

**Dual Modernity in the Global Age:  
*The Internal and External Sources of Individualistic and  
Materialistic Values in Shanghai***

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**abstract:** Sociological research is arriving at an intellectual crossroad where it faces the challenge of understanding how the relatively new dynamics of globalization are interacting and intersecting with the older forces of modernization to induce social change. While the latter predicts that rapid economic growth facilitates the emergence of modern values generally, the local impact of accelerated globalization may foster a shift toward a distinctive profile of modernity in open localities of varied economic conditions and cultural traditions. In this paper, using a survey conducted in Pudong, Shanghai in 2001, we examine the characteristics and dimensions of values and beliefs in a rapidly globalizing city at the turn of the 21st century. First, we uncover two distinctive dimensions of individualistic vs. materialistic values via factor analysis. Secondly, we show how these two dimensions vary along various demographic and socioeconomic groups. Thirdly, we find that personal global connections have significant differential effects on the emergence of modern values net of some demographic and socioeconomic variables. The findings allow us to offer some tentative theorizing about how modernizing and globalizing forces intersect locally to account for the rise of individualistic and materialistic values in Shanghai, which heralds the unfolding of this process in other rapidly modernizing and globalizing cities in China and elsewhere.

**keywords:** modernization ♦ globalization ♦ individualism ♦ materialism ♦ Shanghai

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**Introduction**

As globalization gains more traction in the literature on social change, the traditional perspective on modernization vs. tradition has faded further from its once prominent position to marginality. The words “global” and “globality” appear more often than “modern” or “modernity” in describing the state and conditions of cultural values and beliefs in different societies (Albrow, 1997). This raises a fundamental question: does global influence foster the emergence of modern values in traditional societies that are also undergoing rapid internal economic and social transformations? While new value formation is always subject to outside influence, the stronger and deeper local penetration of accelerated globalization renders that question particularly timely. It begs new empirical research against the shift from the modernity-based discourse on social change to one seemingly fixated on globalization, which enhances, not obviates, the need to re-evaluate the meaning of modernity in a global age.

While the heyday of modernization theory is long gone, it sustains a legacy that continues to play foil to the more popular discourse on postmodernism. What is modern becomes increasingly problematic in relation to what Giddens (1991) calls the present world of ‘high’ or ‘late’ modernity where both the self and institutions face a puzzling diversity of options and possibilities. However, modernity remains relevant when we look at what happens to values in traditional societies that are undergoing rapid economic development and profound social change. Having acknowledged that modernity is a post-traditional order, Giddens (1991) cautioned against the surety of all traditions being

replaced by rational knowledge. Through a critical look at the Chinese literary treatment of the self in the late 1980s, Tang (2000) pointed to the incompleteness of modernism and the vitality of residual modernism in transitional China as challenges to modernity and its unresolved complexities when postmodernism is believed to have superceded modernism.

Modernity becomes even more relevant and complicating for traditional societies where rapid economic growth and social change is increasingly driven by external or global forces. These forces, either powerful and direct or percolating and indirect, operate as varied sources and stimuli of social change at both the institutional and individual levels. But it is not entirely clear whether and how global forces, as they ‘touch down’ on and then penetrate local society, would either facilitate or forestall certain tendencies and possibilities in the formation of new values and behaviors that are already set in motion by internal modernizing dynamics. Literary scholars (e.g., Liu, 1999) claim that Chinese culture is moving on a truly universalizing, or globalizing, course with global capitalism penetrating China’s cultural landscape with commercial mass products. Yet the lack of empirically quantifiable relations between globalization and cultures in rapidly globalizing and deeply traditional China presents a critical analytical challenge to sociologists: rethinking the modernization debate in relation to the globalization discourse and demonstrating the association between modernizing and globalizing dynamics at the local level that can generate insights for new theorizing.

In this paper, we explore the components and meaning of emergent values in Shanghai at the turn of the 21st century and then estimating the influences of both internal or local and external or global factors on these values. We begin with a critical

review of the classical literature on modernization and its newer offshoots and a connection of this scholarship to globalization research on value change. This allows us to derive the primary proposition about why and how globalization may facilitate the emergence of modern values via external mechanisms in conjunction with internal sources of stimuli. Then we describe the data, variables, and procedure for the two-step empirical analysis. The first aims to construct a synthetic profile of emergent human values in Shanghai through factor analysis. The second step involves the use of regression analysis to estimate the factors contributing to the duality of values revealed via factor analysis. Finally, we discuss the findings and their implications for: 1) understanding the composition of new values in globalizing Shanghai and China; and 2) integrating important elements of the literatures on modernization and globalization.

### **Back to the Present: Recasting the Modern-Global Connection**

Tracing the research on the evolution and determination of human values inevitably triggers a retracing of the intellectual footsteps of modernization theory through its classical and neo phases. Dating back half a century, the classical modernization perspective emerged in the earlier post-WWII and national independent era of the 1950s. Buoyed by the optimistic view that economic development of the newly independent Third World countries would take off, some Western scholars predicted that economic development would lead to social modernization characterized by the emergence of new values, most of which would resemble those of Western industrial societies. While a number of scholars including Samuel Huntington, Daniel Lerner, Marion Levy, Wilbert Moore, and Talcott Parsons contributed various elements to the classical modernization paradigm (So, 1990), Alex Inkeles made the most important and

focused contribution to the relationship between modernization and values. While his definitive book on the topic *Becoming Modern* (with David H. Smith) was not published until 1974, Inkeles (1964) developed the central concept and a set of measured attributes of “modern men” based on survey data from six developing countries. And these attributes included openness to new experience, independence from authority figures, long-range planning, and mobility orientation. Inkeles and Smith (1974) found that these attributes were fostered by such mechanisms of modernization as school, mass media, factory, urban employment, and urban living, concluding that when people in Third World countries were exposed to Western, modern influence, they would adopt more modern attitudes and values. This laid the theoretical and empirical foundation for what Inkeles (1983) later labeled “individual modernity.”

