higher than their trust in local authorities. Moreover, political trust in the central government seems to have less variation and be less affected by individual factors. In later parts, I will present a theory to explain the logic behind the “hierarchical” political trust of the Chinese Government.

### III. Socioeconomic Inequality and Political Trust in China: An Explanatory Framework

Many previous studies have attempted to understand how socioeconomic inequality—defined as the unequal possession of social and economic resources among individuals—affects citizens' attitudes toward government. Although empirical studies on China (Sun & Guo, 2013; Zheng, 2017) and Europe (Anderson & Singer, 2008; Steijn & Lancee, 2011) seem to suggest a negative correlation between inequality and political trust in government, these studies fail to present a coherent theory on how socioeconomic inequality affects citizens' political views.

In order to understand the underlying logic of inequality's effect on political trust, I will present a theoretical framework and an empirical study to address three relevant questions. First, is it the inequality *per se*, or each individual's *subjective perception* of inequality, that will impact citizens' trust in government? Second, will inequality *only* affect the political views of disadvantaged citizens in the society, or will it undermine political trust throughout the *entire* population? Third, why are Chinese nationals more likely to blame the government for inequality than citizens in many other countries? This third question is more relevant to China's specific condition. Previous surveys repeatedly show that a high percentage of Chinese citizens (43%, according to Pew Research) consider the government to be the major cause of inequality, compared to citizens in other countries (Graph 1) ("Emerging and Developing", 2014).



*a. Path Dependency of Confucian and Communist Egalitarianism*

The concept of legitimacy in China is deeply influenced by its historical traditions and narratives (Zhao, 2009). The view of the government as a defender of equality has an enduring political and philosophical root in China. Confucianism, the official ideology of Imperial China, puts strong emphasis on social fairness and equal distribution of wealth in its teachings. Confucian doctrines like “what is under heaven is for all”<sup>1</sup> and “scarcity is a lesser concern than inequality”<sup>2</sup> had an overarching impact on governance patterns in Imperial China. In Chinese history, ensuring the equal allocation of farmland was a fundamental role of the Imperial Court, and concentration of land property into the hands of a few was a justified cause for peasant rebellion (Myers, 1982). Power contenders and new dynastic rulers frequently justified their legitimacy by promising to redistribute social wealth and establish an egalitarian society. In the early modern era, Confucianism’s egalitarian ideals have been inherited by political leaders such as Sun Yat-Sen and Mao Zedong to justify their revolution against the old regime (Wakeman, 1975).

More recently, Maoist China (1949-1976), as a totalitarian communist economy, also had an enduring impact on the concept of economic justice among Chinese citizens, especially with regard to the government’s role in achieving equality. In the official ideology of Marxism-Leninism, establishing an egalitarian and classless society is the ultimate goal of communism and a political obligation of the state. The socialist policies of the Mao era—job security, generous employment benefits, and equalized income—contrast sharply with the rising unemployment, widening income gap, and social stratification following the Post-Mao reforms (Whyte, 2012).

<sup>1</sup> *Tianxia wei gong* (天下为公) – from *Book of Rites*, Chapter Nine.

<sup>2</sup> *Buhuan gua er huan bujun* (不患寡而患不均) – from *Analect of Confucius*.

From the point of view of many elderly and middle-aged citizens in particular, inequality is a natural result of the government’s betrayal of an important political obligation.

*b. Inequality as both a Policy Failure and a Policy Outcome*

For many Chinese citizens, the contemporary policy structure affects inequality in both negative and positive ways. On one hand, the current policy agenda fails to address the existing inequality problem. All post-Mao political leaders (Presidents Deng Xiaoping, Jiang Zemin, Hu Jintao, and Xi Jinping) have made repeated promises to improve fairness and reduce social disparity, while in reality, the income gap and class stratification in society have been consistently growing (Dollar, 2007). Instead of making redistributive justice a policy priority, the Chinese Government is widely criticized for placing the need to achieve economic growth above everything else (Gao, 2012; Liang, 2015). In many provinces, the GDP record has become the most important criteria for local officials to get promoted (Cheng, 2012). To many citizens, this pragmatist approach to economic development fails to sufficiently address the inequality problem.

