Impact of Status Inconsistency on Consumption Patterns in Urban China

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Abstract

By analyzing the survey data of Chinese urban household in S city from 1998 to 2009, this paper is mainly focused on the influence of status inconsistency on consumption patterns. The study found that status inconsistency has some influence on material consumption and cultural consumption. High-return families, whose education level is higher than its income level, had less material consumption from 1988 to 1993, but they increased material consumption since 1994. Low-return homes had a higher cultural consumption during 1988-1993, but high-return families have higher than that after 1994. Overall, from 1988 to 1993, high-return families' material and cultural consumption were low; since 1994, they have a higher material and cultural consumption.

Key words: Status inconsistency; Consumption patterns; Material consumption; Cultural consumption

1. THEORETICAL PERSPECTIVES AND RESEARCH HYPOTHESIS

Weber considers factors affecting people's position are multifaceted, including wealth, education, occupation, lifestyle and so on. Although he has pointed out that there may not be consistent between wealth and prestige, he did not analyze status inconsistency on people's lifestyle. The sociologist Lenski (Lenski, 1954 & 1967) formally proposed the concept, noting that the complexity of modern society caused investigators to evaluate the social status of people with multidimensional indicators, which led to status inconsistency. He used "status crystallization" to measure the extent of people's status consistency, and believed that status crystallization degree will affect people's political attitudes and behavior. Based on the specific operation, he defined the position as people's relative positions in the space of four vertical stratification (including income, occupation, education and ethnicity), and in accordance with scores of four variables, divided respondents into status consistency and status inconsistency. Later, based on Lenski's ideas, many scholars studied the measurement model of status inconsistency as well as the effect of status inconsistency on people's psychological pressure, role conflicts, behavior deviants. (Hope, 1975; Hembroff, 1982; Simpson, 1985; Brown, Cretser, *et al.*, 1988).

Bourdieu takes economic and cultural capital as a basis for class division, and meantime analyzes the performance of both consumption patterns with inconsistent features. For example, teachers who enjoy more cultural capital than economic one, pay attention to saving in consumption with minimal economic costs to pursue novelty (Bourdieu, 1984). Sobel (1981) and Graaf (1991) studied the impact of status inconsistency on family material and cultural consumption. Graaf, based on the level of educational attainment and household incomes of the couples, divided them in to high-return families and low-return homes with flow statement. The so-called high-return family is referred to the couple whose family income is higher than their education level and vice versa. People usually behave in a way with the purpose of getting a higher position and maximizing the effectiveness. Meanwhile, different types of families have differences in the material and cultural consumption ability, thus high-return families

have excessive material consumption; and low-return families would maximize the utility with higher cultural consumption. With comparative studies of Hungary, Czechoslovakia, and the Netherlands, the author found that the effect of status inconsistency in Hungary and the Netherlands are very obvious, but does not exist in Czechoslovakia. The main reason lies in that different countries with different systems provides basic goods and luxury goods at different prices, leading to differences in position inconsistent effects.

People's behavior is usually in order to obtain a higher status to maximize the effectiveness. Therefore, we assume status inconsistency: Effect of income on material consumption weakens with higher level of education; effect of income on cultural consumption increases with the level of education. High-return families have excessive material consumption; and low-return families would maximize the utility with higher cultural consumption. In the process of social changes, the status inconsistency will become increasingly apparent.

2. DATA AND ANALYTICAL STRATEGY

2.1 The Data-Set

This study uses the 22 phases of the urban household survey data collected by the National Bureau of Statistics of China over the period 1988-2009 in the city of S. Households who are selected by sampling with probability proportionate to size (PPS) in the surveys are required to keep records of their income and expenditure. Hence, this data-set contains detailed information about the categories of expenditure and the head of household's individual characteristics for urban households. The total sample size within the period of 22 years was 6203 households.

2.2 Variables

2.2.1 Dependent Variable

Dependent variable refers to material consumption and cultural consumption. Material consumption is measured with the expenditure of appearance consumption; cultural consumption is measured with spending on educational and cultural service.

2.2.2 Independent Variable

Independent variable here is status inconsistency, referring to the phenomenon of cross-cutting position when different criteria were adopted to evaluate the social status of people. We divided couples into four levels based on their family income and average educational attainment, and then scored on the status of the family inconsistency. Diagonal is the consistent role of the family, the height above the diagonal are high-return families, below the diagonal are low-return families.

2.3 Analysis Model

In order to examine the effect of status inconsistency, we first added the interaction of income and education in the multiple regression model, testing whether the effect of income on consumption changes due to different levels of education. Then in subsequent models, instead of including variables of income and education, we included directly position inconsistent variables and analyzed the effect on consumption.

Table 1
Status Inconsistency Index

Income level \ Education level	One	Two	Three	Four
One	0	1	2	3
Two	-1	0	1	2
Three	-2	-1	0	1
Four	-3	-2	-1	0

3. RESULTS

Table 2 is the estimation results of multiple regression models, with the additions of income and years of education interaction term. From Model 1 to Model 3 are multiple regression model results affecting material consumption of three different times. As can be seen from Model 1, during the initial period of marketization, income's effects on material consumption and education's effects on material consumption are mutually weakening. Model 3 and Model 1 is consistent in the result that the impact of income on material consumption with a higher level of education decreased since 2002. However, the interaction terms of income and education from 1994 to 2001 are not significant. Model 4 shows a multiple regression influencing cultural consumption from 1988 to 1993, displaying that income and education interaction terms were not significant. As can be seen from Model 5 and Model 6, during the two periods since 1994, the roles of income and education on cultural consumption are mutually reinforcing, that is the impact of income on cultural consumption improves with higher level of education. Hypothesis 3 was partially supported.