With the onset of the 1970s, classical modernization research evolved to a neo phase, de-emphasizing and loosening such rigid assumptions that tradition and modernization are mutually exclusive and that there is linear and predictable path of value change during modernization. Taking a step further, Eisenstadt (1974) emphasized the elements of choice and both cultural continuity and discontinuity in the so-called post-traditional societies that keep the latter away and off the track toward any historically predetermined “end-plateau” of modernity. Moore (1979) also questioned the predicted cultural convergence of worldwide modernization. Other neo-modernization researchers also accepted that traditional values often persist during the modernization process and coexist with modern human values (see So, 1990).

Despite making some modifications and adaptations, research during the neo stage of the modernization school lacked the theoretical and methodological influences of

classical modernization studies. Then along came Ronald Inglehart and his associates who not only kept the tradition of modernization research alive but also advanced it to a new stage through more sophisticated conceptualization and methodology. Broadening what are considered modern and post-modern values and based on long-term and historic world value surveys running from 1981 to the late 1990s, Inglehart (1997) and Inglehart and Baker (2000) found that changes in human values differ between the industrial and the post-industrialization period; while the rise of industrial society is linked with coherent cultural shifts away from traditional values systems emphasizing economic and physical security, the rise of post-industrial society is linked with subjective well-being and quality-of-life, including a set of values of increasing rationality, tolerance, trust, and so on. These findings, Inglehart contends, confirm that economic development tends to propel social and cultural changes in a roughly predictable direction. Whether Inglehart's work has helped revive modernization theory is less important, it has rekindled the interest in examining the meaning of modern and post-modern values on a worldwide scale across societies at different stages of industrialization and post-industrialization.

The research focus of Inglehart is complicated by the empirical reality that the period he covered witnessed accelerated globalization, which must exert strong external impact on the internal interaction between industrial transition and value formation and evolution. Understanding how globalization affects modernization or even post-modernization empirically calls for conceptual links between the two literatures. The argument about simultaneous "globalization and localization" or "glocalization" provides an entry point from which Robertson and Khondker (1998) defined globalization as both the compression of the world and the intensification of consciousness of the world as a

whole. They posit that globalization involves the structuration of a social system at the global level and that there is an intensification of global consciousness in the sense that individuals are increasingly oriented toward the world as a whole (also see Giddens, 1991). Unlike the classical prediction that modernization is primarily Western and that non-Western societies would follow only in so far as they abandon their traditional cultures and assimilate in technologically and morally “superior” Western ways, the integration of globalization and localization, or “glocalization,” implies that some traditional or indigenous cultural values may persist or evolve in a path dependent manner. Furthermore, in light of Rosenau’s (1997) argument that localization gains some strength as globalization intensifies, resulting in both integration and fragmentation, we may expect more mixed values of both modern, global and traditional, local contents to emerge under strong global-local interactions. Despite these advances in conceptualizing the global-local nexus, there remains a lag in measuring and modeling the mechanism by which the global affects traditional values or fosters modern values at the local level.

Concerned about the potential erosion of traditional values under rapid globalization, some Chinese scholars call for preserving some traditional human values, while learning from and balancing against Western values (Chen, 2000; Jin, 1997). Despite this nationalist scholarly bent and the real possibility that some entrenched Chinese values will hold, the local penetration of global forces in a widely opened China must be creating some strong stimuli for modern and perhaps Western-oriented values to develop. This process is expected to be most intensive in Shanghai where global forces are in full swing against a local culture that was most receptive to Western influence back in the 1920s and 1930s (Lee, 2000; Yeh, 2000). If a new complex of cultural values and

desires is emerging in urban China (see Rofel, 2007), especially in Shanghai, we expect it to reflect the values associated with rapid industrialization as opposed to the more subjective values that characterize a post-industrial society. This central proposition can be tested in the ideal setting of Shanghai, which has been undergoing neck-breaking economic growth and extensive globalization since the early 1990s.

### **The Research Setting: Rapidly Industrializing and Globalizing Pudong**

We now introduce the Pudong New Area or Pudong district as a fitting site where data were collected for the analysis in this paper. Since 1990 when Pudong development was launched, this part of Shanghai has undergone arguably the most remarkable transformation of any part of any city in the world. Previously a mostly agricultural county of rice paddies and farm houses on the less developed east side of Huangpu River, Pudong is now dotted with modern factories including semi-conductor plants and commercial skyscrapers, including Asia's second tallest building.

The rapid transformation of Pudong from a backwater of Shanghai to its crown jewel is reflected in demographic, urbanization, and economic trends and weights. In 1990, Pudong had a registered population of 1.3 million, the number rose to 1.8 million in 2003, accounting for 13.2% of Shanghai's total population, even though it only occupies 8.4% of the city's land area (Shanghai Statistical Bureau, 2004). Pudong's GDP as a share of Shanghai's total rose from 8.1% in 1990 to 21.9% in 2001, when it also accounted for 27.1% of the total contracted foreign investment in Shanghai. From 1990 to 2001, agricultural labor as a share of Pudong's total employment declined from 47.7% to 21.9% (Pudong Social Development Bureau and Pudong-Fudan Social Development Research Center, 1995, 2002). Shanghai has attracted over US\$120 billion in foreign

direct investment (FDI) since 1992, including US\$14.6 billion in 2006, or 23 percent of China's total FDI (Balfour, 2007). Rapid industrialization, urbanization, and globalization in Pudong makes it the most prominent and perhaps economically most important of Shanghai's 16 districts.

