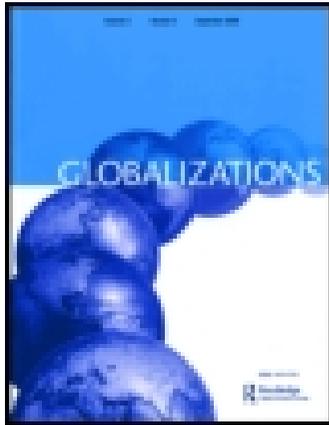


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Publisher: Routledge

Informa Ltd Registered in England and Wales Registered Number: 1072954 Registered office:  
Mortimer House, 37-41 Mortimer Street, London W1T 3JH, UK



## Globalizations

Publication details, including instructions for authors and subscription information:

<http://www.tandfonline.com/loi/rglo20>

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Published online: 20 Apr 2015.



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To cite this article: Xiangming Chen & Yuan Ren (2015): Modernity and Globalization: The Local and Global Sources of Individualistic and Materialistic Values in Shanghai, *Globalizations*, DOI:

[10.1080/14747731.2015.1033246](https://doi.org/10.1080/14747731.2015.1033246)

To link to this article: <http://dx.doi.org/10.1080/14747731.2015.1033246>

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## Modernity and Globalization: The Local and Global Sources of Individualistic and Materialistic Values in Shanghai

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**ABSTRACT** *Sociological research has arrived at an intellectual crossroad where it faces the challenge of understanding how the dynamics of globalization have joined the forces of modernization in inducing social change. In this paper, using a survey conducted in Pudong, Shanghai, in 2001, which had captured conditions of the area's rapid transformations in a globalizing city, first, we have uncovered two distinctive dimensions of individualistic vs. materialistic values via factor analysis. Second, we have shown strong bivariate relationships between these two dimensions of values and several demographic and socioeconomic variables, as well as personal global connections (PGCs). Third, we have found that PGCs have uneven significant effects on the emergence of individualistic and materialistic values net of the demographic and socioeconomic variables. Finally, we discuss how modernizing and globalizing conditions are conducive to the formation of individualistic and materialistic values in Shanghai, heralding this process in other rapidly modernizing and globalizing cities in China and elsewhere.*

**Keywords:** modernity, globalization, individualism, materialism, Shanghai

### Introduction

As globalization gains more traction in the literature on social change, the traditional perspective on modernization has faded from its once prominent position. The words 'global' and 'globality' have appeared more often than 'modern' or 'modernity' for describing cultural values 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 economic

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and social transformations? While value formation is always subject to outside influence, the local penetration of accelerated globalization renders that question very timely. It begs new empirical research against the shift from the modernity-based discourse on social change to one centered around globalization, which has enhanced, not obviated, the need to reevaluate the meaning of modernity in a global age.

While the heyday of modernization theory is long gone, it has sustained a legacy that continues to play foil to the more recent discourse on postmodernism. What is modern becomes increasingly problematic in relation to postmodern. However, modernity remains relevant when we look at what happens to values in traditional societies undergoing rapid economic development and profound social change. Modernity becomes more relevant to traditional societies whose rapid economic growth is increasingly driven by global forces. While this by no means calls for reviving modernization theory, it challenges scholars to connect globalization theory more meaningfully to the intellectual legacy of modernization theory, and to demonstrate the relationship between modernizing and globalizing dynamics at the local level through empirical research that can generate insights for new theorizing.

In this paper, we explore the components and meaning of new values in Shanghai at the turn of the twenty-first century by assessing the influence of both local and global factors on these values. The turn of this century was well suited for understanding this relationship in Shanghai, which was undergoing accelerated development and globalization. We begin with a critical review of the classical literature on modernization and its newer offshoots and how this scholarship is connected to globalization research. This allows us to derive the main proposition about why and how globalization may facilitate the emergence of modern values in conjunction with internal sources. 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 uses regression analysis to estimate the factors contributing to the duality of values. Then we discuss the findings and their implications for (1) understanding the composition of new values in globalizing Shanghai and China and (2) integrating key elements of the literatures on modernization and globalization. Finally, in light of our findings based on earlier data, we ponder upon how the continued unfolding of globalization may further affect values and attitudes in China and beyond and what it calls for in new research.

