

# **Do Economic Conditions Shape Political Support in China?**

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## **Abstract**

Authoritarian elites often try to enhance citizens' economic conditions to garner political support and regime legitimacy. Drawing on a 2008 nationwide survey, this paper investigates the relationship between people's economic well-being and their political support for the Chinese governments. The statistical results show that people's perceived economic conditions consistently and positively associated with their political support for the local government, yet this correlation disappears when shifting the attention to the central government. This result remains robust after controlling a number of additional variables that bear on people's political support. To account for this variation, I contend that the clarity of responsibility for managing the economy is the key factor. Specifically, as the economic voting literature suggested, people tend to attribute their own economic well-being to governments with clearer economic responsibility. Due to the economic decentralization in Post-Mao China, the primary responsibility for addressing citizens' material life has lain in the local government; this may account for my finding that people's economic conditions are not correlated with their support for the central government but local government. To support my claim, I attempt to show that the impact of economic conditions on government support is far more manifest for those who are better aware of economic decentralization than those who are less.

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## 1. Introduction

Do individuals' economic conditions associate with their political support for governments in China? Drawing on a 2008 nationwide representative survey, this paper attempts to examine the relationship between the Chinese citizens' economic conditions and their government support. Most works agree that political support greatly correlates individuals' behaviors and affects political stability (Easton, 1965; Muller, 1977). It is then argued that authoritarian governments enjoying political support obtain greater ability to function smoothly and efficiently during political and economic turmoil than those enjoying less support. Huntington (1991: 46-59) thus concludes that the decline of political support in former authoritarian states ultimately led to their downfall and the subsequent process of democratization in the early 1990s. Moreover, authoritarian governments with greater support could discourage potential opposition within society from challenging them (Brownlee, 2011). In short, political support is one of the main sources of regime legitimacy in autocracies.

In China, since the Chinese Communist Party (CCP) has been groping its way toward economic reform, high levels of political support are particularly valuable as it allows a period of trial and error. In addition, the CCP always tries to deter organized social protests and opposition activities from threatening their power. In either case, therefore, whether citizens support the government has considerable implication for the stability of the present Chinese regime.

The main findings in this paper are twofold. First, I find strong evidence that the Chinese citizens indeed base their political support on economic well-being, yet this association is by no means all-inclusive: They appear to only attribute their economic conditions to the local government but not to the Center. As this paper will show later, the correlation between economic conditions and political support is only significant at the local level, not at the central one. How to explain this difference? I contend that the clarity of governments' economic responsibility, as economic voting literature has shown, is the key factor to explain this variation. I find supporting evidence that the association between economic conditions and political support tend to be stronger for people who may be more aware of the decentralization of economic responsibility.

Second, economic perception seems to play a mediating role between people's actual economic conditions and their government support. I find some evidence that high earners tend to have positive economic assessment, which in turn produces higher levels of government support. Altogether, my findings suggest that, once differentiating between different levels of government, the relationship between economic well-being and government support is not as simple as previous suggests. More importantly, due to the data constraint and current research design, this paper does not aim to establish any causal argument.

The structure of this article is as follows. The next section reviews extant works on the economic effect on political support in China, claiming that most of them are misleading and incomplete as they mistakenly assume that China is a monolithic state. I use simple descriptive statistics to assert that this assumption is problematic. The

third section lays down theory and hypothesis with a focus on the discussion about “reward-punishment” and “clarity of responsibility” thesis. The fourth section introduces the empirical properties of my models, including data, variables, measurement, and model specifications. The next two sections report the statistical results and develop some strategies of robustness checks. As shown, the results are fairly robust to various alternative measures of my key independent variable, as well as different model specifications. The last section concludes the paper by offering implications and limitations of this research.

## **2. Political Support in China**

The long-term political stability in China has triggered scholarly attention on the sources of political support and regime legitimacy within society. Among these works, economic factor receives particular attention. Indeed, most Chinese citizens treat economic development as the most important criterion for good government (Tang, 2005: 70-71). Our conventional wisdom thus states that the political support in China is mainly driven by material benefits -- it is the consequence of economic growth. Most works generally agree that authoritarian elites improve people’s economic well-being in exchange for their political support and quiescence. Those have prosperous economic conditions therefore are more likely to support the government. Wright (2010), for instance, asserts that people satisfying with their socioeconomic status tend to support the status quo. Wang (2005) also find a strong correlation between economic development and satisfaction with governments’ performance.