### ***The survey and sample***

The study is based on a survey conducted in late 2001 in Pudong New Area of Shanghai. In 2001 Pudong district administered 12 urban subdistrict offices (*jiedao banshichu*), which governed 506 neighborhood committees (*jumin weiyuanhui*) in officially defined urban areas. Pudong also administered 14 towns (*zhen*) above 291 village committees (*cunmin weiyuanhui*) in officially defined rural areas, while the town proper or centers were officially urban and actually more urbanized. To obtain a representative sample of both urban and rural residential areas, we employed a three-layer or -step sampling procedure.

First, we selected nine subdistrict offices and five towns to give more weight to the larger official urban population, which accounted for about 80% of the total population in Pudong in 2001 (Shanghai Statistical Bureau, 2002). Secondly, we selected two neighborhood committees under each of the nine subdistrict offices for a total of 18 neighborhood committees. To sample residents in the more urbanized areas of town residents, we picked one village committee in the center of one town (Huamu) and one village committee in the town center and one village committee in the agricultural portion of another town (Beicai) close to the urban subdistricts. To capture residents in less urbanized areas, we chose one village committee in the town center and one village committee in the rural sections of two towns (Gaoqiao to the north and Chuansha to the

southeast) located farther away from downtown Pudong near the bank of the Huangpu River. To ensure that exclusive residential areas with a concentration of villas were included, we surveyed one such development project (Lujiazui garden) bordering Lujiazui financial district in downtown Pudong and another nearby compound located in the fifth town (Jinqiao) (see map 1 for the locations of the surveyed sites).

[Map 1 about here](#)

The last stage involved sampling households. To ensure that we would have about 25 households in every chosen neighborhood committee and about 30 households in the town center and agricultural village committees in three of the five towns (Beicai, Gaoqiao, and Chuansha), we randomly over-sampled an average of 30 households in each area. To get a minimum of 15 households in the town center of Huamu and the up-scale housing compounds in Jinqiao town and Lujiazui garden, we sampled an average of 20 households in each unit. Using a prepared questionnaire and with the assistance from the neighborhood and village committees, we conducted a face-to-face interview with one member of each chosen household, preferably the household head. From a total of approximately 700 interviews, we excluded a number of low quality questionnaires after logical checking and ended up with 452 in the urban subdistricts, 74 cases in the town centers, and 74 cases in the rural parts (agricultural villages) of the towns for a total of 600 cases, yielding a completion rate of close to 90% or a rejection rate of 10%. The broad geographical coverage of Pudong coupled with the random selection of the subjects gave us a fairly representative sample of residents in various types of neighborhood areas along the dimensions of administrative status, degree of urbanism, and location relative to downtown Pudong.

Despite the survey's focus on Pudong district only, it is broadly reflective of Shanghai in two ways. First of all, the basic demographic and socioeconomic indicators on Pudong were very similar to Shanghai's averages in 2001, the year of the survey. The share of non-agricultural population, rate of natural increase, and household size for Pudong were 82.8%, -2.7%, and 2.7 against 75.3%, -2.7%, and 2.8 for Shanghai. The agricultural, industrial, and service shares of Pudong's GDP were 0.6%, 52.2%, and 47% versus 1.7%, 47.6%, and 50.7% for Shanghai as a whole, while the average wage in Pudong (20,349 yuan/year) was higher than that for Shanghai at 17,764 yuan/year (Shanghai Statistical Bureau, 2002). The somewhat higher levels of urbanization and industrialization plus the higher average wage in Pudong are strong evidence that while Pudong had previously been more backward than Shanghai, it had caught up, if not surpassing the rest of the city in development and standard of living in 2001. The first author's fieldwork in Shanghai reveals that more and more people in Puxi (west of the Huangpu River), who used to look down at Pudong and the people there, have recently bought new commercial flats in Pudong and moved there. This shift in reality and perception, which mirrors the closing of gaps between Pudong and Puxi, gives us more confidence that the findings would "cross the river" through Shanghai, so to speak. To the extent that there may be less variance in some of the variables used if the survey would include Puxi, the findings will serve a better purpose of revealing the formation and determination of values in Pudong during its accelerated and more varied socioeconomic and spatial development.

Secondly, through our conscious effort to include the less urbanized and developed parts of Pudong (irrespective of the official "urban" status of some of them) in

the survey, we intend the results to reflect the conditions of more peripheral areas in Shanghai's suburban and outlying districts, which have been exposed to the short-distance spillover influence of accelerated urbanization and globalization from central Shanghai. While the local impact of globalization may diminish beyond a cosmopolitan coastal city like Shanghai, our analysis of values may point to emerging cultural profiles in other Chinese cities as they and their residents become more globally connected.

### **Analysis and Findings**

#### ***Split modernity: Individualistic vs. materialistic values as dependent variables***

The first step in our study was to construct a profile of human values in 21<sup>st</sup> century Shanghai, requiring us to measure people's responses toward a number of questions on cultural values and beliefs. Based on these responses, we extracted two dimensions of human values through factor analysis via varimax rotation (see Table 1 below). The rotated factors are orthogonal in that each factor contains a set of substantially related individual variables as factor loadings, which are collectively independent of the other factor. This bipolar split of the human value profile reflects a pair of underlying motivational domains. We converted them into two standard indexes with a range of 0-100, which would be used as dependent variables in multivariate analysis. First of all, we explore the set of modern values captured in each index.

#### Table 1 about here

To the extent that modernization erodes traditional values such as dependence, determination, obedience, respect for authority, and a sense of national pride (Inkeles, 1974), it amounts to a loss of collective identity and a stronger awareness and identification of the individual self. Inglehart (1997) confirmed this predicted logic by

uncovering two contrasting dimensions of human values as “Traditional/Secular Values” and “Survival/Self-Expressional Values.” Consistent with this logic, our analysis revealed a similar dimension based on components such as ‘individualism facilitates the ideal functioning of the society,’ ‘do what one thinks is right and ignore others’ opinions,’ ‘modernization means more self-improvement,’ and ‘live one’s own life without worrying about others.’ These items not only reflect a self-centered value but also go along with a competition- and change-oriented attitude as represented by ‘always prepared to meet and experience new challenges,’ and ‘change is better than no change.’ We named this index “Individualism and Self-Competency” (hereafter ISC) rooted in self-enhancement or self-development as a fundamental motivational dynamic, which exists across cultures including Hong Kong (Schwartz and Bilsky, 1990). As individualism is widely accepted as having an important and positive influence on socioeconomic development (Hofstede, 1980), its effect is facilitated by motivations for meeting challenges and achieving success.

