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Trends in Economic Inequality and Its Impact on Chinese Nationalism

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ABSTRACT

In 2016, the Brexit referendum and Donald Trump's electoral victory once again brought xenophobic nationalism into the world spotlight. Surprisingly, in the United Kingdom and the United States, a dramatic increase in wealth inequality impelled the working poor to cling more tightly to nationalism. In recent times, China has also witnessed this correlation of resurgent nationalist aspirations and an increasing gap between rich and poor. In light of these international developments, the primary objective of this study is to explore how China's increasing inequality is influencing Chinese nationalism. The question of whether the Chinese youth who agonize over the trend of wealth inequality has paradoxically grown more attached to Chinese nationalism is also intriguing. Based on structural equation modeling, the estimated results show that, conversely, the increase in economic inequality in China has led to a decline in Chinese nationalism. In particular, disaffected Chinese youth with higher education who suffer from increasing economic disparity have been reluctant to embrace nationalism.

Introduction

In 2016, the Brexit vote in the United Kingdom and Donald Trump's victory in the US presidential election sent shock waves around the world, signaling the emergence of an anti-globalization backlash. Xenophobic nationalism, combined with renewed resentment of economic inequality, once again took center stage in the anti-globalization drama. Intriguingly, as economic growth slowed more than expected, a substantial rise in income inequality prompted lower-income individuals to cling more tightly to their nation-state. The enervating powerlessness felt by UK citizens made the Brexit slogan 'Take Back Control' appealing to the unemployed, poor people with no assets, and those without an adequate pension.¹ Similarly, the public image of Trump supporters during his campaign was of middle-aged, working-class white citizens expressing economic anxiety about globalization and shouting 'Make America Great Again.'

Recently, China has also witnessed these concurrent trends of resurgent nationalist aspirations and an increasing gap between rich and poor. China's economy has clung to the lower end of its growth range in 2015, and its previous robust economic development was accompanied by an undesirable collateral effect, with the Gini coefficient rising from 32.5 in 1993 to 46.5 in 2016.² At the same time, Chinese nationalism quickly revived as the country became more deeply integrated

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¹Bruce Stokes, 'Euroscepticism beyond Brexit: significant opposition in key European countries to an ever closer EU', *Pew Research Center*, June 7, 2016, accessed September 10, 2017, <http://www.pewglobal.org/2016/06/07/euroscepticism-beyond-brexit/>.

²Gini coefficient in China: inequality of income distribution in China from 2005 to 2016', *Statista*, (2018), accessed January 1, 2018, <https://www.statista.com/statistics/250400/inequality-of-income-distribution-in-china-based-on-the-gini-index/>.

into the world economy. The new wave of Chinese nationalism led to explosions of rage and angry protests in 1999, 2005, 2008, and 2012. At first glance, China seems to be following the same path as the United States and the United Kingdom, with greater economic inequality prompting the escalation of nationalist feelings.

Despite concurrent trends in inequality and nationalism, can it be hastily concluded that a causal relationship exists between these two factors? Economic inequality is after all not a new phenomenon in China. Since 1984, as the Chinese Communist Party (CCP) abandoned the reform priorities that initially privileged rural populations, the income gap between rural and urban areas has increased, and yet dissatisfaction with this inequality did not provoke a wave of nationalist sentiment 30 years ago. Furthermore, there is considerable empirical evidence indicating that the economic logic of nationalism in Asia diverges from the recent trajectories of the United States and the United Kingdom. Asian developmental-state theorists believe that economic equality is a prerequisite for the formation of nationalism and a condition that allowed Asia to develop emerging economies.³ In East Asia, the devastation of war in Japan and land reform in Korea and Taiwan created an equalitarian base for the building of national unity. In Singapore, instituting a mechanism to make home ownership affordable to all Singaporeans at the beginning of state-building created a powerful tool for constructing a national identity by inspiring a sense of belonging and uniformity.⁴ China, a major Asian country and a key player in the world economy, may provide an idea of whether the Asian developmental-state model remains relevant in explaining the rise of nationalism in the era of globalization. Does income inequality stifle or promote Chinese nationalism? This is the first question this article aims to answer.

Chinese youth provide an excellent example to comprehensively understand the relationship between disparities in material resources and the emergence of nationalist sentiments. Following the expansion of higher education in China in 1998, a large group of low-income university graduates has emerged who live a poverty-level existence in cities and are growing cynical in cyberspace. This Chinese 'ant-tribe' phenomenon has aroused worldwide attention.⁵ As Chinese unemployment statistics show, youth have suffered most from the rapid economic transformation, facing an unemployment rate of 10.8 percent in 2017, higher than the national unemployment rate 3.89 percent.⁶ Simultaneously, many believe that the post-1980s generation includes the main supporters of Chinese nationalism. In the wake of the 1999 bombing of the Chinese Embassy in Belgrade, the 2008 Beijing Olympics, and the 2012 Diaoyu Islands dispute, mass protests spread like wildfire, engulfing vast numbers of young Chinese people. What intrigues the authors is the question of whether a positive correlation between these two phenomena exists. If so, why are outraged Chinese youth, who agonize over high levels of youth unemployment and are eager to pursue distributive justice, paradoxically becoming more attached to their nation-state?

This article has two objectives. The first is to explore how economic developments have spurred the rise of Chinese nationalism—specifically, whether (and if so, why) increasing income inequality has been conducive to the emergence of Chinese nationalism in recent years. The second objective is to investigate whether the younger Chinese generations who are suffering most from an unprecedented level of inequality are turning to nationalism to define their own collective identity. This article begins by exploring the theoretical debate on the dynamics between economic inequality and nationalist sentiments. Despite extensive research pointing to diverse relationships between economics and nationalism, scholars still question how these two factors should be measured. Structural equation modeling (SEM) was therefore to answer these two questions. Survey data collected from personal interviews in China by the Asian Barometer in 2015 and

³Ziya Öniş, 'Review: the logic of the developmental state', *Comparative Politics* 24(1), (1991), pp.109–126; Meredith Woo-Cumings, 'Introduction: Chalmers Johnson and the politics of nationalism and development', in Meredith Woo-Cumings, ed., *The Developmental State* (Ithaca: Cornell University Press, 1999), pp. 1–37.

⁴Beng-Huat Chua, *Communitarian Ideology and Democracy in Singapore* (London: Routledge, 1995).

⁵Si Lain, *Ant Tribes: A Record of Inhabited Village of University Graduates* (Guilin: Guangxi Normal University Press, 2009).

⁶China: youth unemployment rate from 2007 to 2017', *Statista*, (2018), accessed January 1, 2018, <https://www.statista.com/statistics/811935/youth-unemployment-rate-in-china/>.

2016 was used to test for the postulated relationship and causal mechanisms. The target population for the survey was Chinese citizens living in 22 provinces and three municipalities in China.