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

Tracing the research on the evolution and determination of human values triggers a retracing of the intellectual footsteps of modernization theory through its classical and neo-phases. The classical modernization perspective emerged in the earlier post-World War II 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 industrialized societies. Scholars such as Samuel Huntington, David McClelland, and Wilbert Moore contributed various elements to the classical modernization paradigm (So, 1990). Moore (1979), for example, viewed modernization as the total transformation of a traditional society into the social organization characterizing the economically prosperous and politically stable nations of the Western world.

Alex Inkeles made the most important contribution to the relationship between modernization and values. While his definitive book *Becoming Modern* (with David H. Smith) was not published until 1974, Inkeles (1964) developed the central concept and a set of attributes of

'modern men' based on survey data from six developing countries. These attributes included openness to new experience, independence from authority, long-range planning, and mobility orientation. He saw these individual-level or personal attributes as reflecting the macro impact of modernization that would weaken political authority and unleash greater social mobility. 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 influence and as their standard of living rose, they would adopt more modern values. This laid the theoretical and empirical foundation for what Inkeles (1983) labeled 'individual modernity'.

With the onset of the 1970s, classical modernization research evolved to a new phase, loosening such key 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 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. Other neo-modernization researchers also accepted that traditional values often persist during the modernization process and coexist with modern values.

Despite these modifications and adaptations, research of 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 another new stage. 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 cultural shifts away from traditional values emphasizing economic and physical security, the rise of post-industrial society is linked with subjective well-being and quality of life, including the values of increasing rationality, tolerance, trust, and so on.

Inglehart's research is complicated by the empirical reality that the period he covered witnessed accelerated globalization, which exerts a strong impact on the interaction between industrial transition and value formation. Understanding how globalization affects modernization calls for connecting them conceptually. 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 intensifies 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 abandon their traditional cultures and assimilate in technologically and morally 'superior' Western ways, the interaction between globalization and localization implies that some traditional values may persist or evolve in a path-dependent manner.

Furthermore, Rosenau (1997) argued that globalization and localization are coexisting and interdependent processes, and as such, localization gains strength as globalization intensifies. He saw this resulting in simultaneous integration and fragmentation, which in our context implies a possible rise of mixed or hybrid values with both Western and Chinese elements. Concerned about the potential erosion of traditional values under rapid globalization, some Chinese scholars call for preserving some traditional values, while learning from Western values. The local penetration of global forces in an opened China creates strong stimuli for modern, Western-oriented values to arise. This process may be most intensive in Shanghai where global forces are in full swing against a local culture that was also receptive to Western influence back in the 1920s–1930s (Lee, 2000; Yeh, 2000).

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

The data for this paper came from the Pudong New Area of Shanghai, which has since 1990 experienced one of the most remarkable transformations of any city in the world. Pudong stands out most strikingly during Shanghai's transformation. Previously a mostly agricultural county of rice paddies and farm houses east of Huangpu River, Pudong is now dotted with modern factories including semiconductor plants and commercial skyscrapers, including the just completed world's second tallest building.

The transformation of Pudong from Shanghai's backwater into its crown jewel is reflected in demographic, urbanization, and economic trends and weights during the first decade of its redevelopment. In 1990, Pudong had a total permanent population of 1.39 million, which rose to 2.49 million in 2005, 15.7% of Shanghai's total population, and to 5.04 million, 21.9% of Shanghai's total population in 2010. Pudong's GDP as a share of Shanghai's total rose from 8.1% in 1990 to 28.6% in 2013. From 1990 to 2001 when our data were collected, agricultural labor as a share of Pudong's total employment declined from 47.7% to 4.6% (Pudong Social Development Bureau and Pudong-Fudan Social Development Research Center, 1995, 2013). Pudong also absorbed the lion's share of the foreign direct investment in Shanghai from 1990 to the early 2000s. Rapid industrialization, urbanization, and globalization in Pudong make it the leading area of Shanghai's economic miracle and global rise.