In traditional, pre-1949 China, obedience was a core principle in an authority-based social hierarchy that promoted a family-centered small collective unit and suppressed self-development (Harrell, 1985). In pre-reform China, the Communist ideology coupled with its rigid administrative structure reinforced the traditional hierarchy and further restricted individualism. While economic reform and opening weakened, if not removed, the general ideological and institutional barriers to individualism, it took the development of market activities and competition to foster the growing presence of some individualistic values such as independence, self-worth, belief

in self-capacity and self-development (Han, 1996). Our analysis captures the values that reflect a clear and strong individualistic orientation among Shanghai residents.

As Table 1 also indicates, we extracted another value dimension that consists mainly of attitudes such as “the goal in life is to become a millionaire,” “to get rich is glorious” (the famous pragmatic motto linked to Deng Xiaoping’s statement of “it doesn’t whether the cat is black or white, so long as it catches mice”), “foreign brand goods are always better than domestic ones,” and “one should always imitate and follow popular consumption,” etc. Since these reflect people’s values and beliefs in wealth accumulation, job rewards and risks, and foreign-oriented consumption, we define them as constituting an index of Materialism and Consumer Orientation (hereafter MCO) anchored to a “universal” human value for pursuing enjoyment and pleasure (Schwartz and Bilsky, 1990). In pre-reform China, the government advocated ideological Puritanism and egalitarianism and suppressed consumption. People were required to work for the collective goal of national economic growth rather than for any kind of individual financial rewards. Moreover, the average person had little or no access to imported goods. Like individualism, materialism and consumerism grew stronger with economic reform, which unleashed people’s desire to live a better life. As the most legitimate means to achieve this goal, work takes on a rational and utilitarian meaning of risk and reward, or high risk for high reward. The materialistic orientation grew stronger as China opened its door wider to the outside world and let in more foreign-brand products. As expected, we found that materialistic attitudes and desires to consume foreign-brand goods go together in forming an integrated set of values.

The neat sorting of multiple variables into the ISC vs. the MCO factor points to the split and coupling of modern values rooted in individualism and materialism. As these two dimensions of values are generally associated with modernization and industrialization, it is not surprising to detect their presence during rapid industrialization in post-reform China, especially in its most rapidly modernizing city of Shanghai. The next question is how these values are distributed across demographic and socioeconomic variables that may account for the variance in these values.

***Modernity across groups: Is there consistency?***

Table 2 about here

As shown in Table 2, age differentiates both ISC and MCO considerably. People in younger age groups, especially those aged 14-20 and 20-30 exhibit stronger orientations toward individualism and materialism with larger age disparities in the latter. This merely confirms the long established negative relationship between age and modernity in the literature. In China, however, these age groups represent very different generations of people who lived during very different periods of political life and social change. As different age cohorts experience varied socialization due to different exposures to life courses and historical events (Braungart and Braungart, 1993; Peng and Ren, 1999), they inevitably form and develop correspondingly diverse values. Those aged 30 or younger or those who were born in the early 1970s experienced reform and opening during their formative years, with most of them being the only child in the family born after 1979. This so-called post-reform or New Generation grew up with a stronger individualistic orientation and more abundant consumer goods. As the only child, many demanded and got what they wanted in terms of attention, spoiling, and

goodies (Davis and Sensenbrenner, 2000). In comparison, those in the 30-40 and 40-50 age groups, many of whom lived through tough economic times, had a noticeably lower MCO, even though they differed relatively little from the younger age groups in ISC (see Table 2). Finally, it is worth noting that the oldest (60+) age group, or the so-called Revolution Generation, ranked much lowest in both ISC and MCO, especially the latter. This striking generational gap between the youngest and oldest is fully expected.

Besides age, education is positively associated with modern values (see Inkeles and Smith, 1974), which is also confirmed by our analysis (see Table 2). While both ISC and MCO go up from primary school, they peak at the highest level of education or those with post-graduate degrees. With economic reform and opening, the educational system of China shifted, albeit gradually, from one of cultivating the socialist, collectivist ideology to fostering more independent thinking. The growing effort to introduce and incorporate a more Western curriculum in colleges and universities also facilitated the acquisition of diverse knowledge and a greater appreciation of human capital. In a more competitive job market, better educated people tend to realize their competencies more and pursue more risky and rewarding positions. In other words, we found that higher education not only is associated with a cultural or cognitive awareness of self-worth and competency but also with a utilitarian attitude toward material consumption.

As Table 2 also indicates, both ISC and MCO vary along occupational categories. Business executives and entrepreneurs stand out with the strongest ISC and MCO, while peasants ranked the lowest in both value dimensions, with little differentiation among the other three categories. While we expected MCO to be the highest among business executives and entrepreneurs, we are a little surprised that technical and educational

personnel are less individualistic than business executives and entrepreneurs. Then considering that ISC consists of values about self-confidence, self-development, and meeting challenges, it is quite consistent with those that are expected of business executives and entrepreneurs. Finally, we demonstrated another familiar, positive relationship between income level and modern values.

