Institutional Change and Social Mobility in Twentieth Century China

Yuyu Chen, Suresh Naidu, and Noam Yuchtman

1. Background

The impact of revolutionary institutional change on social mobility is a fascinating question for social scientists: on the one hand, reformers are often motivated by a desire to increase mobility and eliminate corrupt, entrenched elites; on the other hand, new elites may behave like old elites—societies may be governed by an “iron law of oligarchy”. This raises an interesting follow-up question: how does the channel of status transmission vary under different institutional regimes? If revolutionaries radically change one aspect of status transmission (for example, access to education), do new elites invest in their children’s status via other channels (such as political status)?

China’s Communist takeover in 1949 and the economic reforms beginning in 1979 are of particular interest. The Communist victory in 1949 overthrew corrupt elites, and aimed to modernize the nation’s economy while ensuring greater equality—but, was this the effect? The opening of the Chinese economy in 1979 sharply changed economic opportunities, for both elites and non-elites—how did social mobility change in response?

Sociologists have provided some answers to these questions. Having collected detailed data that allow a comparison of social mobility before and after the Communist revolution, Campbell and Lee (2007) present evidence that membership in a high status kinship group was as important for individual educational attainment following the Communist revolution as it was before. This research, however, comes from a very limited, perhaps unrepresentative, sample, and does not consider women’s outcomes.

Work on the period since the Communist revolution has found that Communist state has shaped social mobility patterns with its policies (e.g., restrictions on labor mobility, the hukou system), and that the Cultural Revolution in the late 1960s and the 1970s especially affected the relationship between the educational attainment of fathers and that of sons (Wu and Treiman, 2007, and Deng and Treiman, 1997).

The existing research has several drawbacks. First, data limitations have prevented researchers from analyzing a representative sample of Chinese across a long enough period of time to study both of the institutional reforms we consider. Data from before the Communist takeover is especially scarce. Second, in studying social mobility, researchers have generally focused on a single outcome, and have not considered investments in various goods that can determine a child’s status. Certainly, a theoretical analysis of how political and institutional change affects parents’ behavior in bequeathing status to children has not been conducted.
2. **Our Paper**

We begin our analysis of social mobility across institutional regimes by developing a model in which social status can be transmitted through two channels. We consider how institutional changes, such as the Communist takeover and the 1979 reforms, affect parents’ incentives for investing in the two channels of status transmission. Our model recalls Murphy, Shleifer, and Vishny’s (1991) model of rent-seeking versus productive occupational choice, but extends the insight across generations, extending Becker-Tomes (1979), and considers its predictions for social mobility.

Then, using data on a representative sample of Chinese household heads, their spouses, their parents, and their children, we examine social mobility for different birth-year cohorts, which span across institutional regimes. We first examine cross-sectional social outcomes (e.g., educational attainment) for these cohorts, tracing broad patterns in Chinese social inequality across the twentieth century. Then, we examine the social mobility of these cohorts, considering separately different channels of transmission of social status: education, Communist Party membership, and location of residence.

3. **References**