### **The Survey and Sample**

This study is based on a survey conducted in the Pudong New Area in late 2001. 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 centers were more urbanized (see [Figure 1](#)). To obtain a representative sample of both urban and rural residential areas, we employed a three-level sampling procedure.

First, we selected nine subdistrict offices and five towns to give more weight to the larger urban population (Shanghai Statistical Bureau, 2002). Second, we selected 2 neighborhood committees under each of the 9 subdistrict offices for a total of 18 neighborhood committees. To sample residents in the towns, 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 area of another town (Beicai) close to the urban subdistricts. To capture residents in the less urbanized areas, we chose one village committee in the town center and one village committee in the rural sections of two towns (Gaoqiao and Chuansha) located farther away from downtown Pudong. To ensure that high-end residential areas with a concentration of villas were included, we surveyed one such development project (Lujiazui garden) bordering Lujiazui financial district and another nearby compound located in Jinqiao (see [Figure 1](#) for the locations of the surveyed towns).

The last stage involved sampling households. To ensure that we would have 25 households in every chosen neighborhood committee and 30 households in the town center and agricultural village committees in three towns, we randomly over-sampled an average of 30 households in each area. To get at least 15 households in the town center of Huamu and the upscale housing compounds in Jinqiao town and Lujiazui garden, we sampled an average of 20 households in each unit. Using a prepared questionnaire, we conducted a face-to-face interview with

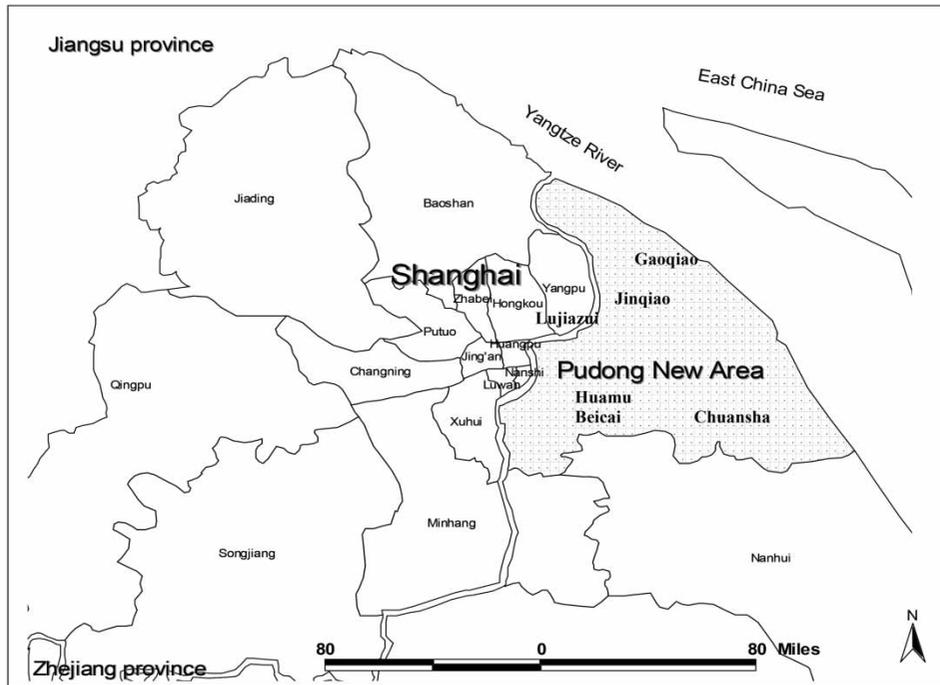


Figure 1. The Shanghai metropolitan region with the Pudong new area.

one member of each chosen household, primarily 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 (villages) of the towns for a total of 600 cases, yielding a high completion rate of almost 90%.