Nevertheless, I contend that extant research wrongly assumes that China is a monolithic state. When applying political support as the dependent variable, they do not keep inspection of the possibility that people may have respective support for different levels of government. Instead, their analyses implicitly posit that Chinese citizens treat every government equally with the same support for different levels of government. Yet, this is perhaps not true. Li holds that, based on a survey in four counties conducted from 1999 to 2001, most Chinese citizens believe that the central and local governments are substantially different, considering the central government as more trustworthy, which in turn provides greater political support for the Center.

The 2008 China Survey this paper uses reports a similar picture as Li’s finding. Of respondents who gave valid responses to the question that asked their support for the central and local governments, respectively, more than half (55%) of them gave higher rating to the central government, 38% gave exactly the same rating, and 7% gave higher rating to the local government. Clearly, most Chinese citizens (nearly two-third, 63%) consider China as a divided state. Also, this finding can be shown via calculating the mean and standard deviation of the rating, with 0 least supportive and 10 most supportive. As Table1 shows (next page), Chinese citizens on average show greater support for the central government than its counterpart at local level.

**Table1** Political Support for Governments

	Mean	Std.	N.
Central Government	8.17	2.19	3763
Local Government (County/City)	6.54	2.65	3702

Source: The 2008 China Survey. 0: least supportive, 10: most supportive.

This simple descriptive statistics show that, for most ordinary citizens, China is by no means a monolithic state; instead, people show respective support for different levels of government. In this regard, most extant works may confront model specification problem, in that they treat the dependent variable –government support– as a one-dimension phenomenon that could result in false research findings. To treat this dependent variable properly, this paper makes a distinction between support for the central government and for the local government, respectively. As my latter statistical analysis will show, this distinction is analytically meaningful.

In addition, this paper’s finding should be able to generalize to the whole country, at least in 2008. The China Survey is a nationwide representative survey in both urban and rural areas. Most previous works on political support in China, by contrast, do not enjoy this advantage. For example, Chen’s (2004) findings were based on time-series data conducted in Beijing. Li (2004) conducted his own survey of rural areas in four counties. Tang (2005) focused on six-city in 1999. Although Bruce and Chen’s (2012) working paper also relies on a nationwide representation survey, it only contains urban areas. In short, my finding should be more generalizable than previous works.

### **3. Theory and Hypothesis**

This section lays down the theoretical foundation and hypotheses on which this paper relies and tests. Since economic voting theories play a critical role in this research, I first review and contextualize them in China following by two main hypotheses. Note that the amount of economic voting literature is so vast that I will just cover the pieces that are most relevant to my research.

#### Economic Voting Theory

The foundation of economic voting theories is the *reward-punishment thesis*: When the economy is good, voters reward the incumbent with their votes; while the economy is bad, voters punish the incumbent by casting their votes to the challengers. More tersely, voters give supports for the incumbent government when they see prosperity but withdraw that support when economic conditions are in decline. Clearly, this hypothesis shares two assumptions. On the one hand, voters assign the responsibility for managing their economic well-being to governments; on the other hand, voters judge economic conditions and praise or blame accordingly with their votes (Lewis-Beck and Stegmaier, 2007: 536).

Even though China does not hold nationally multiparty elections, the reward-punishment thesis still provides a good analytical framework for my analysis. As

mentioned above, most scholars have indicated that China's outstanding economic development is the main basis for political support and popular satisfaction with government. Similarly, this statement posits that Chinese citizens will reward the government with support if their economic conditions are advanced but reduce that support if governments cannot boost their economic well-being.

To better suit the theories into my research, two things merit further discussions -- (1) the determinant of the strength on the reward-punishment effect and (2) the distinction between subjective and objective economic conditions.