Previous Theories and Debates

Increasing Inequality and the Rise of Nationalism

The relationship between economic inequality and nationalism is seldom highlighted in the literature on nationalism. This issue has only recently been referenced in two defined variants of arguments: diversionary and social psychology. The diversionary perspective asserts that political elites widely recognize economic misery as a useful tool for mobilizing people against its supposed causes (e.g., foreign competition, immigration, etc.). States can cunningly foster nationalist sentiments to respond to the sense of insecurity triggered by high levels of economic inequality. Hence, nationalism serves states' interests by diverting attention from high levels of economic inequality.⁷ In this vein, some observers attributed the rise of Chinese nationalism in the 1990s to the state's attempt to divert anxieties about the vacuum of ideology and increasing economic unrest. In the wake of the 1989 Tiananmen incident, coupled with the sudden collapse of the Soviet Union, the growth of extreme disparities in income and productivity between (rich) coastal and (poor) interior regions aggravated the legitimacy crisis of the CCP.⁸ China's leadership understood that a new ideology was indispensable to the country's efforts to exercise control. Seen from this perspective, Chinese nationalism was rejuvenated as a replacement for the country's diminishing socialism and to support Deng Xiaoping's claim 'let a part of the population get rich first' for the sake of the country. This new nationalism, regarded as 'official nationalism' or 'pragmatic nationalism,' was anchored in patriotism, within which the CCP served as a guardian of economic interest.⁹

The social-psychological approach stands in opposition to the diversionary argument by claiming that the formation of national identity cannot be taken merely as a state construction. Instead, these theorists claim that the psychological benefits of nationalism cannot be overlooked. To elaborate, greater economic inequality depresses the social status of the poor and so encourages them to identify more closely with the nation, because their national character offers them a higher-status identity.¹⁰ In other words, people embrace nationalism when that affiliation enhances their senses of self-worth and their position in society. This psychological benefit of nationalism may vary, and it particularly taps into the mindset of underprivileged groups. This argument resonates with classic social-identity theories. Tajfel and Turner expressed a similar view by arguing that individuals are inclined to strive for psychological distinctiveness along positively valued dimensions.¹¹ People have multiple identities, and if they feel they are negatively valued, they may withdraw from their original identity and opt for a positive one. A positive identity is the outcome of favorable social comparisons made between one's in-group and other social groups.

Another psychological mechanism that triggers nationalism is rooted in economic insecurity, which has accompanied the growth in income inequality. One way to respond to economic insecurity, as scapegoat-theory and group-threat scholars claim, is to blame minorities or immigrants for worsening economic conditions.¹² Blaming others for one's misery tends to rejuvenate

⁷Frederick Solt, 'Diversionary nationalism: economic inequality and the formation of national pride', *The Journal of Politics* 73(3), (2011), pp. 821–830; Matthew C. Eckel, 'Inequality, elite messaging and national pride', paper presented at the Fifth Euroacademia International Conference, Florence, Italy, October 17–18, 2014.

⁸Richard Baum, 'China after Deng: ten scenarios in search of reality', *China Quarterly* 145, (1996), pp. 153–175.

⁹Suisheng Zhao, 'A state-led nationalism: the patriotic education campaign in post-Tiananmen China', *Communist and Post-Communist Studies* 31(3), (1998), pp. 287–302; Christopher R. Hughes, *Chinese Nationalism in the Global Era* (Abingdon: Routledge, 2006), pp. 55–56.

¹⁰Moses Shayo, 'A model of social identity with an application to political economy: nation, class, and redistribution', *American Political Science Review* 103(2), (2009), pp. 147–174.

¹¹Henri Tajfel and John C. Turner, 'An integrative theory of intergroup conflict', in William G. Austin and Stephen Worchel, eds., *The Social Psychology of Intergroup Relations* (Monterey: Brooks-Cole, 1979), pp. 33–47.

¹²Herbert Blumer, 'Race prejudice as a sense of group position', *Pacific Sociological Review* 1(1), (1958), pp. 3–7.

exclusive nationalism. In Europe, for example, with welfare spending cut in half and immigration skyrocketing, the global socioeconomic transformation presents a fundamental challenge to the central commitments in Western Europe to full employment and income redistribution.¹³ The newly arisen radical right-wing parties in Europe share one characteristic: a pronounced hostility toward immigrants and refugees. The radical right appeals to xenophobia and promotes 'welfare-state chauvinism,' the notion that state welfare should be restricted to native people. With a clear distinction between 'us' and 'them,' this concept strengthens xenophobic nationalism.¹⁴

Closely related to this idea, according to the frustration-aggression theory, is the aggression associated with feelings of relative deprivation. Such economic frustration tends to lead directly to xenophobia.¹⁵ This can be used to explain Donald Trump's surprising win in the US presidential election. The feeling of relative deprivation, rather than mere economic hardship, was the decisive factor in support for Trump among white working-class voters, who had formerly felt superior to immigrants. Hence, more strongly white-identified Americans now view white supremacy as being threatened, and they responded by supporting Trump.¹⁶ Pettigrew promoted this view by claiming that Trump's followers typically are not personally economically destitute but rather feel deprived relative to their hopes and expectations. Massive hikes in the cost of education and housing are putting them under ever-increasing financial strain. They feel deprived relative to what they expected to possess at this point in their lives and relative to what they erroneously perceive other 'less-deserving' groups have acquired.¹⁷

Equality, Growth, and Rationality in Asian Nationalism

Contrary to the theories mentioned above, Deutsch argued that when economic inequality is left unattended, social conflicts tend to rise, thereby reducing attachment to the national community.¹⁸ Unlike state-building, which focuses on increases in the regulative and extractive capabilities of the state, nation-building requires loyalty and commitment to hold a nation-state together.¹⁹ In tandem with Deutsch, Asian developmental-state theorists have proposed one crucial factor that explains the commitment to the nation-state in East Asia.²⁰ The common element among major East Asian economies was a redistribution of wealth in the early stages of nation-building, exemplified by land reforms in Japan, Korea, and Taiwan that created an equalitarian base and laid a foundation for national unity. Japan's land reform significantly equalized the income of farmers.

On top of that, the Japanese government has also maintained high price supports and protection for agricultural products. A redistribution of income has prevented Japan from generating much political protest as it has caught up with Western countries.²¹ In Taiwan, successful land reform further insulated the Kuomintang from pressures that might have been generated by local Taiwanese elites and created an environment conducive to advancing a Chinese identity without any

¹³Hans-Georg Betz, 'The new politics of resentment: radical right-wing populist parties in Western Europe', *Comparative Politics* 25(4), (1993), pp. 413–427.

¹⁴Markus Crepaz, 'Constructing tolerance: how the welfare state shapes attitudes about immigrants', *Comparative Politics* 42(3), (2009), pp. 437–463.

¹⁵Rui J. P. De Figueiredo Jr. and Zachary Elkins, 'Are patriots bigots? an inquiry into the vices of in-group pride', *American Journal of Political Science* 47, (2003), pp. 171–188.

¹⁶Gillian B. White, 'Black wealth in the age of Trump', *The Atlantic*, November 21, 2016, accessed September 2, 2017, <http://www.theatlantic.com/business/archive/2016/11/donald-trump-the-blacks-wealth/508046/>.

¹⁷Thomas F. Pettigrew, 'Social psychological perspectives on Trump supporters', *Journal of Social and Political Psychology* 5(1), (2017), pp. 107–116.

