Personal Income and the Social Confidence in Contemporary China: The Indirect Role of the Sense of Social Equity

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Abstract: As a developing country, China is badly in need of capital and talents to develop the socialist country with Chinese characteristics. However, a large proportion of high income people with know-how technique, wealth and management experience have immigrated or plan to immigrate to other countries. Of course, this phenomenon has attracted the attention from both the government and researchers. One explanation might be that these high-income people lack confidence in China's social development. Based on the data on W city's comprehensive social situation surveyed by center for the social survey research of Wuhan university (CSSR) in 2014, this paper employed the structural equation model (SEM) to evaluate whether personal income affects social confidence, via the mediating effect of the sense of social equity (sense of right equity and sense of distributive equity). Bootstrap mediation analysis revealed that after controlling Demographic variables, personal income had a significant negative influence on sense of right equity and in turn, sense of rights equity can significantly positively predict social confidence. While personal income had no significant effect on sense of distributive equity, and sense of distributive equity did not significantly affect macro social confidence. Also, the direct effects of personal income on social confidence became not significant. These findings revealed the inner mechanism of the relationship between the personal income and social confidence in contemporary China, which was caused by mediating effect of sense of rights equity. That is, the higher the personal income, the lower the sense of rights equity, the lower the social confidence. Thus, the boost of the social confidence, especially for the rich, does not only depend on the equitable distribution of material wealth, but also on the right equity and making people feel rights equally in common life.

Keywords: personal income, sense of right equity, sense of social equity, social confidence

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