On the other hand, socioeconomic inequality is also viewed as the direct outcome of government policies. Some citizens express the view that the authorities not only *fail to solve* the growing inequality problem, but also *directly contribute* to the problem through mean-spirited policies. It is a common belief that the “powerful” and the “rich” have formed an exclusive interest group to protect their private interests, while blatantly disregarding the needs of the vast majority of people. Many economic reform measures—from the privatization of state-owned factories to the confiscation of farmland for real estate development—are viewed by many as unfairly benefiting a small privileged class at the expense of the general public (Li, 2004; Wang, 2007). This mentality of being betrayed by a corrupt government has strengthened the link between inequality and trust in government.

*c. The Hierarchical Structure of Government Trust*

A remaining problem is how to explain Chinese citizens' significantly higher support for the central government compared to local governments. Based on previous research, I propose two reasons to explain the hierarchy of political trust in China. The first reason is related to China's political structure as a regionally-decentralized authoritarian system (Xu, 2011). Under this structure, the central government serves as a core decision-making and regulatory body, while local authorities are vested with significant discretionary power to interpret and implement central government guidelines. Local governments are entitled to vast power to implement laws and policies established by Beijing and are granted broad influence on the socioeconomic development of local constituencies. The decentralized governance structure leads to the widespread idea that corrupt local officials distort the well-intended policies made by Beijing's leadership (Li, 2004). Additionally, since the citizens have more firsthand engagement with local authorities, they are more likely to intuitively attribute policy failures to local officials who directly carry out these policies.

Another reason for the hierarchy of political trust is the differentiated enforcement of media censorship in China. Normally, the state propaganda machine makes stronger efforts to shape the positive image of the central government while allowing the criticism of local authorities to a limited degree (see Table 1). As a result of the differentiated media portrayal of the central government and local authorities, the Chinese citizens' trust in the former is significantly higher than that in the latter. Consequently, when a policy failure occurs, citizens tend to attribute the blame to local authorities for their poor implementation of policies rather than to bad decisions made by the central government.

**Table 1: Construction of Public Attitudes toward Chinese Government Institutions**

		Media Positivity	
		High	Low
Implementation Accountability	High	Law Enforcement Agencies (police, military, etc.)	<b>Local Government</b>
	Low	<b>Central Government</b>	State-owned Enterprises, Functional institutions

This analytical framework is drawn roughly from Li (2002), Li (2008), and King et al. (2012) on Chinese political trust. It considers two factors that affect the citizens' trust of Chinese political institutions: 1) whether an institution receives positive media coverage, and 2) whether the institution is held accountable for the consequences of policy implementation. Combinations of the two factors lead to differentiated levels of political trust.

#### IV. Empirical Data Strategy

*a. Source and Structure of Data*

I designed an empirical study to explore the relationship between Chinese citizens' perceptions of socioeconomic inequality and their views of local government performance. The key dataset used in my analysis is the 2014 results of the Chinese Family Panel Survey (CFPS), conducted by Peking University. The intended goal of this cross-sectional survey is to track socioeconomic development in China and understand citizens' views on a variety of issues. A random sample of over 10,000 families was invited to participate in the survey. A stratified sampling method was used to ensure balanced representation across geographical regions, settlement types (rural/urban), demographics, and socioeconomic status. Trained volunteers administered this survey through in-person interviews. Each interview included approximately 300 questions and lasted around 1.5 hours. The names and personal information of respondents are classified to ensure individual privacy, but each of the respondents is assigned a unique ID to allow follow-up interviews.

### b. Variables of Interest

**Key Dependent Variable.** The dependent variable of this study is attitude towards local government performance, as assessed by a multiple-choice question. The question takes the following form: “What is your general attitude toward the performance of your county/city/district government in the current year?” Five ranked choices are provided for the respondent to choose: “*significant achievement*”; “*some achievement*”; “*not much achievement*”; “*no achievement*”, and “*worse than before*.” The respondents were assured that their answers would be kept strictly anonymous and would not lead to any consequences.

**Key Independent Variable.** The key independent variable of interest is the assessment of the degree of inequality in China. The question is expressed as follows: “In your opinion, how serious is the inequality between the rich and the poor in today’s China?” The respondent’s answer is expressed as a ranked number between one and 10. The number one represents “least serious” and 10 represents “most serious.” For example, if a respondent were to answer, “China does not have a problem of inequality,” the number “zero” would be recorded.