¹⁸Karl W. Deutsch, *The Nerves of Government: Models of Political Communication and Control* (New York: The Free Press, 1964), p. 164.

¹⁹Gabriel A. Almond and G. Bingham Powell, *Comparative Politics: A Developmental Approach* (Boston: Little, Brown and Company, 1966), p. 13.

²⁰Dietrich Rueschemeyer and Peter B. Evans, 'The state and economic transformation: toward an analysis of the conditions underlying effective intervention', in Peter B. Evans, Dietrich Rueschemeyer, and Theda Skocpol, eds., *Bringing the State Back In* (New York: Cambridge University Press, 1985), pp. 44–77.

²¹Ikuo Kabashima and Terry MacDougall, 'Japan: democracy with growth and equity', in James Morley, ed., *Driven by Growth: Political Change in the Asian-Pacific Region* (New York: M.E. Sharpe, 1999), pp. 275–309.

resistance.²² Likewise, Singapore pursued equality in all aspects from the outset to foster nationalism. Its housing policy, which is a key component of equality and attempts to integrate various ethnic categories, demonstrates that economic interest and nationalism need to be aligned; a nation that provides economic justifications for nationalism will have more patriotic citizens. Only by overcoming inequalities in economic and social systems can the state continue to command support by appealing to nationalist sentiment.²³ In short, nationalism and mobilization served as the undertow of North East Asian development. Having an integrated nation and national market allows the state to mobilize economic resources and effectively implement economic policies.²⁴

If economic equality serves to bring the whole nation together, unequal national income distribution may drive people in the opposite direction. As Brass noted, nationalism may be felt or adopted for rational as well as effective reasons—for example, to preserve one's existence or to pursue advantages through communal action.²⁵ Individual identification with the nation-state is rational when it serves a person's interest. Those who identify strongly may do so because the nation provides a relatively secure and comfortable environment.²⁶ Hence, some of the ebb and flow of nationalistic sentiment may be explained by fluctuations in the productivity of state-institutional arrangements.²⁷ Their economic achievement legitimates these nation states. It has been shown empirically that, since the handover of sovereignty in 1997, Chinese nationalism has infiltrated Hong Kong through nation-building projects and China's economic boom, with Chinese identity peaking in 2008. In addition to the dissatisfaction with the CCP's disregard of the direct elections by universal suffrage, increasing economic inequality is a crucial factor dampening Chinese nationalism in Hong Kong. Deepening economic interdependence between Hong Kong and the mainland contributed to growing income disparity in Hong Kong, and the economic predominance of Shanghai has eclipsed Hong Kong's economic supremacy. These economic transformations have dented Hong Kong residents' pride in being Chinese and given rise to a localism that advocates for the protection and prioritization of the interests and values of Hong Kong.²⁸

To sum up, a growing body of research emphasizes the relationship between economic inequality and nationalism, with a focus on elite manipulation, the desire for self-worth, and a sense of relative deprivation or rational calculation, yet these issues are seldom highlighted in the literature on Chinese nationalism. Hence, the current study was undertaken to study the relationship between economic inequality and Chinese nationalism.

The Conceptualization of Chinese Nationalism

In light of the preceding discussion, China, whose population is experiencing a rapidly increasing income gap, may serve as a case in point for examining how inequality spurs nationalism in a globalizing world and the mechanisms by which it does so. To define and explore the relationship between economics and nationalism, it is first necessary to establish one crucial concept: Chinese nationalism.

Conceptual vagueness is liable to result in contradictory predictions. However, Chinese nationalism has taken on diverse meanings at various junctures in Chinese history and among various

²²Stephan Haggard, 'The politics of industrialisation in the Republic of Korea and Taiwan', in Helen Hughes, ed., *Achieving Industrialization in East Asia* (NY: Cambridge University Press, 1988), pp. 260–282.

²³William E. Willmott, 'The emergence of nationalism', in Sandhu S. Kernal and Paul Wheatley, eds., *Management of Success: The Moulding of Modern Singapore* (Singapore: Institute of Southeast Asian Studies, 1989), pp. 579–598.

²⁴Chalmers Johnson, *MITI and the Japanese Miracle* (California: Stanford University Press, 1982); Takeshi Nakano, 'Theorizing economic nationalism', *Nations and Nationalism* 10(3), (2004), pp. 211–229.

²⁵Paul Brass, 'Elite competition and nation-formation', in John Hutchinson and Anthony D. Smith, eds., *Nationalism* (Oxford: Oxford, 1994), pp. 83–88.

²⁶Russell Hardin, 'Self-interest, group identity', in Albert Breton et al., ed., *Nationalism and Rationality* (Cambridge: Cambridge University Press, 1995), pp. 14–42.

²⁷Roger D. Congleton, 'Ethnic clubs, ethnic conflict, and the rise of ethnic nationalism', in Albert Breton et al., ed., *Nationalism and Rationality* (Cambridge: Cambridge University Press 1995), pp. 71–97.

²⁸Chiew Ping Yew and Kin-ming Kwong, 'Hong Kong identity on the rise,' *Asian Survey* 54(6), (2014), pp. 1088–1112.

scholars. Over the last several years, research on Chinese nationalism has produced two contrasting arguments. The constructed perspective attributes the rise of Chinese nationalism to state manipulation. Chinese nationalism was rejuvenated as a replacement for the country's diminishing socialism, specifically manipulating the United States as a 'reference group' to ensure the legitimacy of the CCP.²⁹ As Clausen stated, nationalism was fueled by 'authoritative discourses' conducted in education and the main national media under official control to appeal to the desire for a national identity.³⁰ However, many believe the contrary that observed nationalism might be due to spontaneous responses to international tensions rather than state manipulation.³¹ Chinese nationalists began to use the Internet to organize protests to question the CCP's non-intervention attitudes in the 1998 Indonesia incident, to air anti-American sentiments after the bombing of the Chinese embassy in Belgrade in 1999, and to gather support for the 2008 Beijing Olympic protests.³²

This abundant research deepens the understanding of the complexities of Chinese nationalism. However, it is beyond the scope of this article to explore the typologies of Chinese nationalism. To fulfill the research objectives, the foremost task is to define the concept of nationalism, which is often intertwined with the meaning of patriotism. Patriotism taps the affective component of one's feelings toward one's country. It assesses the degree of love for and pride in one's nation, encouraging loyalty to the nation-state. Although nationalism is constituted by love for, pride in, and loyalty to the nation, it also includes negative comparisons of other countries relative to one's native country.³³ Nationalism reflects a perception of national superiority and an orientation toward national dominance. As Gries et al. described, China's patriotism and nationalism cannot be treated as interchangeable concepts because Chinese nationalism appears potentially malicious in its outcomes, heightening perception of the threat posed by the US military and the potential for national humiliation.³⁴ For this study, this article defines Chinese nationalism as being characterized by a sense of national pride, national loyalty, national devotion, and national superiority.