The broad geographic 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 location, administrative status, and degree of urbanism. As social surveys had already been well used in China by 2001, especially in more open cities such as Shanghai, we are relatively confident about the respondents' level of awareness and honesty in answering the questions. While we enlisted limited assistance from the neighborhood committees for the survey, their help was confined to providing the full list of households for selecting a representative sample and making it a little easier to access the selected households and thus ensure participation.<sup>1</sup> The survey team led by the second author made sure that the neighborhood committee officials were not present during the questionnaire administration. In addition, our survey was part of a growing number of large-scale social survey that have been conducted since around 2000.<sup>2</sup>

Despite the survey's focus on Pudong only, it is reflective of Shanghai and beyond in two ways. First, the basic demographic and socioeconomic indicators on Pudong were very similar to Shanghai's averages in 2001. The shares of nonagricultural 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% vs. 1.7%, 47.6%, and 50.7% for Shanghai (Shanghai Statistical Bureau, 2002). The first author's earlier fieldwork in Shanghai revealed that more and more people in Puxi (west of the Huangpu River), who used to look down upon Pudong and its indigenous residents, have bought new commercial flats in Pudong and moved there. This shift in perception and reality, which mirrors the shrinking gap between Pudong and Puxi, gives us some confidence that the findings would 'cross the river' within Shanghai.

Second, through our effort to include the less urbanized and developed parts of Pudong, we also intend to reflect the conditions of Shanghai's outlying districts, which have been exposed to the spillover influence of intensive urban redevelopment and globalization from central Shanghai. While the local impact of globalization diminishes beyond a cosmopolitan coastal city such as Shanghai, our analysis may point to emerging cultural profiles in other Chinese cities as they become more industrialized and globally connected.

## Analysis and Findings

### *Modernity Split and Recoupled: Individualistic vs. Materialistic Values*

The first step of our analysis was to construct a profile of human values in early twenty-first-century Shanghai by measuring people's responses toward a number of questions on values. From these responses, we have extracted two dimensions of values through factor analysis. Table 1 shows the factor loadings and main variables for constructing the two indexes with varimax rotation.

To the extent that modernization erodes traditional values such as dependence, determination, respect for authority, and national pride (Inkeles & Smith, 1974), it amounts to a loss of collective identity and a stronger awareness of the individual self. Inglehart (1997) confirmed this relationship by uncovering two distinctive dimensions of human values as 'Traditional/Secular Values' and 'Survival/Self-Expressional Values'. Our analysis has revealed a similar

**Table 1.** Dual modernity: individualism vs. materialism, Shanghai

Original variables	ISC	MCO
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.

dimension based on components such as ‘individualism facilitates the ideal functioning of the society’, ‘do what one thinks is right and ignore others’ opinions’, and ‘modernization means more self-improvement’. These not only reflect a self-centered value orientation 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 factor ‘Individualism and Self-Competence (ISC)’.

In traditional China, obedience was a core principle in an authority-based social hierarchy that promoted a family centered collective unit and suppressed self-development (Harrell, 1985). In pre-reform China, the Communist ideology and its rigid administrative structure reinforced the traditional hierarchy and further restricted individualism. As economic reform and opening weakened the ideological and institutional barriers to individualism, the development of market activities and competition fostered the growth of specific individualistic values such as independence, self-worth, and self-development. Our analysis captures these and other values that reflect an individualistic orientation.

As Table 1 indicates, we have extracted another value dimension, which consists mainly of attitudes such as ‘the goal in life is to become a millionaire’, ‘to get rich is glorious’ (the famous pragmatic motto attributed to Deng Xiaoping), ‘foreign brand goods are always better than domestic ones’, and ‘one should always imitate and follow popular consumption’. Since these reflect people’s values in wealth accumulation, job risks and rewards, and foreign-oriented consumption, we characterize them as forming a Materialism and Consumer Orientation (MCO). In pre-reform China, the government advocated ideological puritanism and egalitarianism and suppressed consumption. People were required to work for national economic and political interests rather than individual financial rewards. In addition, the average person had few opportunities to consume imported goods. Like individualism, materialism and consumerism grew stronger with economic reform, which has stimulated people’s desire to live a better life. Work has taken on a rational and utilitarian meaning of risk and reward. The materialistic orientation grew stronger as China imported more foreign-brand goods (Fan, 2000). As expected, we have found that materialistic attitudes and a desire to consume foreign-brand goods go together in forming a connected set of values.