### The Strength of the Economic (Reward-Punishment) Effects

A bulk of research has examined the variation in the strength of economic effects on political attitudes and behaviors, which is of importance for advancing my present analysis. Lewis-Beck (1988, 105) and Powell and Whitten (1993) have arrived at a similar conclusion that, once institutional arrangements lose the clarity of a government's economic responsibility, voters (citizens) are difficult attaching blame (praise) to the government for their own bad (good) economic conditions.

The take-home lesson is that the economic effect is more manifest in governments with clear economic responsibility than those with vague one. This is of especially relevance in present China. Since the economic reforms launched by the CCP in 1978, the Chinese governments have had *de facto* decentralization of economic and (re) distributive responsibility to the local government. Thereafter, the Center's economic obligation is less clear in that the main responsibility for financing infrastructure and providing socioeconomic welfare now lies on the local government (Naughton, 2006). Evidence has shown that, as Li (2004: 234) found, most villages do not know how the Center is doing, and many are not entirely clear about what policies the Center has set forth. Taken together, the clarity of responsibility for managing citizens' economic well-being is diminishing in the central government; instead, the central authorities intentionally restructures institutional arrangements and assigns more responsibilities to the local government in order to enhance the efficacy of the state apparatuses and augment the central leadership's ruling capacity (Yang, 2004: 65-66).

### Subjective and Objective Economic Condition

While operationalizing the concept of economic conditions, this paper makes a distinction between people's subjective economic conditions (economic perception) and their objective economic conditions (actual economic well-being). By subjective measure, it is based on individuals' assessment of their own economic conditions; by objective measure, it refers to people's actual economic conditions such as their personal or household incomes.

To date, most research on economic voting adopts subjective measures to examine the relationship between economy well-being and political attitudes and/or behaviors, such as voter choice, presidential approval, and party support (Lewis-Beck, 2000). However, as Van de Brug, et al (2007: 21) contend, using economic perception as an independent variable runs the risk of contamination from whatever it is that causes people to misperceive the economy. For example, when people's preferred party has a

hand in governing, they tend to perceive the economy as doing well. By contrast, people tend to perceive the economy as doing bad when the government is composed of parties they abhor. Similarly, Wlezien, Franklin, and Twiggs (1997) argue that people's vote choice considerably structures their economic perception. Hence, some scholars are worried about using subjective measures as the independent variable because the causal direction is not crystal clear (Kayser and Wlezien, 2011).

Another reason to make this distinction is that individuals' perceived economic condition might not always align with their actual economic well-being. According to Lu (2014: 303-304), this unparalleled situation is more widespread in developing countries with rapid socioeconomic changes and unstable social structures. On the one hand, economic winners could have negative economic perception. Although they have better actual economic well-being, if the realization of economic gains fails to meet aspiration, they could still have bad economic assessment. On the other hand, although economic losers have miserable actual economic conditions, they could have positive economic perception when people surrounding them have experienced upward economic mobility, in the sense that witnessing other's mobility renders them some hopes about their own economic prospect.

In either case, this paper has convincing reasons to separate people's economic perception from their actual economic well-being. I will detail how to measure these two different types of economic conditions later.

### Hypothesis

Based on these discussions, I now offer two hypotheses this paper aims to test. First, I hypothesize Chinese citizens' economic conditions are positively correlated with their government support. That is, the citizens with better economic conditions tend to have higher levels of government support. In addition, I look at whether the coefficients of the two variables --subjective and objective economic conditions, respectively-- are positive and statistically significant. My second hypothesis is that Chinese citizens only attribute their economic conditions to local government but not to the Center. This hypothesis is derived from the *clarity of responsibility* thesis, in which the determinant of the strength of punishment-reward effect is grounded on the clarity of government's economic responsibility. In China, since the Center's economic responsibility is less clear than the local government, the correlation between economic conditions and government support is supposed to be significant only at the local level.