Research Design

Hypotheses

Depending on one's theoretical standpoint, Chinese nationalism might be expected to rise as economic equality deteriorates. Alternatively, it might fall, as expected in the Asian developmental-state model, which regards an egalitarian base as a prerequisite of nationalism. As mentioned earlier, under conditions of economic inequality, either the elite's national narratives or the psychological mechanisms of out-group hostility may strengthen nationalism. Assuming this to be true, this article will now investigate whether, when experiencing economic inequality, Chinese people are more inclined to embrace nationalism by using an out-group as the target for their anger. Xenophobia is the result of the nationalist scapegoating of another population or country. Finally, textbooks are a part of the front line in China's propaganda efforts to foster nationalism. Education level can signify the importance of the state's policies, through which

²⁹Susan Shirk, *China: Fragile Superpower: How China's Internal Politics Could Derail Its Peaceful Rise* (New York: Oxford University Press, 2007), pp. 164–165; Lowell Dittmer and Samuel S. Kim, 'In search of a theory of national identity', in Lowell Dittmer and Samuel S. Kim, eds., *China's Quest for National Identity* (Ithaca: Cornell University Press, 1993), pp. 1–31.

³⁰Søren Clausen, 'Party policy and national culture: towards a state-directed cultural nationalism in China', in Kjeld E. Brodsgaard and David Strand, eds., *Reconstructing Twentieth-Century China: State Control, Civil Society and National Identity* (Oxford: Clarendon Press, 1998), pp. 253–279.

³¹Peter H. Gries, 'Popular nationalism and state legitimation in China', in Peter H. Gries and Stanley Rosen, eds., *State and Society in 21st-Century China: Crisis, Contention, and Legitimation* (New York: Routledge, 2004), pp. 180–194.

³²Christopher R. Hughes, 'Nationalism in Chinese cyberspace', *Cambridge Review of International Affairs* 13(2), (2000), pp. 195–209; Feng Miao and Elaine J. Yuan, 'Public opinion on Weibo: the case of Diaoyu islands dispute', in Thomas A. Hollihan, ed., *The Dispute Over the Diaoyu/Senkaku Islands: How Media Narratives Shape* (NY: Palgrave Macmillan, 2014), pp. 119–140.

³³Rick Kosterman and Seymour Feshbach, 'Toward a measure of patriotic and nationalistic attitudes', *Political Psychology* 10, (1989), pp. 257–274.

³⁴Peter Gries et al., 'Patriotism, nationalism, and China's U.S. policy: structures and consequences of Chinese national identity', *The China Quarterly* 205, (2011), pp. 1–17.

political leaders impose selected discourses to reinforce the mainstream national identity. Three related hypotheses are proposed:

H₁: In general, economic inequality maintains a positive relationship with the rise of Chinese nationalism in the era of globalization.

H_{1b}: The more inequality is perceived, the more likely people with a higher level of education assimilate into the state's national discourse.

H_{1c}: The more inequality is perceived, the more it results in xenophobia and leads people to embrace nationalism.

The generation of young Chinese people with college degrees but low job satisfaction may be subject to increasing economic anxiety, bitterness, and a desire for a higher-status identity. Hence, the young Chinese generation presents a critical case for examining the psychological benefits of nationalism as economic inequality increases. Investment in higher education is regarded as a way to lift people out of poverty and increase upward social mobility. However, for the post-1980 generation, recent increases in inequality have been driven by changes in the return to education. The study, therefore, uses education to measure the psychological mechanism of relative deprivation that influences the interrelation between inequality and nationalism. As a result, the more that the young generation perceives economic inequality, the more tightly they may hold to Chinese nationalism. Two hypotheses are proposed:

H₂: Compared to older generations, the younger cohort is more likely to perceive economic inequality and consequently hold more tightly to Chinese nationalism.

H_{2a}: Among youth, the relationship between economic inequality and nationalism is strengthened by the degree of education. The more education an individual has, the stronger the psychological effect of perceived inequality on shaping Chinese nationalism.

Variable Specifications³⁵

Exogenous Variables

Economic inequality has a more complex meaning. To date, a few measures have been recommended in the literature for gauging economic inequality. Awareness of inequality is a precondition for addressing it; hence, this study uses perceived income inequality, simply asking respondents to give their evaluative judgment on the degree of income inequality in their country. 'Chinese youth' refers to the post-1980 generation, which witnessed the pros and cons of China's economic reform, experienced the expansion of higher education, and saw the Internet fully blossom in China during their adolescence. The proposed hypotheses also suggest that the relationship between Chinese nationalism and economic inequality is intermediated by two variables: education and xenophobia. In this analysis, education was measured on a continuous scale, from level 1 through level 5. Both Japan and the United States can serve as variables to test for the scapegoating effect. However, due to data limitation, Japan's influence was not asked in the survey questionnaire. It is generally believed that growing tensions between China and the United States fuel the anger of Chinese people. Therefore, the US influence on China was used in order to acknowledge the effect of an external threat in fostering xenophobic nationalism under conditions of economic insecurity.

³⁵For detailed questions, variable notations, and descriptive statistics, see the Appendix.

Control Variables

Although a control variable is never the focus of a research study, its existence has a certain impact over the dependent variable in that omitting it could cause biased estimates. Hence, this study includes variables that might correlate with both nationalism and economic inequality, such as a person’s evaluation of the state of the economy, access to the Internet, and place of residence. Built on 30 years of economic reform and opening to the world, China’s remarkable economic growth boosted national confidence to an unprecedented level, underpinning a new era of Chinese nationalism. Thus, evaluation of the current economic development of China and the evaluation of the family’s status in society are included in the estimated model. In addition, there is a growing effort to relate Chinese nationalism to the rise of the Internet. Advocates of Chinese cyber-nationalism have been utilizing the Internet as a communication center, organizational platform, and execution channel to promote nationalism. The frequency of using the Internet as the main source of political information is also included in the model. Finally, three decades of market transition have aggravated the urban-rural income inequality gap. As many have pointed out, increasing rural resistance in China is fundamentally the result of post-reform economic restructuring, which has created a gap of economic power between rural areas and urban areas, and this power has become more skewed in favor of urban citizens.³⁶ Therefore, the place of residence coded 1 for urban areas and 0 for rural areas, cannot be excluded from the estimated model. The analytical model is outlined in Figure 1.