**Controls.** In order to exclude the impact of confounding factors, this study controls for three groups of variables that may correlate with the respondents’ political attitudes. Firstly, demographic factors such as gender, age, marital status, and geographical location are controlled for to exclude the impact of those individual characteristics. Secondly, an individual’s total income level is controlled for to isolate the effect of socioeconomic conditions on one’s perception of inequality. An interaction term is also included to examine the combined impact of economic status and feelings of inequality. Thirdly, indicators that show an individual’s pre-existing attitude toward the Chinese Government are controlled for in the analysis. These factors are Communist Party membership,

affiliation with governmental or political institutions, and previous encounters with local officials’ misbehavior. A summary of variables is shown in Table 2.

### c. Statistical Method

Based on the framework laid out above, I built an ordered probit model to capture the relationship between perceptions of inequality and trust in government. This method has been widely used in opinion survey research and has been credited as an effective method to analyze categorical outcome variables (Lu, 1999; Diener & Biswas-Diener, 2002; Boes & Winkelmann, 2006; Meng & Florkowski, 2014; Bagozzi et al., 2014; Yen & Zampelli, 2017). This model starts with a linear regression equation  $y^* = \beta_i x_i + \epsilon$ , where  $y^*$  indicates the citizen’s underlying evaluation of local government performance,  $x_i$  are independent variables used to predict the outcome  $y^*$ ,  $\beta_i$  are regression coefficient vectors for independent variables, and  $\epsilon$  is the error term. The model also assumes that the observed outcome  $y$ , provided by respondents as an ordered performance score from one (“*significant achievement*”) to five (“*worse than before*”), is derived from each  $y^*$  according to the following algorithm:

$$y = m, \text{ if } \alpha_{m-1} \leq y^* \leq \alpha_m \quad (m = 1, 2, 3, 4, 5).$$

In this equation,  $\alpha_m$  are “cut-off points” which convert the unobserved continuous variable  $y^*$  into an observed categorical variable  $y$ . The values of  $\alpha_m$  can be estimated using the maximum likelihood estimation (MLE) method. Furthermore, we can estimate the probability of observing each response, given certain  $x$  values, using the following formula:

**Table 2. Summary of Major Explanatory Variables**

Key Dependent Variable	Inequality Evaluation Score	An individual's perception of severity of inequality problem in China ranging between "0" (no inequality problem) to "10" (inequality as most serious problem)
Control 1: Demographic Factors	Age	Self-reported age of respondent
	Gender	"1" if male; "0" if female
	Locality	Area code of province of residence
	Marital Status	"1" if married; "0" if not married
Control 2: Economic Condition	Log (Income)	Log of total annual personal income
	Dummy: Party Membership	"1" if member of CCP; "0" if non-member of CCP
	Dummy: Government Affiliation	"1" if employed by the government or its affiliated institutions; "0" if not.
Control 3: Pre-existing Political Views	Dummies: Experience of Government Misdeeds	<ul style="list-style-type: none"> <li>"1" if any of the following was experienced by the respondent or his/her acquaintance; "0" if otherwise:           <ul style="list-style-type: none"> <li>• Treated unfairly by a government official;</li> <li>• Involved in a conflict with a government official;</li> <li>• Service being delayed by a government official without justified reasons;</li> <li>• Being charged an unreasonable fee during service by a government official.</li> </ul> </li> </ul>

$$\Pr(y = m | x_i) = \Phi(\alpha_m - \beta_i x_i) - \Phi(\alpha_{m-1} - \beta_i x_i)$$

( $\Phi$  is the CDF of normal distribution)

Subsequently, we can calculate the marginal effect (MEF) of each independent variable  $x_i$  to indicate how a unit change in  $x_i$  will impact the probability of observing each government approval score:

$$MEF = \frac{\partial \Pr(Y=m|x)}{\partial x_i} = [\Phi(\alpha_m - \beta_i x_i) - \Phi(\alpha_{m-1} - \beta_i x_i)] \beta_i$$

Tables 3 to 5 report the outputs of the statistical analysis. Table 3 shows the summary statistics of all dependent and explanatory variables, Table 4 presents the results of the ordered probit regression using four different specifications, and Table 5 reports the marginal effects of each explanatory variable on the probability of obtaining each of the five government approval levels.