## **4. Empirical Strategy**

### Data

To test my hypotheses, I exploit a 2008 Chinese national representative survey, *The China Survey*, a project of the Texas A&M University in collaboration with the Research Center for Contemporary China at Beijing University. The data were produced by Chinese interviewers in 80-minute face-to-face interviews with 3989

Chinese citizens age eighteen or over in 2008. This nationwide sample was drawn using state-of-art GPS/GIS Assistant Area Sampling, designed to correct bias caused by coverage errors in list-based samples. Within each of the 75 sampling units (counties), two townships were drawn randomly and GPS/GIS technology was used to draw two half-square minutes within each township. It then can sample 25 dwellings with each township and finally interview one person per dwelling.

## Variables and Measurement

### 1. Dependent Variable

In this paper, the dependent variable is individuals' government support. As shown above, it is misleading to treat China as a monolithic state, in that many works and survey data have shown that most Chinese citizens consider there are considerable differences between the central and local governments. Fortunately, in the survey question regarding individuals' government support, the China Survey asked respondents' political support for both the central and local governments, respectively. The question I adopt is as follows: *Please tell us how satisfied or unsatisfied you are with each of the following: central government and country/city government (local government)*. This question is in eleven-point scale, ranging from 0 (not satisfied at all) to 10 (satisfied very much).

Some may doubt whether this question actually measure people's political support since it does not explicitly mention political support in the question. However, since government support is a sensitive issue in China, it is hard, if not impossible, to ask respondents' government support directly and it is very likely that respondents would provide fake answers. Instead, I assume that government satisfaction is one of the best proxies for measuring government support, given that, as some scholars have shown, the state of the debate about conceptualization and measurement of system support broadly conceived (Anderson, Unknown: 4-5).

### 2. Independent Variable

The key independent variable is individuals' economic conditions. I differentiate people's subjective economic conditions from their objective condition. To measure individuals' economic perception, I use the following question: *Compared to the average household income in this county/city/district, at what level do you feel your household income is situated*. This question is also in eleven-point scale, ranging from 0 (lowest level of income) to 10 (highest level of income). Clearly, this question is meant to look at how people perceive the distance of their own household income from the average one. As for people's actual economic conditions, to make a comparable measure, this paper generates a variable that standardizes the distance of people's actual household income from the average one by calculating z-score. If the standardized value is positive, it means that one's household income is above the nationally average household income; by contrast, if the value is negative, it means one's household income is below the average. The greater the values, the farther a respondent's household income is from the mean.

Due to the data constraint, I manipulate the data and variables. The survey first asked respondents' household incomes in last year, and when they did not know or refused to respond, the interviewers then asked the respondents to choose an income range. Nearly half number of the respondents provided only income range rather than particular income. Even for those provided specific income, the number they gave is more like an income range. My strategy is first to recode the income range into six categories, then transform specific income into each category and standardize it.

### 3. Control Variable

I control several covariates that could influence one's government support. (1) Age: Tang and Parish (2000: 115-123) show that younger people tend to have lower evaluation of government because they usually have higher expectation for the present regime and therefore tend to have less content with the government. (2) Gender: there are two competing arguments about women's attitudes toward government support. One states that women tend to have a higher evaluation of the government because governments at all levels are, in theory, obliged to protect women's interests and right (Robinson and Parris, 1990). The other argument instead suggests that women are less supportive for the government because they are victims of government policies that emphasize productivity over gender equality (Yue and Li, 1994: 170). (3) Education: Millar and Clayton (1987, 53-33) find that well-educated people tend to have lower levels of government support. Tang and Parish (2000: 108-119) find a similar result. (4) Rural/Urban residence: it is intuitive to conceive that people living in rural area tend to be less supportive for the government given that their predicaments are usually worse than people living in urban areas. However, during the past decade, the central government has enacted several reform policies that aim to address the poverty issue, so it is also possible that villagers are more supportive for the government. (5) Ethnicity: Han people are widely argued to be more supportive for the government than non-Han citizens. (6) Party membership: it is widely believed that party members tend to be more supportive than non-party members for the Chinese government (Manion, 1993; Dickson, 2003).