Model Specification of the Structural Equation Modeling

This study uses structural equation modeling (SEM) to test hypotheses. SEM comprises two elements: a measurement model and a structural model. The measurement consists of the latent value and its respective observed indicators. It should be noted that nationalism is a latent value

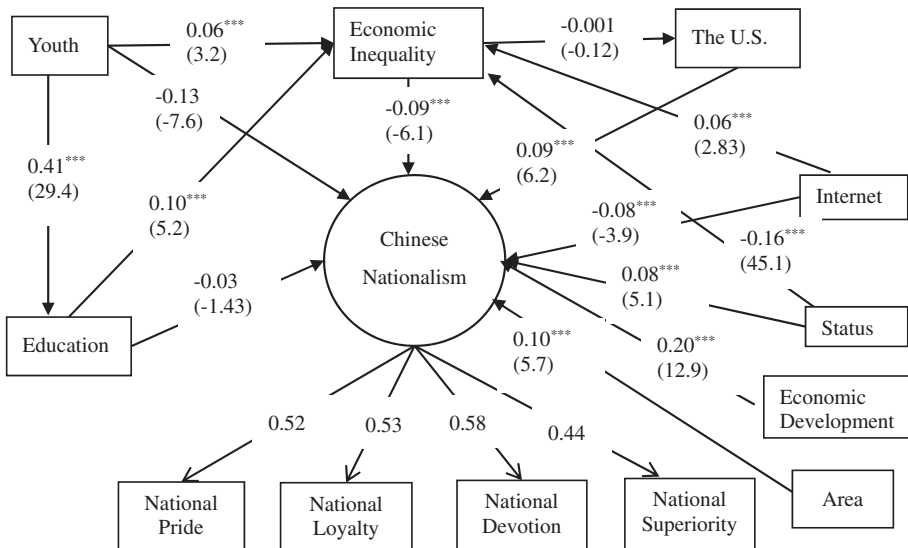


Figure 1. The structural equation modeling of Chinese nationalism. Source: Asian Barometer 2015 (N = 4,068).

Note: Entries for national pride, national loyalty, national devotion, and national superiority are factor loadings of Chinese nationalism. The other entries are the standardized path coefficients with t-statistic in parentheses. *** indicates statistical significance at the .05, .01, and 0.001 level. The associated RMSEA and CFI are 0.02 and 0.99, respectively.

³⁶David Zweig, 'Can new political institutions manage rural conflict', in Elizabeth J. Perry and Mark Selden, eds., *Chinese Society: Change, Conflict and Resistance* (London: Routledge, 2000), pp. 120–142.

that cannot be observed directly, so observed variables must be identified as empirical substitutes for the abstract concept to represent its underlying meaning appropriately. To formulate a measure of Chinese nationalism, this study conducted a one-factor exploratory factor analysis (EFA). Chinese nationalism was gauged from responses to a set of detailed questions that measured national pride, national loyalty, national devotion, and national superiority. These four variables were measured on five-point ordinal scales. The highest score on a given scale—a 5—suggested a strong inclination toward Chinese nationalism. People with the least tendency toward Chinese nationalism were at the other end of the scale, with a 1. The EFA model is presented in [Table 1](#).

The structural model relates the latent variable to observed variables and depicts the direct and indirect effects of observed variables on latent variables. According to convention, the one-way arrows represent direct causal effects in the model. An indirect effect is calculated by multiplying the paths that constitute the direct effect. To elaborate, economic inequality is hypothesized to influence the strength of Chinese nationalism directly. Education and the perceived threat of the United States are believed to trigger the effect of economic inequality on nationalism indirectly. In addition, the effect of economic inequality on arousing nationalist sentiments may vary by generation. The SEM model is outlined in [Figure 1](#).

Model Estimation

The SEM estimations rely on survey data collected through personal interviews conducted by the Asia Barometer in 2015 and 2016. The sample size was 4,068, drawn from the population based on the probability proportional to size (PPS) method. The targeted population was defined as those citizens in mainland China who were over the age of 18 living in 22 provinces and three municipalities. Five autonomous regions were excluded in this survey. The time period examined was between 2015 and 2016. Accordingly, the results were interpreted to explain nationalism in Han China during that time. In terms of estimating the factor model, this project encountered one problem to perform statistical analysis. While attitudes toward national identity are theoretically assumed to be normally distributed (or continuous variables), they are often assessed by discrete response categories ordered in an ordinal format, as this study has done. If the Pearson correlation, on which common applications of factor analysis are based, is used with ordinal data, it may lead to an incorrect maximum-likelihood chi-square and biased standard errors and may also attenuate factor loadings.³⁷ To deal with these problems and questions, the standard factor loadings are estimated by factor-analyzing the matrix of polychoric correlations. The EFA result for the factor loadings of national identity is presented in [Figure 1](#). The loadings of all items were in excess of 0.4 (with thresholds > 0.4). In the event, the one-dimensional concept of national identity was confirmed by the factorial result, which shows that the essence of Chinese nationalism is characterized by national pride, national loyalty, national devotion, and national superiority. The

Table 1. Exploratory factor analysis of Chinese nationalism

Factor 1	Variables	Factor Loading	Uniqueness Variances
Chinese Nationalism	National Pride	0.52	0.72
	National Loyalty	0.53	0.71
	National Devotion	0.58	0.67
	National Superiority	0.44	0.81
	LR test: independent vs. saturated: $\chi^2(6) = 1,835.67$ Prob. > $\chi^2 = 0.0000$ Number of observations = 4,068		

Source: Asian Barometer 2015 and 2016

Note: A commonly used criterion for the number of factors to retain is an eigenvalue greater than one. While conducting the EFA, this study extracted one factor because only one factor had an eigenvalue greater than one (1.09).

³⁷Bengt O. Muthén, 'Latent variable modeling in heterogeneous populations', *Psychometrika* 54, (1989), pp. 557–585.

estimated scores for Chinese nationalism obtained from factor analyses can be used as a graded index to identify the traits of Chinese nationalism and can be applied to the subsequent structural-equation analysis of nationalism using LISREL 8.8.³⁸

In estimations of model fit, it showed that the fit indices had a good and acceptable fit. The associated root mean square error of approximation (RMSEA) result was 0.02.³⁹ The comparative fit index (CFI) is 0.99.⁴⁰ Both of these values indicate that the estimated model fits the data well. Accordingly, this article proceeded to interpret the coefficients in SEM.

Inequality, Xenophobia, and the Rationality of Chinese Nationalism

Empirical Findings

The purpose of this study is twofold. The primary objective is to address the hotly debated question of whether economic inequality stifles or promotes Chinese nationalism. As shown in [Figure 1](#), the analytical results of the SEM are consistent with the argument of the Asian developmental state model. The analysis shows a negative linear relationship between Chinese nationalism and economic inequality. Specifically, a one-degree increase in perception of inequality was accompanied by a 0.09-unit decrease on a 0–1 scale in the factor score of Chinese nationalism, controlling for the generation, education, the US factor, economic evaluation, economic status, Internet usage, and area, *ceteris paribus*.⁴¹ Therefore, perceptions of inequality do indeed impede the development of Chinese nationalism.

Many believe that rising Chinese nationalism, as a result of Jiang Zemin's patriot reforms, was built on China's historical glory and the country's plight during the nineteenth century, stemming from the 'Patriotic Education Campaign' that sought to ensure the legitimacy of the CCP.⁴² Consequently, education has been seen as a prominent factor in the awakening and fostering of nationalism in China by elites. However, the SEM analysis shows that the education effect has weakened in stimulating Chinese nationalism, having an insignificant coefficient of 0.03. Paradoxically, education may dissuade people from nationalism through the indirect effect of perceived income inequality. With each one-level increase in education, there was a substantial increase of 0.10 degree in the perceived income gap that indirectly offset Chinese nationalism.