### ***Modernity via global connectivity***

While we expected age, education, occupation, and income to have differential effects on the formation of modern values, we were more interested in measuring and modeling if these values are subject to the influence of external or global forces. To measure the local presence of global forces, we use four dummy variables: 1) having worked for a foreign company locally (1 = yes); 2) having been abroad (1 = yes); 3) having overseas relatives and friends (1 = yes); and 4) often surfing foreign websites (1 = yes).<sup>1</sup> And we label these personal global connections (hereafter PGCs). We did not treat these as restrictive or mutually exclusive categories in the survey by allowing the respondents to choose up to four categories if they had all four PGCs. The overlap across the four dummy variables is indicated by their moderate bivariate correlations, which range from 0.13 to 0.30. For example, about one-third of the people in our sample who worked for a foreign company either went abroad or had overseas relatives and friends.

Regarding “having worked for a foreign company,” Shanghai ranks at the very top of all Chinese cities in number of foreign companies. In 2001, people working for the foreign companies including those owned by overseas Chinese accounted for 14.5% of the total work force, numbering 607,800. The average wage in the foreign sector in 2001 was 24,352 yuan/year, 40% higher than the average of the total labor force (Shanghai

Statistical Bureau, 2002). Working for a foreign company not only exposes one to more individualistic and competitive values but also yields higher pay that can translate into greater consumption. Secondly, in an open and prosperous commercial city like Shanghai, more and more people have traveled abroad on business and increasingly as tourists. Overseas travel gives people direct experience with foreign cultures and allows them to obtain some extra financial resources that may help purchase consumer goods.

Having overseas relatives and friends in 2001 was a different PGC than before both in terms of its symbolic and functional implications for one's value formation. In pre-reform or even early-reform China, despite the limited and difficult contacts and communications, those with overseas relatives and friends could receive some financial assistance, but had no way of using this form of wealth transfer for personal consumption. In recent years, while people are less dependent on overseas relatives and friends for monetary help, whatever the amount they receive may still help improve their standard of living. More frequent and convenient contact with overseas relatives and friends<sup>2</sup> may also foster Shanghai residents' desire to express and realize their individual worth. Finally, although searching foreign websites does not yield financial income for consumption, at least not directly, it provides a direct access to different sources of cultural information, which can inspire people to develop certain individualistic values.

Irrespective of the varied mechanisms of the PGCs, they provide connections with people, resources, and information in an extra-local or global network beyond the local context. This will allow us to examine whether people who are differentially connected to the global system would form either ISC or MCO, or both modern values (see Figures 1a and 1b). Figures 1a and 1b graphically display clear differences in the ISC and MCO

scores between people with or without PGCs. Those who worked for foreign companies or often surfed foreign websites had higher ISC scores ( $F = 10.194; p < .001$  and  $F = 11.83; p < .001$ , respectively), while having overseas relatives or friends didn't matter to having higher or lower ISC scores. For MCO, having any of the four PGCs was associated with higher scores. There is consistent evidence that globally connected local residents in Shanghai tend to carry both individualistic and materialistic values.

Figures 1a and 1b about here

### **Regression Modeling**

#### ***Dual sources of modernity: From local to global factors***

Assuming that both local or internal and global or external factors can influence the expression of either ISC or MCO, we ran two sets of regression models to estimate the relative effects of local factors first, global factors second, and then both together (see Table 3).

Table 3 about here

In the first ISC model, which includes only local or internal variables, all except income have the expected and statistically significant effects on ISC. Younger people have a higher ISC score, and so do the better educated. People in all three occupational categories have higher ISC relative to the omitted category of peasants. The expected positive effect of income per capita (logged to smoothen its skewed distribution) may be “washed out” by both education and occupation. In focusing only on the global variables (Model 2 for ISC), we found that people who had worked for foreign companies and often surfed foreign websites have higher ISC, while the two PGCs have not effect. As we brought the local and global variables together in Model 3, all the local variables

maintain their relative effects in both direction and size of coefficients, whereas only one PGC (often surfing foreign websites) exerts a positive effect on ISC. (We excluded two PGCs due to their non-significance and kept only “having worked for foreign companies” because it is significant in Model 2 and sustains a positive sign in Model 3.)

The MCO models differ considerably from the ISC models. In Model 1, only age has a strong positive effect on MCO, while the other local predictors have no effect except that business executives and entrepreneurs have marginally higher ISC. In Model 2, three of the four PGCs have the expected positive effects. Those who had overseas relatives and friends exhibit higher MCO, whereas this doesn't matter to ISC. In the combined model, age remains a powerful predictor. While having overseas relatives and friends continues to have a positive effect, those of the two PGCs are attenuated to differing degrees, with Web surfing losing its effect.

The findings provide a clear and complex picture of how a set of demographic, socioeconomic, and global relational factors work together to foster the formation of individualistic and materialistic values. Younger people feel individualistic, self-competent, and a strong desire for consumption. While education facilitates individualism and self-competency, it does not induce beliefs in materialism and consumption. Occupation has a bifurcating effect as business executives/entrepreneurs and peasants occupy the high and low ends of these two types of modern values, especially ISC, while the other occupations are little differentiated from peasants regarding MCO. More importantly, people with some, not all, PGCs have stronger ISC or MCO controlling for the above local variables. In the final section below, we attempt to tease out further the substantive meanings and implications of the findings in light of

the reviewed literature. We then draw conclusions about the local vs. global sources of modern values in the Shanghai context and beyond.

### **Discussion and Conclusions: Unpacking the Local-Global Value Nexus**

The primary objective of this paper is to model the relative impact of globalization, if it exists, on local value formation in Shanghai. We began by tracing the intellectual lineage of modernization theory on social change and noting how that literature incorporated a recent “global turn” to address how external forces may affect values and behaviors in localities that experience rapid modernization, industrialization, and globalization. In discussing the socio-psychological consequences of modernization and globalization, Arnett (2002) argued that most people worldwide develop a bicultural identity that combines their local identity with an identity linked to the global culture. Van Der Bly (2007), however, found that economic globalization actually leads to a resurgence of local identity, a reinvention of local history, and a revival of the indigenous language in a local Irish community (also see Giulianotti and Robertson, 2006). Yet there remains little effort to measure and model the mechanisms by which globalization induces the emergence and expression of new values. By focusing on whether personal global connectivity facilitates the formation of values net of the demographic and socioeconomic attributes, we produced evidence and insights for better understanding the microscopic effect of globalization on local culture.