**Table 3 Summary Statistics of Major Variables**

<b>3a. Numerical Variables</b>				
Variable	N	Mean	Median	Std. Dev.
Government Approval Score	30,118	2.626668	2	0.918541
Inequality Assessment Score	31,219	7.183414	8	2.37155
Age in 2014 Survey	37,130	45.24805	45	17.4294
Total Annual Income (RMB)	9,292*	28773.25	24,000	25794.75

**3b. Indicator Variables**

Variable	N	Dummy = 1	Dummy = 0	Median Value
Gender	37,147	18575	18572	Male
Married	29,463	23,292	6,171	Married
Party Member	35,816	2,205	33,611	Non-member
Employment with Government	12,444	1,879	10,565	Not Gov. employee
Bad experience with Government	31,129	10,739	20,390	No bad experience

\* One potential problem is the large number of missing data and zero values regarding total annual income in the survey.  
This issue's potential impact will be discussed in later chapters.

**Table 4. Ordered Probit Regression Results**

Specification	Dependent Variable: Government Approval	(1) No Control		(2) Added Personal Indicators		(3) Added Personal & Economic Indicator		(4) Personal, Economic and Political Indicators	
		Coeff.	p	Coeff.	p	Coeff.	p	Coeff.	p
<b>Key Independent Variable</b>	Inequality Assessment Score	0.047***	<.001	0.039***	<.001	0.049***	<.001	0.045***	<.001
	Age	-	-	-0.006***	<.001	-0.005***	<.001	-0.002 ns	.230
<b>Control 1: Personal Indicators</b>	Gender	-	-	-0.053***	<.001	-0.082**	.002	-0.081**	.004
	Locality	-	-	-0.002***	<.001	-0.001 ns	.293	0.001 ns	.401
	Married	-	-	0.106***	<.001	0.132***	<.001	0.092*	.015
<b>Control 2: Economic Status</b>	Log of Income	-	-	-	-	0.010 ns	.458	0.002 ns	.095
	Experience with local official misdeeds	-	-	-	-	-	-	-0.285***	<.001
<b>Control 3: Preexisting Political Leanings</b>	Employed by Government	-	-	-	-	-	-	-0.215***	<.001
	Party Member	-	-	-	-	-	-	-0.373***	<.001

Note: \*\*\* p<0.001, \*\* p<0.01, \* p<0.05, ns p>0.05

**Table 5: Marginal Effects on the Probability of Each Outcome Option**

Key Independent Var.	Inequality Assessment Score	Pr(Y=1 X <sub>i</sub> ) ("Significant")				Pr(Y=2 X <sub>i</sub> ) ("Some")				Pr(Y=3 X <sub>i</sub> ) ("Not too much")				Pr(Y=4 X <sub>i</sub> ) ("No")				Pr(Y=5 X <sub>i</sub> ) ("Worse than before")			
		Coeff.	p	Coeff.	p	Coeff.	p	Coeff.	p	Coeff.	p	Coeff.	p	Coeff.	p	Coeff.	p				
Control: Personal Indicators	Age	0.00015	<0.001	-0.00401***	<0.001	-0.0139***	<0.001	0.00624***	<0.001	0.00833***	<0.001	0.00288***	<0.001	0.000323	0.23	-0.000105	0.231				
	Gender	0.00711**	0.004	0.0251**	0.004	-0.011**	0.004	-0.00228	0.23	-0.00527**	0.005	-0.00561*	0.011	0.014	0.0134*	0.021	0.0177*	0.013	0.000532	0.4	
	Married	-0.000857*	0.021	-0.0282*	0.014	0.0154*	0.014	-0.000262	0.401	-0.000117	0.402	-0.000166	0.402	-0.000117	0.402	-0.000166	0.402	-0.000166	0.402	-0.000532	0.4
	Locality	0.0000754	0.401	0.000262	0.401	-0.000117	0.401	-0.000117	0.401	-0.000117	0.401	-0.000117	0.401	-0.000117	0.401	-0.000117	0.401	-0.000117	0.401	-0.000532	0.4
Control: Economic Indicators	Log of Income	-0.00235	0.097	-0.00817	0.094	0.00366	0.096	0.00517	0.094	0.00169	0.095	-0.000105	0.231	-0.000105	0.231	-0.000105	0.231	-0.000105	0.231	-0.000532	0.4
	Experience of Government Misdeeds	-0.0237***	<0.001	-0.0884***	<0.001	0.0357***	<0.001	0.0567***	<0.001	0.0197***	<0.001	-0.0127***	<0.001	-0.04***	<0.001	-0.04***	<0.001	-0.0127***	<0.001	-0.000532	0.4
	Employment with Government	0.0214***	<0.001	0.0639***	<0.001	-0.0334***	<0.001	-0.0334***	<0.001	-0.04***	<0.001	-0.04***	<0.001	-0.0644***	<0.001	-0.0644***	<0.001	-0.0653***	<0.001	-0.0181***	<0.001
	Party Member	0.0425***	<0.001	0.105***	<0.001	-0.0644***	<0.001	-0.0644***	<0.001	-0.0644***	<0.001	-0.0644***	<0.001	-0.0644***	<0.001	-0.0644***	<0.001	-0.0644***	<0.001	-0.0181***	<0.001