With the expansion of globalization, spectacular growth has created unprecedented degrees of inequality and increased the likelihood of interstate conflict. Could the expression of xenophobia arise from the social unrest accompanying rising inequality in China? [Figure 1](#) shows a significantly positive coefficient of 0.09, indicating that a perceived US threat is positively related to the rise of Chinese nationalism. It appears that rising tensions between China and the United States have enhanced the sense of crisis due to the immediate threat to China's existence and contributed to creating anti-US xenophobic nationalism. However, as also shown in [Figure 1](#), economic inequality did not reach the significance level in raising the awareness of the US threat, with a t-value of less than 1.96. Thus, the country's widening inequality levels cannot be identified as the underlying

³⁸The estimated factor scores for Chinese nationalism from factor analyses ranged from 1.09 to 4.35, with 1.09 as the least degree of Chinese nationalism and 4.35 as the greatest degree.

³⁹This study used the criterion of RMSEA to assess goodness-of-fit in a case in which variables are not measured in continuous scales. The RMSEA evaluates the degree to which a model fits reasonably well in the population. If the RMSEA has less than a 0.05 threshold, it can conclude that the overall model fit is good. See Timothy A. Brown, *Confirmatory Factor Analysis for Applied Research* (NY: Guilford Press, 2006), pp. 83–84.

⁴⁰The CFI is a corrected version of the relative non-centrality index and is more appropriate in this case with ordinal variables. The extent to which the tested model is superior to the alternative model, established with a manifest covariance matrix, is evaluated. If the CFI value is larger than 0.95, it demonstrates an acceptable model fit. See Karin Schermelleh-Engel, Helfried Moosbrugger, and Hans Müller, 'Evaluating the fit of structural equation models: tests of significance and descriptive goodness-of-fit measures', *Methods of Psychological Research* 8(2), (2003), pp. 23–74.

⁴¹In the SEM analysis, the path coefficients were standardized in a 0–1 scale.

⁴²Suisheng Zhao, *Nation-State by Construction: Dynamics of Modern Chinese Nationalism* (Stanford: Stanford University Press, 2004), pp. 209–247.

cause of xenophobic outbreaks in China. People with an acute perception of inequality were not prone to enhance their self-worth and strengthen positive national identity by blaming the United States for undermining the world's second-largest economy.

Discussion and Implications

It is evident that the Chinese experience is contradictory to recent developments abroad, where uneven wealth distribution seems to have triggered more intense nationalist feelings during hard times in Europe and the United States. Under deteriorating economic conditions, Chinese nationalism did not, as was assumed, play a 'feel-good' role and lead to the scapegoating of others. When inequality increased, state nationalist narratives worked less efficiently to galvanize people. One possible explanation of China's experience being different from those of the United Kingdom or the United States is the very essence of Chinese nationalism—simply put, it is not merely a factor to reduce pain and negative emotions.

As mentioned in the literature, Chinese nationalism is based on both emotional and rational grounds. It reflects a key feature of Asian developmental states, in which the maintenance and strength of national affiliations result from the success of state-guided economic development. This new Chinese nationalism is anchored in patriotism that presents the CCP as a guardian of national interests. If Chinese leaders cannot deliver on their nationalist promises, they become vulnerable to nationalistic criticism.⁴³ This rational perspective on nationalism is seen in the results: people with a positive evaluation of overall economic conditions in China were most likely to identify with Chinese nationalism. As shown in the SEM effect analysis, with a one-level increase in individuals' positive rating of economic conditions, there was a dramatic increase of 0.20 in their tendency to embrace Chinese nationalism. These findings reflect that Chinese nationalism is rooted in economic confidence.

This study shares similarities with Huntington's thesis in the finding that the relation between the rate of economic growth and political instability varies with the level of economic development. At high levels, urbanization, education, and mass media all expose people to new levels of aspirations and wants—and new possibilities of dissatisfaction.⁴⁴ On China's rapid path to economic growth, it is common to witness an uneven redistribution of income toward the middle class at the expense of the rest of the population. This unfair distribution of wealth can play a necessary role in the state's nationalist discourse, because an investment in the creation of a middle class may be essential to the construction of a prosperous nation-state at the first stage of economic development.⁴⁵ Hence, a remarkable growth rate diverts attention from high levels of economic inequality. Post-Mao inequality was recognized as the motor of development, which explains why the increasing disparity between rural and urban incomes in China did not offset nationalism back in the 1980s. The relative-deprivation factor gains in strength as people and societies become richer. Built on 30 years of economic reforms and opening to the world, China's remarkable economic growth boosted national confidence to an unprecedented level to underpin a new era of Chinese nationalism. As economic development reached an average growth rate of 10 percent between 1979 and 2010, people expected to benefit from the trickle-down effect and see an increase in per-capita income that effectively decreases economic inequality.⁴⁶ However, China's Gini Index continues to rise, and the rapid growth of education is raising awareness of wealth inequality. The expansion of education may also be improving people's cognitive skills to the extent that young people are becoming aware of political information other than the state's

⁴³Suisheng Zhao, 'The ideological campaign in Xi's China: rebuilding regime legitimacy', *Asian Survey* 56(6), (2016), pp. 1168–1193.

⁴⁴Samuel P. Huntington, *Political Order in Changing Societies* (New Haven: Yale University Press, 1968), p. 53.

⁴⁵Harry G. Johnson, 'A theoretical model of economic nationalism in new and developing states', *Political Science Quarterly* 80(2), (1965), pp.169–185.

⁴⁶Philippe Aghion and Patrick Bolton, 'A theory of trickle-down growth and development', *The Review of Economic Studies* 64(2), (1997), pp. 151–172.

nationalist discourses. The effect of education is not only the cultivation of loyalty to the nation-state or the construction of an imagined community. It also produces better-informed people, increasing their critical thinking skills and willingness to question authority when the state cannot deliver on its promises.⁴⁷ This tendency may bear the seeds that will uproot the boundless support for the CCP regime and unconditional love for the Chinese nation-state. Consequently, Chinese authorities have made resolving inequality issues a priority in the Twelfth Five-Year Plan since 2010.

In short, the positive relationship between economic equality and nationalism highlighted by the Asian developmental-state model remains a touchstone. Diminishing inequality by enabling income redistribution is as crucial to upholding Chinese nationalism as creating sustainable economic prosperity. This resonates with the experiences of many East Asian countries in the past four decades.

Inequality and the Downward Trend in Chinese Youth Nationalism

Empirical Findings

Once the negative relationship between economic inequality and Chinese nationalism has been confirmed, the authors may reasonably question whether the Chinese youth who suffer from limited opportunities and the highest working-poverty rates would embrace or disdain Chinese nationalism. To untangle the puzzle, this article first needs to explore the relationship between the post-1980 generation and Chinese nationalism. As can be seen in the SEM estimates in [Figure 1](#), a significant negative coefficient of the post-1980 generation indicated that there was a predicted difference of nationalism between the post-1980 and older generations by a degree of 0.13. Younger people expressed a much lower level of nationalism than older generations by a 0.13-unit on a 0–1 scale. Unlike most of the studies that have highlighted the upsurge of Chinese youth nationalism since the late 1990s, the estimated result shows that younger citizens did not express higher levels of nationalism than their elders in 2016.⁴⁸ Compared to older generations, the young generation was more likely to perceive income inequality (with a significant positive coefficient of 0.06). Economic inequality was expected to bear a negative relationship with Chinese nationalism; the path analysis revealed that a greater perception of economic inequality indirectly reduced nationalism among the young cohort.