### *Modernity Across Groups*

Having identified two dimensions of values, we explore how they vary across important factors that may account for them. Table 2 shows that age differentiates both ISC and MCO. People in younger age groups exhibit a stronger orientation toward individualism and materialism. This merely confirms the established negative relationship between age and modernity. In China, these age groups represent the different generations of people who lived during very different periods of political life and social change. As different age cohorts experience varied socialization through different exposures to historical events (Braungart & Braungart, 1993; Peng & Ren, 1999), they inevitably develop different values. Those aged 30 or younger experienced reform and opening during their formative years, with most of them being the only children born after 1979. As the only child, many demanded and got what they wanted in terms of parental attention and spoiling (Davis & Sensenbrenner, 2000). Those in the 30–40 and 40–50 age groups, many of whom lived through much worse economic times, had a noticeably lower MCO, even though they differed little from the younger age groups in ISC (Table 2). It is worth noting that the oldest (60+) age group, or the so-called Revolution Generation (born before 1949), ranked much lower in both ISC and MCO as fully expected.

**Table 2.** ISC and MCO values across different groups

	ISC			MCO		
	Mean	S.D.	F-value	Mean	S.D.	F-values
<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	
Monthly household income			5.604**			9.336***
Low income (~2000 yuan)	51.43	23.51		38.23	19.06	
Middle income (2000–4000 yuan)	56.33	18.82		42.84	18.76	
High income (4000 yuan and above)	59.39	17.94		48.02	18.51	

\* $p < .05$ .\*\* $p < .01$ .\*\*\* $p < .001$ .

Besides age, education is positively associated with modern values (Inkeles & Smith, 1974), which is also confirmed by our analysis (Table 2). While both ISC and MCO rise from primary school, they are the strongest at the highest level of education. With economic reform and opening, the educational system shifted from cultivating a collectivist ideology to fostering more independent thinking. The introduction of a more Western curriculum in colleges and universities also facilitated a greater appreciation and valuation of human capital. In a more competitive job market, better educated people realize their competencies more and pursue more risky and rewarding positions. We have found that higher education is associated with both a cognitive awareness of self-worth and competency and a utilitarian attitude toward material consumption.

As Table 2 shows, 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 on both value dimensions, with little differentiation among the other three categories. Considering that ISC consists of values of self-confidence, self-development, and meeting challenges, it is not surprising that business executives and entrepreneurs have the highest ISC. Finally, we have demonstrated another familiar, positive relationship between income level and modern values.

*Modernity via Global Connectivity*

While we expect age, education, occupation, and income to influence the formation of modern values, we are more interested in them if these values are influenced by global forces. To measure them, we used 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>3</sup> We label these personal global connections (PGCs). Since they are not mutually exclusive, we allowed the respondents to choose up to four categories if they had all the PGCs. The extent of overlaps is indicated by their moderate 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.

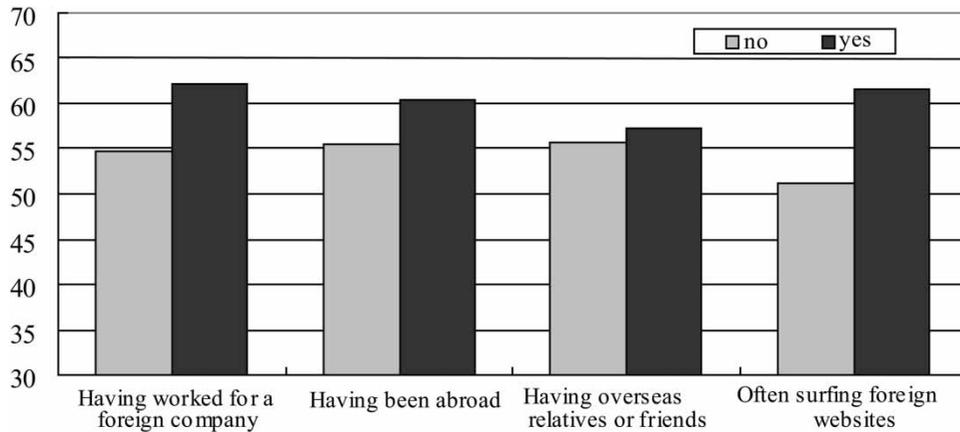
Regarding 'having worked for a foreign company', Shanghai ranks toward the very top of all Chinese cities in the number of foreign companies. In 2001, people working for foreign companies including those owned by overseas Chinese accounted for 14.5% of the total work force. The average wage in the foreign 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. Second, in an open and prosperous commercial city such as Shanghai, more and more people have in recent years traveled abroad on business and increasingly as tourists. Overseas travel gives people direct experience with foreign cultures and offers an opportunity to purchase brand-name goods.