First of all, we uncovered two coherent and interconnected clusters of values that reflect an individualistic vs. a materialistic orientation in Shanghai at the turn of the 21<sup>st</sup> century. The first dimension consists of values that embody one’s perception of personal independence, self worth and competency, and preference for change (ISC). The second

dimension, on the other hand, contains attitudes leaning toward pursuit of wealth, risk-taking, and consumption of foreign-brand goods (MCO). While ISC is more culturally and cognitively based, MCO has a more rational and utilitarian tilt. No single value in the MCO set illustrates the rational and utilitarian orientation better than risk-taking, which is fundamental to the conditions and social life of high modernity, especially the globalized character of modernity (Giddens, 1991). Despite the bifurcation, the two dimensions of ISC and MCO couple into values that not only remind us of those identified by classical modernization theory but also represent a prevalent mental state in a rapidly globalizing city.

Second, we demonstrated via descriptive analysis the great variation in the distribution of the new values by demographic and socioeconomic characteristics. In the multivariate analysis, we found the differential effects of age, education, and occupation on the development of modern values as predicted by modernization theory. These familiar variables explain ISC better than MCO, which is consistent with the modernization literature that shows the emergence of individualistic values as a result of urbanization and industrialization. Youth, education, and modern occupations, which gain salience during industrialization, contribute directly to the formation and spread of individualistic values and emphasis on self-competency.

Third, we moved beyond the traditional focus in modernization research to incorporate global factors as new predictors of the uncovered values. Going a step further, we measured these global factors as different types of personal connections that serve as relational channels for global forces to shape local residents' values. Since global connections are distributed evenly among people, especially in an open and

diverse city like Shanghai, those who possess these global connections are more exposed to having their values influenced by resources and information beyond the locality.

Nevertheless, unlike the local or internal factors, the PGCs turn out to be stronger predictors of MCO than for ISC. As MCO features utilitarian values that more likely to develop in response to the powerful appeal of global consumer goods, the PGCs, which capture some of the local penetration of globalization, are better at accounting for MCO. The ultimate importance in using the PGCs is to bridge the empirical research from a modernization vs. a globalization perspective on social change.

Finally, our paper demonstrated that there are both internal and external sources of new values in rapidly modernizing and globalizing countries like China and cities such as Shanghai. While not surprising, this finding reinforces our earlier call for not only reconceptualizing the connections between modernization and globalization but also measuring and capturing their more nuanced and coupled cultural effects. That these internal and external factors have uneven effects on different types of values cautions us against privileging one vs. the other. While the strong influence of internal variables on the emergence of new modern values is more predictable in light of rapid economic and social transformations in Shanghai, we are just beginning to explore the specific ways by which personal connections to the outside world could gain power in explaining the cultural and socio-psychological consequences of globalization.

If the PGCs used in this paper, and those that might be better measured in the future, extend and embed local residents deeper into the global economy and cultural lifestyles and farther beyond the boundary of their local communities, we expect to see the appearance of more globally oriented values. This scenario heralds a more complex

and layered global-local nexus in cultural values that need to be sorted out through more fine-grained empirical analysis. With the findings from this paper, we hope for future research to delve more deeply into how different types and degrees of personal global connectivity may affect other important dimensions of local socioeconomic transformations unfolding in Shanghai and other great cities around the world.

## Notes

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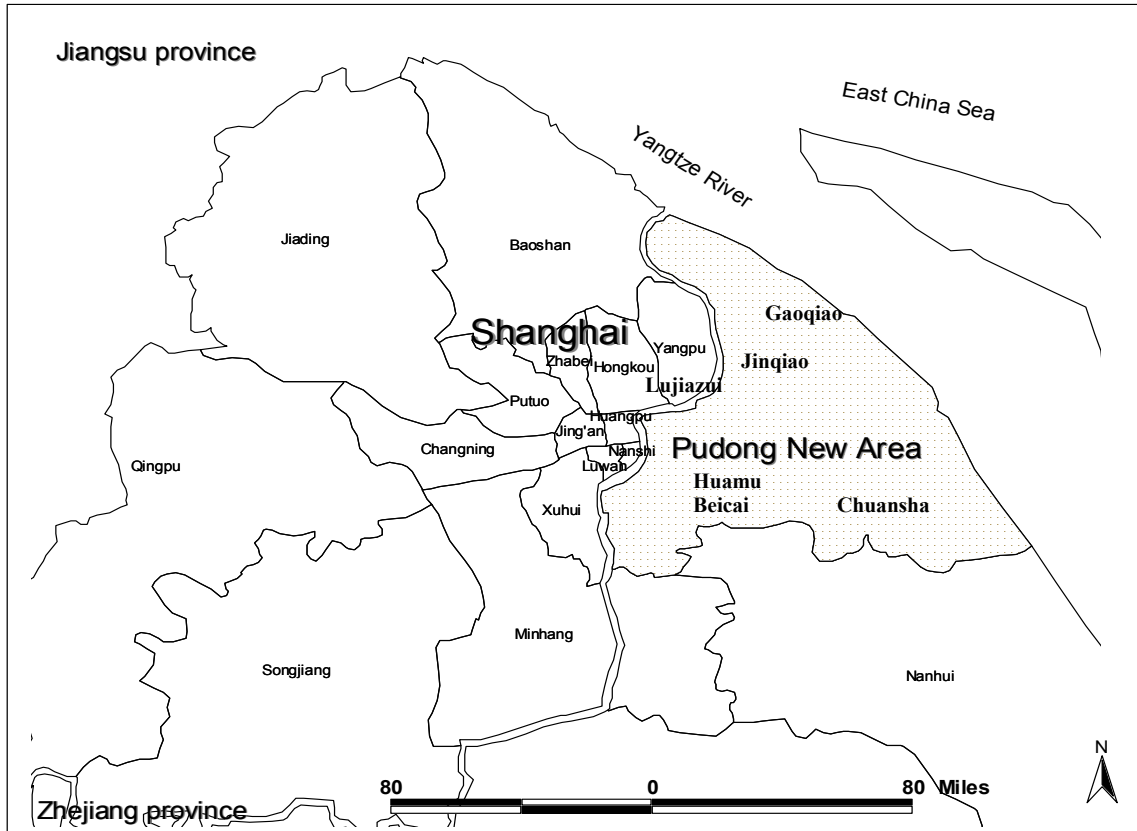
1. The proportions of the sample having zero, one, two, three, and four PGCs are 46.1%, 31.6%, 13.3%, 6%, and 3%, respectively. With regard to the distribution of PGCs, 15.6% of the respondents worked for a foreign company; 14.3% went abroad; 23.8% had overseas relatives and friends; and 37.9% surfed foreign websites. Unfortunately, we couldn't separate overseas relatives from friends in our sample.
2. The proportion of people with overseas relatives or friends (23.8%) in this survey was higher than the 12.6% average of respondents surveyed in eight Chinese cities (Beijing, Shanghai, Guangzhou, Chongqing, Xi'an, Nanjing, Dalian, Qingdao) in 2003 (see Guo, 2005).