### Model Specification

To analyze the association between economic conditions and government support, I estimate the following model by OLS estimation. Note that I also adopted ordinal logit regression model and the results are almost identical.

$$Y_{ic} = \beta_0 + \beta_1 X_{ic} + \beta_2 Q_{ic} + \beta_3 M_{ic} + \varepsilon_i$$

In this model,  $Y_{ic}$  is the dependent variable referring to an individual's government support (this individual  $i$  is living in  $c$ ).  $X_{ic}$  measures this individual's perceived economic conditions and  $Q_{ic}$  measures actual economic conditions. To examine the effect of subjective and objective measure, respectively, I first put both measures into the model but also exclude one of which in different models.  $M_{ic}$  is a vector of six individual-level control variables.  $\varepsilon_{ic}$  is a mean-zero error term. Note that  $\beta_1$ ,  $\beta_2$ , and

$\beta_3$  are parameters to be estimated, and the former two are of critical importance. Since I hypothesize that citizens' economic conditions are positively associated with their government support, I expect  $\beta_1$  and  $\beta_2$  to be positive and statistical significant.

## 5. Result and Discussion

This section reports the statistical results. First, in Table 2, Model 2.1 to Model 2.3 all show that individuals' economic conditions (both subjective and objective measure) are uncorrelated with their political support for the central government. By contrast, Model 2.4 to Model 2.6 show that individuals' economic conditions are positively correlated with their support for the local government. In short, Chinese citizens seem to attribute their economic conditions only to the local government but not to the central government. In other words, economic conditions do positively correlate with citizens' government support but this association is not all-inclusive. This paper will explain this difference later.

**Table2** Chinese Citizens' Economic Condition and Political Support

Independent Variables	Central Government (1~3)			Local Government (4~6)		
	(2.1)	(2.2)	(2.3)	(2.4)	(2.5)	(2.6)
<b>Perceived Economy</b>	<b>0.009</b> <b>(0.021)</b>	<b>0.009</b> <b>(0.018)</b>		<b>0.163<sup>***</sup></b> <b>(0.025)</b>	<b>0.153<sup>***</sup></b> <b>(0.022)</b>	
<b>Actual Economy</b>	<b>0.038</b> <b>(0.046)</b>		<b>0.028</b> <b>(0.043)</b>	<b>-0.016</b> <b>(0.056)</b>		<b>0.095<sup>*</sup></b> <b>(0.053)</b>
Current Residence (rural=1)	0.295 <sup>***</sup> (0.099)	0.243 <sup>***</sup> (0.089)	0.299 <sup>***</sup> (0.098)	0.144 (0.122)	0.065 (0.108)	0.208 <sup>*</sup> (0.121)
Hans	-0.004 (0.113)	0.035 (0.103)	-0.009 (0.111)	-0.573 <sup>***</sup> (0.139)	-0.391 <sup>***</sup> (0.125)	-0.644 <sup>***</sup> (0.138)
Age	0.018 <sup>***</sup> (0.003)	0.017 <sup>***</sup> (0.003)	0.017 <sup>***</sup> (0.003)	0.010 <sup>***</sup> (0.004)	0.010 <sup>***</sup> (0.003)	0.010 <sup>***</sup> (0.004)
Female	-0.147 <sup>*</sup> (0.081)	-0.192 <sup>***</sup> (0.074)	-0.149 <sup>*</sup> (0.080)	0.230 <sup>**</sup> (0.100)	0.207 <sup>**</sup> (0.090)	0.257 <sup>***</sup> (0.099)
Years in School	-0.048 <sup>***</sup> (0.012)	-0.034 <sup>***</sup> (0.010)	-0.047 <sup>***</sup> (0.011)	-0.060 <sup>***</sup> (0.014)	-0.053 <sup>***</sup> (0.012)	-0.053 <sup>***</sup> (0.014)
Party Member	0.284 <sup>*</sup> (0.148)	0.320 <sup>**</sup> (0.135)	0.273 <sup>*</sup> (0.148)	0.082 (0.182)	0.022 (0.165)	0.100 (0.183)
Observations	2,933	3,610	3,003	2,890	3,556	2,958