Next, this article proceeded to explore the extent to which education enhances young people's affiliation with the nation-state when economic inequality is on the rise. Because of China's program of patriotic education, Chinese youth are inclined to take pride in the country's growing status and have felt a strong obligation to defend China from hostile external forces. In [Figure 1](#), the significantly positive coefficient (0.41) between education and generation suggests that the post-1980 generation was much more likely than other generations to attain higher education. However, as aforementioned, the education effect lost its significance in stimulating Chinese nationalism. It seems that education no longer directly fosters patriotic fervor in young people. Instead, education has instilled a weaker sense of Chinese nationalism in the post-1980 generation due to their higher perception of economic inequality. To put it another way, income disparities in today's society have made it much harder for young people with high levels of education to develop a strong sense of nationalism.

Discussion and Implications

Beyond these empirical results, there remain unanswered questions. Contrary to expectations, why did the post-1980 generation not develop excessive pride and nationalistic feeling? It further intrigues the authors why the post-1980 generation, mired in a crisis of inequality, did not

⁴⁷Chen Rou-lan, 'Chinese youth nationalism in a pressure cooker,' in Lowell Dittmer, ed., *China and Taiwan: Fitful Embrace* (California: University of California Press, 2017), pp. 93–113.

⁴⁸For similar findings see also Alastair Iain Johnston, 'Is Chinese nationalism rising? evidence from Beijing', *International Security* 41(3), (2016), pp. 7–43.

experience the psychological benefit of nationalism. One possible explanation may be the rational characteristic of Chinese nationalism, in which the state is seen as the guardian of economic interests. Maintaining patriotism and economic performance are two sides of the same coin in China, where one might have expected to see a rising tide of discontentment with the nation-state as economic inequality sharply increased. In the past ten years, income inequality has worsened significantly in China, and the inequality of economic outcomes has led to pessimism for the next generation. Income inequality appears to be especially harmful to young people at the lower end of the income distribution because they currently have stagnant wages and higher living costs.

Moreover, economic inequality also pertains to the idea that economic opportunities across generations are at risk. In [Figure 1](#), a one-level decrease in family status was accompanied by a 0.16 unit increase in the perception of inequality. The positive correlation between perceived inequality and low-status families suggests an intergenerational transmission of inequality and poverty. Concern over inequality in China has spurred speculation that national wealth has been unevenly distributed to a small part of the population, such as second-generation government officials and entrepreneurs. For example, the emergence of China's 'nude officers'—government officials whose spouses and children live abroad permanently—has given rise to problems with social injustice and aroused public discontent among youth since 2010.⁴⁹

To conclude, young people's resentment of their difficulty in moving up the economic ladder and a sense of relative deprivation can escalate into widespread frustration. As claimed by Huntington, social frustration may lead to political instability, due to the absence of two potential intervening variables: opportunities for social and economic mobility and adaptable political institutions.⁵⁰ Despite the fact that China remains the fastest-growing major economy in the world, its growth has decelerated over the past five years while its Gini coefficient has steadily increased. Ultimately, unequal income distribution may undermine the legitimacy of the CCP among youth, thus lowering their support for Chinese nationalism.

The question that can further address is why education had the opposite effect, reducing Chinese nationalist affiliation among the post-1980 generation as national economic performance deteriorated. The education effect is double-edged and may encourage or discourage Chinese nationalism in the post-1980 generation. As Zaller claimed, a critical perception of politics shapes the likelihood that individuals will redefine their preference.⁵¹ The expansion of education may have improved cognitive skills to the extent that young people are aware of political information other than the state's nationalist discourse. In other words, the effects of education are Janus-faced, as it does not simply stimulate patriotism in young people but also creates mechanisms for discerning facts that can challenge nationalism. In the context of a rising China, there are more incentives for the educated to embrace nationalism, but in times of downward social mobility, the burden of working poverty and crushing debt on young graduates might weaken the overheated nationalism fomented by patriotic education.

Education does more than raise awareness about political information. As many researchers have shown, one of the major effects of higher education is the creation of increasing expectations for salary and status, which can be dashed by a tight job market. Relative deprivation may negatively affect nationalism among Chinese youth. China's higher-education expansion policies, known as Projects 211 and 985, have led to a dramatic increase in college enrollment, which has placed a great deal of pressure on the labor market to absorb graduates. As the 2014 statistics show, higher education in China is continuously growing, with over 2,000 universities and more than 7.27 million college graduates.⁵² Research has found that one of the main drivers of increasing

⁴⁹Zhong guo shi tan fu' ['Chinese-style corruption'], *VOA News*, September 4, 2014, accessed March 2, 2017, <https://www.voachinese.com/a/china-money-laundering-20140903/2438034.html>.

⁵⁰Samuel P. Huntington, *Political Order in Changing Societies* (New Haven: Yale University Press, 1968), pp. 53–58.

⁵¹John R. Zaller, *The Nature and Origins of Mass Opinion* (Cambridge: Cambridge University Press, 1992).

⁵²National Bureau of Statistics in China, *China Statistical Year Book 2014*, accessed August 2, 2017, <http://data.stats.gov.cn/workspace/index?m=hgnd>.

inequality is the growing differences in education levels and skill premiums. Recently, the demand for highly skilled workers has soared with rapid technological changes in China.⁵³ However, the rapidly growing number of college students has not been optimal for high-quality teaching and training. Many Chinese college graduates are not well equipped with the skills needed to support the growth of high-end industries, yet they are unwilling to do low-skilled jobs. Consequently, college graduates are left with lesser jobs that fail to meet, let alone exceed, their expectations. The national household surveys of the China Household Income Project show an increase of higher-education graduates (2.3 percent) but a reduction in the percentage of university graduates with good jobs (10.4 percent).⁵⁴

This gap between education and job expectations has been increasing. The expansion of the higher education system seems to have produced poor returns. Although higher education has always been a requirement for an elite position in China, it has not improved the odds of securing a leading role in the redistribution power struggle. Institutional constraints have made young people suffer even more. Urban unemployment rates have remained high among college-educated youth (16.4 percent in the 21–25 cohort).⁵⁵ Most educated young people in urban areas continue to suffer from a lack of suitable work opportunities but are unwilling to return to the countryside. Due to China's *hukou* system of household registration, young urban residents with a rural *hukou* are deprived of full access to the social-welfare programs available to those who grew up in cities. Unemployed young people accordingly reside in the shabby urban enclaves of the 'ant tribe.' Relevant research also found that people in rural areas with low levels of education who are disadvantaged in the inequality hierarchy report greater satisfaction with current standards of living than do privileged urbanites who are highly educated.⁵⁶ In other words, relative deprivation does matter. With income inequality rising with no end in sight, the sense of relative deprivation can negatively affect nationalism among Chinese youth with advanced education.

The empirical findings show that the interrelation between nationalism and economic inequality for the young generation is more complex than it first appears. Nationalism is not simply a feel-good factor; for young people, it contains a rational element. Increasing income inequality may work to weaken nationalism among Chinese youth because of their dissatisfaction with the poor return from education and their strong sense of relative deprivation.