Table 3 shows the multiple regression models of material and cultural consumption including the variable of status inconsistency. Model 1 shows that high-return families had less material consumption during 1988-1993, which does match Assumption 3. Model 2 and Model 3 showed the same result that high-return families have more material consumption. From 1988 to 1993, low-return families have higher cultural education and since 1994, it was high-return families do. Overall, from 1988 to 1993, high-return families' material and cultural consumption were low; since 1994, they have a higher material and cultural consumption. By comparing separately the coefficient changes in material consumption and cultural consumption, we found that during the process of social changes, the status inconsistency effect gradually increased. Hypothesis 3 was partially supported.

Table 2
Multivariate Regression Model on Material and Cultural Consumption

	Model 1 1988-1993 Material consumption	Model 2 1994-2001 Material consumption	Model 3 2002-2009 Material consumption	Model 4 1988-1993 Cultural consumption	Model 5 1994-2001 Cultural consumption	Model 6 2002-2009 Cultural consumption
Gender (female=1)	0.08	-0.01	0.11***	-0.07	-0.04	0.10**
Age	-0.01	-0.01***	-0.01***	-0.01	0.01*	0.00
Family size	0.19***	0.24***	0.27***	0.05	-0.01	0.11***
Income Logarithmique	2.29***	0.81***	1.11***	0.94**	0.27	0.08
Years of Education	0.51***	-0.05	0.10**	0.04	-0.14	-0.18***
Income*Education	-0.06***	0.01	-0.01**	0.00	0.02*	0.02***
Unit (state=1)	0.44***	-0.05	-0.05	-0.11	-0.04	-0.01
Industry (monopoly=1)	0.04	0.02	0.04	0.12	0.10*	0.02
Professionals[a]	-0.18*	-0.23***	0.01	0.03	0.01	-0.12
Clerical staff	-0.02	-0.15**	0.04	-0.14	-0.06	-0.21**
Labor worker	0.00	-0.30***	-0.06	0.02	0.00	-0.11
Self-employed	.	-0.26	-0.14*	.	-0.15	-0.14
Other classes	-0.46*	-0.39***	-0.14	-1.37***	-0.77***	-0.41***
Hukou (Native=1)			0.15***			0.31***
Constant	-14.02***	-0.36	-3.57***	-2.96	3.70	4.86***
Adjusted R^2	0.44	0.34	0.36	0.28	0.27	0.20

Note: a is a reference group for managerial class. For all models, year is as a dummy variable to control. *P <0.1, ** *p* <0.05, *** *p* <0.01 (two ends test) .

Table 3
Multivariate Regression Model on Material and Cultural Consumption

	Model 1 1988-1993 material consumption	Model 2 1994-2001 material consumption	Model 3 2002-2009 material consumption	Model 4 1988-1993 cultural consumption	Model 5 1994-2001 cultural consumption	Model 6 2002-2009 cultural consumption
Gender (female=1)	0.07	0.15***	0.18***	-0.04	0.09*	0.15***
Age	-0.01	-0.01***	-0.02***	-0.01	0.00	-0.01**
Family size	-0.02	0.09***	0.19***	-0.12***	-0.15***	0.04*
Status inconsistency	-0.21***	0.23***	0.31***	-0.32***	0.13***	0.19***
Unit (state=1)	0.50***	-0.04	-0.04	-0.06	-0.04	0.00
Industry (monopoly=1)	0.10	0.18***	0.15***	0.17*	0.24***	0.14***
Professionals[a]	-0.08	-0.18**	-0.09	0.06	0.03	-0.22**
Clerical staff	0.04	-0.33***	-0.20**	-0.09	-0.25***	-0.46***
Labor worker	-0.08	-0.69***	-0.53***	-0.01	-0.38***	-0.56***
Self-employed	.	-0.63***	-0.47***	.	-0.50**	-0.51***
Other classes	-0.07	-0.56***	-0.46***	-1.04***	-0.95***	-0.70***
Hukou (Native=1)			0.40***			0.57***
Constant	5.97***	8.93***	8.35***	5.44***	8.16***	7.22***
Adjusted R^2	0.32	0.17	0.19	0.20	0.17	0.10

Note: Omitted category is managers. In all models the year is controled as a dummy variable. *P <0.1, ** p <0.05, *** p <0.01 (two-tailed tests) ".

CONCLUSION

Status inconsistency has some impact on material consumption and cultural consumption. During the initial period of marketization, the impact of income on material consumption decreases with a higher level of education, and since 2002, income's effects on material consumption and education's effects on material consumption are mutually weakening. However, the interaction terms of income and education from 1994 to 2001 are not significant, with education as the main factor influencing material consumption. Since 1994, the roles of income and education on cultural consumption have been mutually reinforcing, that is the impact of income on cultural consumption improves with higher level of education. High-return families, whose education level is higher than its income level, had less material consumption from 1988 to 1993, but they increased material consumption since 1994. Low-return homes had a higher cultural consumption during 1988-1993, but high-return families have higher than that after 1994. Overall, from 1988 to 1993, high-return families' material and cultural consumption were low; since 1994, they have a higher material and cultural consumption. During the process of social changes, the status inconsistency effect gradually increased. As the consumption in modern society doesn't only have natural attributes, but also possess social, cultural, and symbolic attributes. Along with social changes and mobility enhancement, high-return families whose income level is higher than its education level, hope to win people's recognition more eagerly. Therefore, since 1994, high-return families have higher expenditure on material and cultural consumption.

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