Note: The 2008 China Survey

\* p<0.1 \*\* p<0.05 \*\*\* p<0.01

Meanwhile, the difference between Model 2.4 and Model 2.6 shows that, when controlling the subjective measure, the objective measure does not independently contribute to the changes in one's political support. This result seems to mean that objective measure is not a robust predictor of political support. Yet, it also may be that subjective economic assessment is an intervening variable between objective economic conditions and political support. This seems to be the case here, in that when I regress economic perception on actual economic conditions, the estimated coefficient is positive and statistically significance at the 0.01 level (not report in the table). This means that, on average, the Chinese citizens with high household income tend to have better economic perception, which may in turn produce political support for the governments (more specifically, the local government). Altogether, these findings confirm my first hypothesis that Chinese citizens' economic conditions are positively associated with their political support for the government. Yet, this correlation can only hold at the local level.<sup>1</sup>

### Why difference?

How to explain the association between individuals' economic conditions and their government support only exists at the local level but not at the central one? Why difference? To explain this variation and test my second hypothesis, I need to conduct another statistical analysis. As discussed, I argue that the clarity of government's economic responsibility can explain this difference, meaning that Chinese citizens hardly attribute their economic conditions to the governments with unclear economic responsibility. In the context of China's institutional arrangements after Mao era, the central government has gradually decentralized economic responsibility to the local government so that its duty as to improving citizens' economic conditions is less clear. Indeed, it is argued that, for most Chinese citizens, the main job of the central government in economic affairs is to enact public policies but not to implement them. Instead, it is the local government that has the responsibility in implementing these policies (O'Brien, 1996). Owing to this institutional rearrangement that curtails the economic responsibility of the Center and that assigns more duties to the local government, the *clarity of government responsibility* should be able to explain the variation in the relationship between economic conditions and government support.

To make this argument hold, I need to assume that most Chinese citizens have the awareness of the decentralization of economic responsibility. Is this assumption realistic? There are many ways to answer this question; one way is to show that the citizens with awareness and information about the decentralization of economic responsibility should also have greater propensity to link their economic conditions with government support together. That is, the association for these citizens should be stronger than those with relatively little information on the decentralization of economic responsibility. Now, this paper attempts to provide some evidence on it.

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<sup>1</sup> Some may doubt that I cannot find statistical significance at the central level is because the variability of support for the Center is too small. However, as Table 1 in page 4 shows, while the standard deviation of central government support (2.19) is smaller than that of local government support (2.65), the difference is almost trivial, suggesting that this cannot be the satisfactory account.

I generate an interaction variable that links individuals' economic perception with their interests in receiving economic information when reading newspaper. I posit that people with frequent attention on economic information when reading newspaper is expected to have more information on the difference in economic responsibility between the central and local government. These people therefore have stronger tendency to link their economic conditions with the political support. To some extents, this statement seems to be reasonable in that the CCP still relies on mass media as newspaper to instill the information and ideas that benefit the central authorities to the masses (Brady, 2008).

The statistical result supports my argument. In Table 3, the coefficient of the interaction variable is positive and statistically significant at the 0.05 level. Model 3.2 suggests that, all things being equal (I include all covariates into the model), a one-unit increase in one's economic assessment on average positively increases 0.31 units government support. Compared to the initial coefficient 0.15 in the original model (See Model 3.1), this augment of the effect is not trivial. Altogether, these findings confirm my second hypothesis that citizens blame (praise) the local government (rather than the Center) for their bad (good) economic condition is due to the difference in the clarity of government's economic responsibility.

**Table3** Interaction between Economic Conditions and Information

Independent Variable	Support for the Local Government	
	(Model 3.1)	(Model 3.2)
Economic Perception	0.153 <sup>***</sup> (0.022)	0.132 <sup>***</sup> (0.023)
Perception*Eco Info.		0.176 <sup>***</sup> (0.066)
Economic Info.		-0.926 <sup>**</sup> (0.360)
Control Variables	Yes	Yes
Observations	3,556	3,556

*Note:* \*p<0.1 \*\*p<0.05 \*\*\*p<0.01

Based on the results reported in Table 2 and Table 3, I draw two important conclusions. First, Chinese citizens' economic conditions significantly correlate with their government support. However, this association is not all-embracing; instead, it only exists at the local level. To account for this difference, I contend that the clarity of responsibility for dealing with people's economic well-being is the key factor. Many works have indicated that, on average, most citizens consider the central government has unclear economic responsibilities because the implementation of

economic policies is now the major job of the local government. That is, they treat the locals as the leading actor in charge of their economic well-being. This paper find some evidence to support this argument, indicating that people with better economic information on average exhibit greater propensity to link their economic conditions with government support, all things being equal.