Having overseas relatives and friends in 2001 was a different PGC than before regarding its importance for value formation. In pre-reform or even early reform China, despite limited contacts and communications, those with overseas relatives and friends could receive some financial assistance, but had few avenues to use this form of wealth transfer for consumption in China. In more recent years, people are less dependent on overseas relatives and friends for monetary help, but whatever the amount they receive may still help improve their standard of living.<sup>4</sup> More frequent and convenient contact with overseas relatives and friends<sup>5</sup> may also stimulate Shanghai residents' aspiration for success and expression of individual worth. Finally, although searching foreign websites does not yield income for consumption, it provides a direct access to different sources of cultural information, which can inspire certain individualistic and materialistic values.

The PGCs connect people to resources and information in the global network. They allow us to examine whether people differentially connected to the global system would form either ISC or MCO, or both modern values. Figures 2 and 3 display clear differences in both 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). For MCO, having any of the four PGCs was associated with higher scores. This is evidence that globally connected Shanghai residents tend to carry both individualistic and materialistic values, especially the latter.

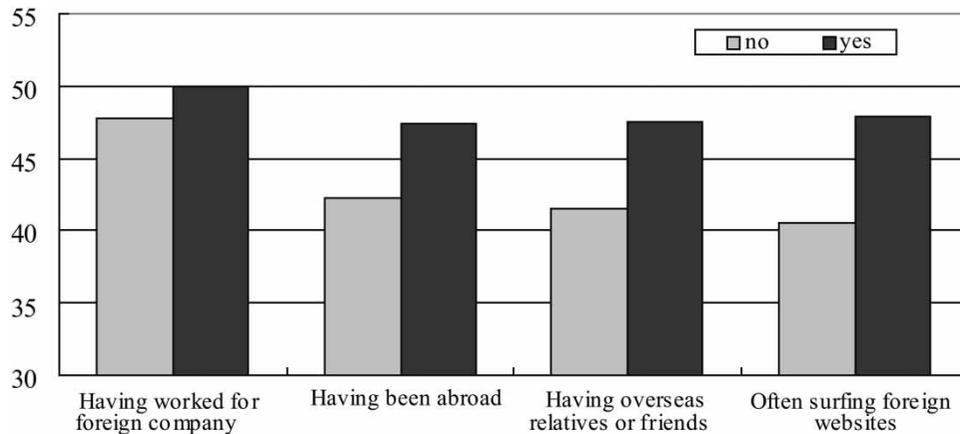
**Regression Modeling***Dual Sources of Modernity: From Local to Global Factors*

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



**Figure 2.** Scores of individualism (ISC) for people with or without PGCs.

Note: ANOVA shows these differences in ISC scores between people with or without the four PGCs: (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 3.** Scores of materialism (MCO) for people with or without PGCs.

Note: ANOVA shows these differences in ISC scores between people with or without the four PGCs: (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 ( $F = 5.46$ ;  $p < .05$ ).

In the first ISC model, which includes only local 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 than the omitted category of peasants. Focusing only on the global variables (Model 2 for ISC), we have found that people who had worked for foreign companies and often surfed foreign websites have higher ISC, while the two PGCs have no effect. As we brought the local and global variables together in Model 3, all the local variables maintain their

**Table 3.** OLS regression models estimating the effects of local (personal attributes) vs. global (PGCs) variables and their combined effects on ISC (individualism) vs. MCO (materialism), Shanghai

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>a</sup>	12.71** (5.50)	-	13.51** (5.50)	6.63 (5.17)	-	7.39 (5.15)
Business executives and entrepreneurs <sup>a</sup>	16.42*** (4.48)	-	16.12*** (4.47)	7.70* (4.21)	-	6.96* (4.19)
Technical and educational personnel <sup>a</sup>	10.94** (4.51)	-	10.89** (4.50)	1.05 (4.24)	-	0.81 (4.21)
Manual, commercial, and clerical workers <sup>a</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
Adjusted R-squared	0.08	0.03	0.10	0.09	0.03	0.10
F-value	8.437***	4.951**	7.179***	9.146***	5.978***	7.671***

Note: Standard errors in parentheses.