Conclusion

Recently, both the United Kingdom and the United States have witnessed an increasing economic inequality that has given rise to xenophobic nationalism. How economic inequality prompts and fosters nationalism is a matter of theoretical debate, pivoting around diversionary and social-psychological views. Both arguments share an assumption that economic inequality is conducive to the rise of nationalism. Contrary to the aforementioned trajectory, Asian developmental-state theorists believe that economic equality rather than inequality is a prerequisite for the emergence of nationalism. In the past decade, China has also developed an increasing rich-poor gap coupled with resurgent nationalist aspirations. Consequently, the case of China provides an answer to the question of whether the Asian developmental-state model is still relevant in explaining the rise of nationalism in the era of globalization. Specifically, post-1980 Chinese youth who suffer most from working poverty serve as a critical case for exploring the disparities in material resources and resurgent youth nationalism. To test hypotheses,

⁵³Anjani Trivedi, 'China's racing to the top in income inequality', *Bloomberg Opinion*, September 23, 2018, accessed November 10, 2018, <https://www.bloomberg.com/opinion/articles/2018-09-23/china-s-racing-to-the-top-in-income-inequality>.

⁵⁴John Knight, Deng Quhengc, and Shi Li, 'China's expansion of higher education: the labour market consequences of a supply shock', *China Economic Review* 43, (2017), pp. 127–141.

⁵⁵See the survey report '2013 China Household Finance Survey (CHFS)' conducted by the Survey and Research Center for China Household Finance, accessed November 10, 2018, <http://www.chfsdata.org/xiangqing.aspx?id=892>.

⁵⁶Chunping Han, 'Satisfaction with the standard of living in reform-era China', *The China Quarterly* 212, (2012), pp. 919–940.

this study utilized national survey data obtained through personal interviews conducted by the East Asian Barometer in 2015 and 2016 to test for the interrelation between economics and nationalism in China. From the analyses, based on the SEM model, it provided two key results.

First, in tandem with the Asian developmental-state model, the SEM analysis revealed theoretical support for a causal link between economic equality and Chinese nationalism. It was statistically proven that the perception of income inequality was negatively associated with the rise of Chinese nationalism; an increase in economic inequality leads to a decline in Chinese nationalism. Enforcing Chinese-centered ideology in school curricula has a negligible effect on diverting attention from high levels of economic inequality. Empirical findings also suggest that Chinese nationalism is not simply an emotional placebo to obscure the degree of inequality or raise self-esteem by scapegoating the United States. Chinese nationalism has rational roots wherein the state is perceived as a national guardian for achieving economic aims. This link between nationalism and economic development lays the foundation for contemporary Chinese nationalism. Thus, increasing inequality is detrimental to the maintenance of Chinese nationalism in the long run.

Second, the SEM analysis indicates a significant generational gap in nationalism between the post-1980 generation and older cohorts. Intriguingly, the younger generation that grew up under the influence of patriotic education was the least nationalistic among all generations. It raised the question of why the education effect failed to stimulate nationalism among Chinese youth. In the case of China, loyalty to and love of the nation-state are shaped by individuals' evaluation of the overall economic outlook, and the perception of economic inequality varies substantially according to education and generation. Increasing wealth disparity has made Chinese young people feel powerless about their future. Greater education equips young people with information that makes income inequality even more visible. In addition, the inequality crisis has worsened in parallel with the expansion of higher education, potentially intensifying strife in the labor market and exacerbating inequality. For the young generation, economic inequality and the poor return on educational investment have bred a sense of relative deprivation that is turning into anger. Accordingly, because of their more acute perception of income inequality, post-1980 Chinese youth with advanced education were less inclined to feel a greater sense of nationalism. Overall, Chinese youth who agonize over economic disparities may be reluctant to embrace nationalism as an identity.

Disclosure statement

No potential conflict of interest was reported by the authors.

Notes on contributor

Rou-Lan Chen is an assistant professor of political economy at National Sun Yat-sen University. She completed her PhD in political science at UC Berkeley. Her scholarly interests range widely, including methodology, nationalism, and Chinese politics. Specifically, her research focus is primarily driven by an interest in the dilemmas posed by nationalism and Taiwan's and China's integration into the world economy.

Appendix The Summary of Questions and Coding

Variables		Coding	N	Questions and Note
Factor Analysis				
Chinese Nationalism	National Loyalty	1 = Strongly disagree 2 = Disagree 3 = Agree 4 = Strongly agree Don't know	41 368 2,523 750 386	A citizen should always remain loyal only to his or her country, no matter how imperfect it is or what wrong it has done.
	National Pride	1 = Strongly disagree 2 = Disagree 3 = Agree 4 = Strongly agree Don't know	32 213 1,558 2,094 171	How proud are you to be a citizen of China?
	National Devotion	1 = Strongly disagree 2 = Disagree 3 = Agree 4 = Strongly agree Don't know	62 659 2,335 614 398	For the sake of national interest, individual interest could be sacrificed.
	National Superiority	1 = Strongly disagree 2 = Disagree 3 = Agree 4 = Strongly agree Don't know	49 496 2,259 448 816	Our country should defend our way of life instead of becoming more and more like other countries.
Structural equation				
Endogenous Variable	Chinese Nationalism			Factor scores of national identity obtained from the factor analysis.
Exogenous Variables	Economic inequality	1 = Very fair 2 = Fair 3 = Unfair 4 = Very unfair Don't know	137 1,520 1,514 352 545	How fair do you think income distribution is in the country?
	Youth	0 = Prior 1980 1 = Post 1980 Don't know	3,031 1,012 25	Birth year
	Education	1 = No education 2 = Elementary School 3 = Junior High School 4 = Senior High School 5 = College & Higher Don't know	592 1,219 1,192 572 475 18	How many years of formal education have you received?
	The United States	1 = Very positive 2 = Positive 3 = Somewhat positive 4 = Somewhat Negative 5 = Negative 6 = Very Negative Don't know	93 574 558 547 579 292 1,425	Generally speaking, the influence the United States has on our country is?
Control Variables	Economic development	1 = Very bad 2 = Bad 3 = So-so 4 = Good 5 = Very good Don't know	74 514 804 1,641 666 369	How would you rate the overall economic condition of our country today?
	Internet	0 = Never 1 = Yes Don't know	2,269 1,776 26	How often do you use the Internet?
	Status	1 = Lower class 2 = Lower-middle class 3 = Middle class 4 = Upper-middle class 5 = Upper class Don't know	428 727 1,705 594 191 423	Where would you place your family on the following scale?

(Continued)

(Continued).

Variables	Coding	N	Questions and Note
Area	0 = Rural 1 = Urban		Residence

Note: This study treated 'No Opinion' and 'Don't Know' as missing data. Instead of deleting missing data or replaced it with the median item, this study handled missing data by multiple imputation with the Markov chain Monte Carlo (MCMC) method, which may help reduce bias. One of advantages of multiple imputation is that it is relatively effective when the data contains a high percentage of missing observations on a variable.