Second, I find evidence that citizens' subjective economic assessment seems to be an intervening variable between their actual economic conditions and government support. Two caveats: one the one hand, objective economic well-being is only one of the factors to affect people's economic perception. On the other hand, it may simply mean that objective economic measure is not a consistent and robust predictor of political support. In either case, this paper does not overemphasize this finding.

## **6. Robustness Checks**

I develop several strategies to examine the robustness of the results reported above. First, I use different way to measure objective economic condition to check if alternative measure changes my estimation. Besides, I change model specifications to include some potential omitted variables that may affect my estimation. Overall, these tests indicate that my statistical results are fairly robust.

### Alternative measures of Objective Economic Condition

To measure objective economic condition, I transform the particular income into income range. I now use the opposite way, which is to transform income range into specific income by assigning the median of that range to the individuals in that range. Using this alternative measure, the results are largely consistent with the results reported in Table 2. The coefficient estimates for government support are similar in magnitude and p-value (See Table A in appendix). The only difference is in Model 4.4, in which the effect of objective conditions on political support is not statistical significance at the 0.1 level. Note that, however, the p-value (0.164) is close to the minimum threshold value. Despite this difference, the initial measure is preferable in that the alternative measure has a stringent assumption: One's household income is located in a certain income range because it is equal to the median of that range. This seems to be problematic. Another alternative is to treat the respondents who did not provide particular income as missing data. However, this alternative leaves out more than 1000 observations from the model.

### Addressing Potential Omitted Variable Bias

My estimations could be biased without taking into account variables that exert influences on the dependent variable (Y). However, even if I do not control some omitted variable that affects Y, it does not necessarily mean that my estimations are biased. Instead, I need to look at the sign of biases. Simply put, I must look at the correlation between (1) this omitted variable and Y and (2) the omitted variable and all other covariates in the model. In my analysis, since I find the correlation between

economic conditions and government support is positive, I need to take account of the potential omitted variables that render the bias sign positive; otherwise, my statistical results may overestimate the positive correlation between them.

To evade potential omitted variable bias problem, I take two variables into account, respectively, to examine whether my estimation is biased. Both variables are expected to render the sign of bias positive, if omitting them. The first one is media exposure. Due to the propaganda function of mass media, I suppose that those paying greater attention to domestic news tend to have greater support for the government, as well as better economic perception, since media on average tend to report the positive side of both government and economic development. The 2008 China Survey provides data on respondents' media use frequency, including television, radio, newspaper, and magazine, to receive political information. After adding this variable into the original models, I find all the estimates of subjective measures remain robust with the original results (See Table B in appendix).

The second variable I add into the original model is individual' perception of the prevalence of corruption. It is expected that this variable are negatively associated with both government support and economic perception, which makes the sign of bias positive. Indeed, I regress people's economic perception on their perception of the prevalence of corruption, and the coefficient is negative and statistically significant at the 0.01 level (not report in the table). Then I add this variable to the original models and the coefficients of subjective measure are once again consistent with the original model (See Table C in Appendix). Taken together, these model re-specifications clearly show that my regression results seem to be fairly robust.

## **7. Conclusion**

This paper is an effort to understand the relationship between Chinese citizens' economic well-being and their political support at individual-level. Partially congruent with the conventional wisdom, citizens' economic conditions are positively correlated with government support, suggesting that the CCP is using the correct strategy in using economic development to win people's support. Yet, this relationship is far from all-inclusive. I find strong evidence that Chinese citizens' economic conditions only associate with their support for the local but not the central government. I contend that the clarity of government's responsibility for managing the economy is the key factor to account for this difference. That is, Chinese citizens only attribute their well-being to governments with clear economic responsibility. I show that people with more awareness of this economic responsibility tend to strongly link their economic conditions with government support, all things being equal. Another finding is that individuals' economic perception appears to play a mediating role between their actual economic conditions and government support. However, one should not overemphasize the import of this finding because the statistical analysis in this paper does not examine it in a complete fashion.