Note: \*\*\* p<0.001, \*\* p<0.01, \* p<0.05, ns p>0.05

## V. Results

The regression results provide support for the theory that Chinese citizens' feelings of socioeconomic inequality will affect their approval of government performance at the local level. Table 4 shows that the citizens' feelings of socioeconomic inequality are strongly correlated with their approval of local authorities' performance. This effect remains significant even after controlling for an individual's demographic, economic, and political indicators. Contrary to their subjective perception of inequality, the citizens' actual income levels do not have a significant impact on their attitudes toward local government. The results also show that one's pre-existing political views are strongly associated with their perception of government competency. Three indicators of political attitudes—experience of government misdeeds, employment with government, and being a CCP member—all show strong correlation with government approval, which means that an individual's existing political stance will shape their perception of government performance. Generally, the results provide statistical evidence to support the relationship between socioeconomic disparity and local government approval.

Table 5 evaluates the quantitative impact of independent variables on the probability of observing each level of approval of the government. The results show that respondents who have a stronger perception of socioeconomic inequality are less likely to evaluate government performance favorably. A one-point increase in the perceived inequality level reduces the probability of observing a score of 1 ("significant achievement") by 0.4% and the probability of observing a score of 2 ("some achievement") by 1.39%. Furthermore, respondents who perceive more socioeconomic inequality tend to give negative assessments of government work. A one-point increase in the inequality assessment score leads to a 0.62% increase in the odds of receiving a score of 3 ("not much

achievement”), a 0.89% increase in the odds of receiving a score of 4 (“no achievement”), and a 0.29% increase in the odds of receiving a score of 5 (“worse than before”). All of the results mentioned above have strong statistical significance ( $p<0.001$ ). These results provide evidence to support the theoretical framework in this paper: individuals who have a stronger feeling of inequality tend to view local government performance more negatively.

Despite strong support from the data, this research struggles to overcome several limitations. The first challenge is the accuracy and reliability of survey responses. Since the survey asked respondents to represent their views on a simple numerical scale from one to 10, the respondents’ different criteria of measurement may lead to variation in results. Additionally, since the survey is conducted through in-person interviews, respondents may be reluctant to reveal their true opinion of Chinese government due to safety concerns. This problem would potentially lead to an upward bias in their evaluation of government performance. Finally, due to the scarcity of available data, my study only utilizes data in one single year (2014) to evaluate the relationship between inequality and government approval. Hopefully, when more data becomes available, a multi-year study can be conducted to understand whether a change in the perception of socioeconomic inequality will lead to a dramatic change in the citizens’ approval of local governments.

## VI. Conclusion

This study improves the long-standing theory that popular support for the Chinese Government depends on its ability to sustain economic performance. My analysis of survey results suggests that a majority of Chinese citizens consider socioeconomic inequality a problem, and that the increase in the socioeconomic gap does undermine citizens’ approval of government performance at the

local level. Instead of overly focusing on overall economic growth, Chinese policymakers should take proper redistributive measures to reduce the social wealth gap in order to reduce popular discontent.

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