\* $p < .1$ .

\*\* $p < .05$ .

\*\*\* $p < .01$

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

relative effects, 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 positive effects of business executives and entrepreneurs are marginal. In Model 2, three of the four PGCs have the expected positive effects. It is important to note that those who had overseas relatives and friends exhibit higher MCO. 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 surfing foreign websites losing its effect.

All three regression models fit the data as indicated by the significant *F*-values. While the *R*-square values are relatively low, we found them acceptable, albeit not ideal, for these reasons. First, the *R*-squares in their adjusted form are more conservative estimates of the percent of variance explained, although the unadjusted *R*-squares are a little higher. Second, the combined model, which is of central theoretical importance, has improved the *R*-squares for the first two models with only local or just global variables (25% and 233% more variance explained for ISC and 11.1% and 233% more variance explained for MCO). Third, the dependent variables of ISC and MCO are factors consisting of multiple items that may be influenced by independent variables, which are not, but could have been, in the models. It is unfortunate that the relatively small size and limited scope of the sample prevented us from including predictors that might have contributed to the models' explanatory power. The small sample and number of variables have also prevented us from exploring any potential interactions among the independent variables, which should be done in deeper research with better data in the future. Despite the limitations, the data and regression analysis have permitted us to produce a general picture of the relative influence of demographic, socioeconomic, and global factors on individualistic and materialistic values, which was called for by a conceptual integration of the modernization and globalization perspectives.

To summarize the findings, younger people feel individualistic, self-competent, and a strong desire for consumption. While education facilitates ISC, it does not create a desire for materialism and consumption. Occupation has a polarizing effect in that business executives/entrepreneurs and peasants occupy the high and low ends of these two types of values, while the other occupations besides business executives/entrepreneurs are little differentiated from peasants regarding MCO. More importantly, people with some, not all, PGCs have stronger ISC or MCO controlling for the local variables. In the final section, we discuss the meanings and implications of the findings in light of the literature reviewed earlier. Then we draw preliminary conclusions about the local vs. global sources of modern values in Shanghai and beyond.

### **Discussion and Conclusion: Exploring the Modernity–Globalization Nexus**

The primary objective of this paper is to (re)connect the scholarships on modernization and globalization through a rare modeling of the impact of globalization on local values in rapidly developing Shanghai while controlling for conventional demographic and socioeconomic factors. We have traced the intellectual lineage of modernization theory and its connections to globalization. In understanding the socio-psychological consequences of modernization and globalization, the debate focuses on whether economic globalization leads to the erosion of national and local cultures and the emergence of a globally homogenous culture that features standard values. Arnett (2002) argued that most people worldwide develop a bicultural identity that combines their local identity with a global one. 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 as in a local Irish community. Yet there are few empirical efforts to measure and model the mechanisms by which globalization induces new values. Focusing on whether PGCs facilitate the formation of values net of demographic and socioeconomic attributes, we have produced evidence for better understanding the microscopic effect of globalization on local culture.

Our findings have confirmed the differential effects of age, education, and occupation on the development of modern values as predicted by modernization theory. However, these familiar variables explain ISC better than MCO. This is also consistent with the findings in the modernization literature that show the inevitable emergence of individualistic values as a result of urbanization and industrialization. Youth, education, and modern occupations, which gain salience during and from industrialization, contribute directly to the formation of individualistic values and an emphasis on self-competency.