Drawing on these empirical results, this article provides some implications and agenda for future research. First, when taking account of the difference in citizens' attitudes toward respective governments, the relationship between economic conditions and government support becomes mixed. This finding suggests that scholarly works should differentiate government itself to at least two levels – central and local – when studying people's attitudes toward the Chinese governments. Second, my finding suggests that the central authorities do not need to worry about whether they can improve people's well-being, since citizens' economic conditions are only related to their support for the local government. To garner more political support for the central government, the CCP could devise other strategies to maintain its regime legitimacy. Indeed, as Dickson and Shen (2012) show, patriotism, prevalence of corruption, and satisfaction with democracy are all strongly correlated with people's support for the central government. Third, some findings from my control variables and robustness check may merit future research. For example, in my robustness check, I find that television is the only mass media to affect government support. The question then can be why different types of media exhibit different effect on political support? In addition, I find that when the respondent is a woman, her economic conditions are negatively correlated with the central government support but positively for the local government support. This difference is also puzzling.

This article still has several limitations. First, I do not directly address the casual relationship between economic perception and government support. In fact, this paper does not aim to establish any causal argument in that the data and my research design do not allow me to do so. The most daunting issue is that, if I use shape, affect, influence, or any other causally related verbs in the relationship between economic conditions and political support, my argument is very likely to confront endogeneity problem as both my key independent variable (economic perception) and dependent variable (political support) in my analysis are subjective in essence. Moreover, all my regression models have not a trivial amount of missing data so that I plan to use the Amelia II to do a multiple imputation later on.

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## Appendix

**Table A** Alternative Measure of Objective Economic Condition

Independent Variable	Central Government		Local Government	
	(4.1)	(4.2)	(4.3)	(4.4)
Perceived Economy	0.011 (0.018)		0.152*** (0.022)	
Actual Economy	-0.026 (0.036)	-0.024 (0.036)	0.024 (0.044)	0.061 (0.044)
Control Variables	Yes	Yes	Yes	Yes
Observations	3,610	3,760	3,556	3,699

*Note:* \*p<0.1 \*\*p<0.5 \*\*\*p<0.01

**Table B** Media Exposure, Economic Perception, and Political Support

Independent Variable	Political Support for the Local Government							
	(5.1)	(5.2)	(5.3)	(5.4)	(5.5)	(5.6)	(5.7)	(5.8)
Subjective Economy	0.154*** (0.026)	0.149*** (0.023)	0.278*** (0.054)	0.267*** (0.045)	0.186** (0.072)	0.174*** (0.058)	0.182** (0.071)	0.170*** (0.059)
Actual Economic	-0.013 (0.057)		-0.093 (0.097)		0.064 (0.135)		-0.131 (0.118)	
TV	0.043*** (0.011)	0.037*** (0.010)						
Newspaper			0.024 (0.018)	0.006 (0.016)				
Radio					0.011 (0.028)	0.015 (0.024)		
Magazine							-0.017 (0.017)	-0.022 (0.016)
Control Variables	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	2,654	3,236	698	872	444	567	437	554

*Note:* \*p<0.1; \*\*p<0.05; \*\*\*p<0.01

**Table C** Corruption, Economic Perception, and Political Support

Political Support for the Local Government		
Independent Variable	(6.2)	(6.3)
Perceived Economy	0.173*** (0.027)	0.175*** (0.023)
Actual Economy	0.014 (0.058)	
Prevalence of Corruption	-0.222*** (0.019)	-0.218*** (0.017)
Control Variables	Yes	Yes
Observations	2,516	3,070

*Note:* \*p<0.1; \*\*p<0.05; \*\*\*p<0.01