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**Map 1** *The Shanghai Metropolitan Region with the Pudong New Area*



**Table 1** *Dual Modernity: Individualism vs. Materialism, Shanghai*

<b>Original variables</b>	<b>ISC Individualism and self- competency</b>	<b>MCO Materialism and consumer orientation</b>
Individualism facilitates the ideal functioning of the society	.537	-.000
Do what one thinks is right and ignore others' opinions	.698	-.002
Success only comes from one's own efforts, not others' help	.513	-.000
Modernization means more self-development	.431	-.002
Always prepared to meet and experience new challenges	.653	.267
Change is better than no change	.585	.161
Live one's own life without worrying about others	.608	.163
The goal in life is to become a millionaire	.179	.670
Always pursuing high paying and high risk jobs	.328	.569
To get rich is glorious	-.002	.582
Seeking comfort in life	-.107	.401
A job is meaningless without financial rewards	-.112	.474
Foreign brand goods are always better than domestic ones	.193	.636
Always preferring foreign brands when shopping	.224	.643
One should always imitate and follow popular consumption	.122	.394

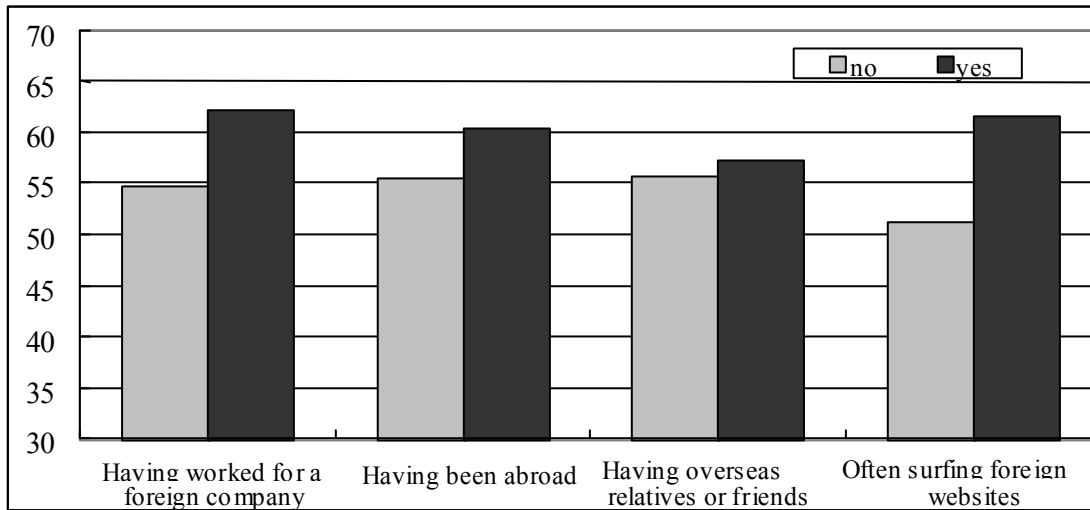
*Note:* The factors of ISC and MCO were generated through varimax rotation.

**Table 2** *ISC and MCO Values Across Different Groups*

	ISC			MCO		F Values
	Mean	S.D.	F value	Mean	S.D.	
<b>Grand Average</b>	56.03	20.04		43.06	18.92	
<b>Age</b>			3.154**			12.814***
14 ~ 20	58.51	16.74		48.99	18.29	
20 ~ 30	59.69	15.93		48.07	16.43	
30 ~ 40	57.84	21.79		44.91	17.95	
40 ~ 50	55.48	21.66		44.85	19.10	
50 ~ 60	54.87	20.37		41.14	20.82	
60 and above	49.28	21.12		29.89	15.19	
<b>Education</b>			5.651***			2.379*
Below primary school	44.31	22.98		36.47	11.66	
Primary school	40.97	25.03		31.92	17.81	
Junior middle school	50.46	21.67		40.51	18.96	
Senior middle school	59.11	19.42		44.78	20.58	
Bachelor	58.44	16.89		45.98	19.09	
Master or Ph.D.	66.14	13.89		49.04	15.42	
<b>Occupation</b>			7.804***			3.148**
Party and government leaders	54.70	13.37		43.49	21.51	
Business executives and entrepreneurs	61.29	17.47		49.06	18.70	
Technical and educational personnel	55.31	18.77		40.19	18.12	
Manual, commercial, and clerical workers	55.90	21.15		42.89	19.13	
Peasants	34.97	23.04		36.03	15.47	
<b>Monthly household income</b>			5.604**			9.336***
Low income (~ 2,000 yuan)	51.43	23.51		38.23	19.06	
Middle income (2,000 ~ 4,000 yuan)	56.33	18.82		42.84	18.76	
High income (4,000 yuan and above)	59.39	17.94		48.02	18.51	