We have moved beyond the traditional focus in modernization research to incorporate global factors as new predictors for the uncovered values. We have measured these global factors as personal channels for global forces to shape local residents' values. Since global connections are distributed unevenly among people, especially in a diverse city such as Shanghai, those who possess these connections are more likely to having their values influenced by external conditions. Nevertheless, unlike the local factors, the PGCs turn out to be stronger predictors of MCO than for ISC. Given that the PGCs are better at capturing the material aspect of globalization's local impact, they are correspondingly better in accounting for MCO. This finding is consistent with an earlier analysis using the same data set for predicting the effects of PGCs on individuals' choices for housing locations (Chen & Sun, 2007). The ultimate importance in using the PGCs is to move the empirical research on modernization to a globalization perspective on social change. As globalization reshapes local values through cultural mixing and fusion, we can expect to see both integration and fragmentation of values in local societies.

Our analysis has demonstrated both the internal and external sources of new values in rapidly modernizing and globalizing countries such as China, especially a city like Shanghai. However, these local and global factors have uneven effects on different types of values, cautioning us against privileging one vs. the other. While the strong influence of local variables on 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 connections to the outside world may become more important in explaining the cultural and socio-psychological consequences of globalization. If the PGCs used in this paper, and those that can be better measured in the future, extend and embed local residents deeper into the global economy and culture, farther beyond local communities, we expect to see the appearance of more globally oriented values. This scenario heralds a more complex global–local nexus that needs to be sorted out through a more fine-grained empirical analysis.

Despite being based on a survey in Shanghai in 2001, this analysis was well timed to uncover the influence of intensive industrialization and globalization on local values. As globalization has widened and deepened in Shanghai since 2001, accompanied by a gradual transition from a manufacturing-dominated economy to services, we expect the continued impact of globalization on the content and direction of change in local values. That is, individual modernity is likely to manifest differently at different stages of globalization. For example, modernity may reflect a stronger emphasis on materialism at an early stage of globalization, but shifts to a stronger concern about holistic well-being and sustainability at a later stage. This hypothesis and its associated questions call for more in-depth research on the relationship between globalization and modernity.

### **Acknowledgements**

Xiangming Chen would like to thank the School of Social Development and Public Policy at Fudan University for hosting him on numerous occasions, which facilitated the further

development and eventual completion of this paper. Yuan Ren would like to acknowledge the support from the CCK grant for his postdoctoral research fellowship at the University of Illinois at Chicago, which allowed this paper to be developed. He is also thankful for the support from the research fund at the School of Social Development and Public Policy at Fudan University. We thank Moshe Semyonov and the two anonymous reviewers for their helpful comments on the earlier drafts.

### Disclosure Statement

No potential conflict of interest was reported by the authors.

### Funding

Data collection for this paper was supported by a grant from the CCK Foundation for International Exchange awarded to the first author during 1999–2001.

### Notes

- 1 Since this survey mainly focused on attitudes toward cultural values and consumption instead of dealing with politically sensitive issues, it alleviated most of the respondents' concerns about giving honest answers. To enhance the honesty of the respondents and thus the validity of the data, we also hid the identity of the funding source (a Taiwan-based foundation) and instead ran the survey as a Fudan University project led by the second author.
- 2 Nationally, the Chinese General Social Survey (CGSS) focused on social change has been conducted annually since 2003. It is based on interviews with 10,000 households in 125 randomly sampled counties, 500 street offices/towns, and 10,000 neighborhood committees in China. This survey is administered at Renmin (People's) University in Beijing. In Shanghai, Fudan University, where both authors work, fielded a Residents' Lifestyle Survey in 2013. It included questionnaire-based interviews with 2018 households selected through a hierarchical random sample. The survey focused on people's behavior in consumption and transportation and attitude toward carbon emissions.
- 3 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 relatives and friends overseas; and 37.9% surfed foreign websites. Unfortunately, we could not separate overseas relatives from friends in our sample.
- 4 Although the total amount of remittance flows from Chinese immigrants back into China in 2001 was not nearly as large as it was in 2013, when China ranked the second largest receiving country in the world (Hooper & Batalova, 2015), it could be greater financial assistance to those in China who received any remittance in 2001 when local income and consumption were lower than today.
- 5 The proportion of people with a relative or friend overseas (23.8%) in this survey was higher than the 12.6% of respondents surveyed in eight Chinese cities (Beijing, Shanghai, Guangzhou, Chongqing, Xi'an, Nanjing, Dalian, and Qingdao) in 2003 (Guo, 2005).

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