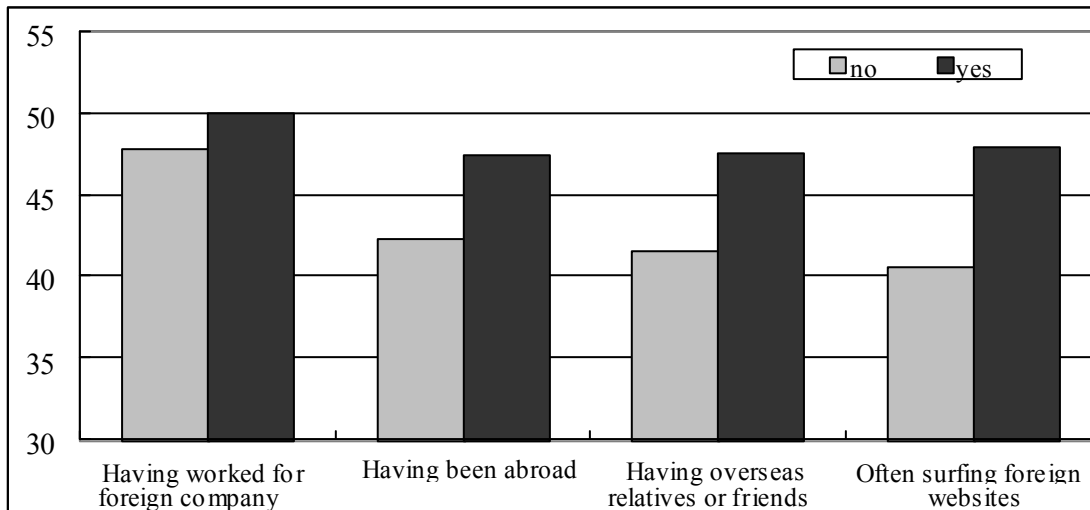
\* $p < 0.05$     \*\* $p < .01$     \*\*\* $p < .001$

**Figure 1a** Scores of Individualism (ISC) for People with or without Personal Global Connections (PGCs)



*Note:* ANOVA analysis shows these differences in ISC scores between people with or without the four personal global connections: 1) Having worked for a foreign company ( $F = 10.194$ ;  $p < .001$ ), 2) having been abroad ( $F = 4.21$ ;  $p < .05$ ), 3) having overseas relatives or friends ( $F = 0.54$ ; not significant), and 4) often surfing foreign websites ( $F = 11.83$ ;  $p < .001$ ).

**Figure 1b** Scores of Materialism (MCO) for People with or without Personal Global Connections (PGCs)



*Note:* ANOVA analysis shows these differences in ISC scores between people with or without the four personal global connections: 1) Having worked for a foreign company ( $F = 12.63$ ;  $p < .001$ ), 2) having been abroad ( $F = 4.99$ ;  $p < .05$ ), 3) having overseas relatives or friends ( $F = 10.14$ ;  $p < .01$ ), and 4) often surfing foreign websites ( $F = 5.46$ ;  $p < .05$ ).

**Table 3** OLS Regression Models Estimating the Effects of Internal (Personal Attributes) vs. External (Personal Global Connections, PGCs) Variables and Their Combined Effects on ISC vs. MCO, Shanghai, 2001

Predictors	ISC			MCO		
	Model 1	Model 2	Model 3	Model 1	Model 2	Model 3
Age	-0.11** (0.05)	--	-0.10** (0.05)	-0.29*** (0.05)	--	-0.29*** (0.05)
Educational attainment	0.69** (0.29)	--	0.62** (0.29)	0.03 (0.27)	--	-0.12 (0.27)
Party and government leaders <sup>1</sup>	12.71** (5.50)	--	13.51** (5.50)	6.63 (5.17)	--	7.39 (5.15)
Business executives and entrepreneurs <sup>1</sup>	16.42*** (4.48)	--	16.12*** (4.47)	7.70* (4.21)	--	6.96* (4.19)
Technical and educational personnel <sup>1</sup>	10.94** (4.51)	--	10.89** (4.50)	1.05 (4.24)	--	0.81 (4.21)
Manual, commercial, and clerical workers <sup>1</sup>	14.41*** (3.89)	--	14.33*** (3.89)	3.79 (3.65)	--	3.68 (3.62)
Income per capita (logged)	1.89 (1.20)	--	1.41 (1.24)	1.63 (1.12)	--	0.66 (1.78)
Having worked for a foreign company	--	5.65** (2.26)	2.06 (2.27)	--	5.58*** (2.13)	3.76* (2.13)
Having been abroad	--	2.45 (2.39)	--	--	1.26 (2.25)	--
Having overseas relatives or friends	--	-0.27 (1.91)	--	--	4.32** (1.80)	4.43** (1.77)
Often surfing foreign websites	--	8.91*** (3.18)	6.44** (3.13)	--	5.56* (2.99)	3.65 (2.93)
Constant	26.19** (8.03)	47.33*** (2.79)	24.17*** (8.49)	39.69*** (7.55)	36.62*** (2.24)	45.14*** (8.11)
Observations	600	600	600	600	600	600
R-squared	0.08	0.03	0.10	0.09	0.03	0.10

*Standard errors in parentheses.*

\* $p < .1$  \*\* $p < .05$ ; \*\*\* $p < .01$

<sup>1</sup>Peasants are the omitted or reference category for comparison with these groups.