

The Social Characteristics of the Middle Class in Macao and a Proposed Research Path

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Recent research and analysis on the middle class in Macao have drawn intense public and academic attention. Extensive and heated discussions have focused on definitions and identify of Macao middle class. Even the government has been concerned with conditions of the Macao's middle class. In May 2011, the Chief Executive Chui Sai On stated that the well-being and development of the middle class would be a focus of future government policies. The definition of, housing, opportunities of upward mobility, training, preferential measures and social security for, the middle class are issues of concern to, and under active study by, the Government of the Macao Special Administrative Region (SAR).¹

The olive-shaped social structure with a large middle class has been regarded as a hallmark of well-developed society. With higher income, education levels and standard of living, the middle class shapes the social norms with its values. Tax contribution from the middle class accounts for the majority of government revenues given its large population base and stable per capita income. As the middle class is also utterly concerned with its own interest and knows how to leverage the power of its votes, it also has significant political impact. As the middle class is both a driving force for progress and safety lever for social stability, it has always been a focus of study by sociologists.

I. New middle class and old middle class

1.1 The emergence and development of “old middle class” and the “new middle class”

1.1.1 Marx's discourse on the middle class

The topic of class was always central to the system of political thought of Karl Marx who is deemed as one of the founders of sociology and a master at class analysis. Marx believed that there were two main classes in pre-industrial society: land-owning class (aristocrats, gentry and slave-holders), and the class actively engaged in productive labor (serfs, slaves and free peasantry). In modern industrial society, as factories, offices and machines need be purchased with wealth or capital, means of production became more important. The two main classes are entrepreneurs and capitalists who are in possession of means of production, and the working class who make a living by selling their labor, i.e. the proletariat. The former's relationship with the latter was that of exploitation.²

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Who, then, in Marx's class theory, were the middle class? Marx defined those who belonged to neither the exploiting nor the exploited classes, i.e., the self-employed producers, small traders, smalltime industrialists, as the "middle class".³

1.1.2 Emergence of "new middle class"

In the continuous development of capitalism, there appeared employees earning a salary in exchange for their labor. Were these employees working class and if not what class should they belong? There had been extensive debate on these questions in the Marxist camp, which led to the creation of a new term - "new middle class". The previous term for the class of small employers or petty bourgeoisie became the "old middle class". Historian Gustav von Schmoller suggested that salaried employees such as civil servants, professional employees, managers, office workers and salespersons should all be regarded as the "new middle class". Lederer accepted Schmoller's view and recognized the existence of a "new middle class" which included professional, technical and office workers.⁴ American sociologist Charles Wright Mills in his acclaimed book *White Collar: the American Middle Classes* also adopted the notions of old and new middle classes. In his book, the old middle class comprises small entrepreneurs, farmers, smalltime producers, big proprietors and merchants, while the new middle class includes managers, administrators, doctors, lawyers, professors, salespeople and office staff. They are white-collar officer workers in various professions, management, administration and commerce, whom we most commonly associate with the middle class today.

1.1.3 Development trend of "old middle class" and "new middle class"

Numerous studies have shown that there began a trend of new middle class expansion in the 1950s in the United States and other countries and regions, including Europe, Japan and some other East Asian countries transitioning into industrial or post-industrial societies.⁵ "An important phenomenon in the new social order is the burgeoning new middle class population while 'old middle class' (small independent merchants and small land owners) went through decline in power and influence. The latter was gradually replaced by the 'new middle class', the white-collar employees of big businesses and government."⁶

Around the turn of the last century, there began a transition of capitalism from the phase of free competition to that of big monopolies, with large numbers of small businesses being either amalgamated into and replaced by big businesses. The large monopolies in industry, transportation, finance and commerce employed large numbers of white-collar staff, resulting in a rise of the new middle class as an important segment of society and increasing bankruptcy of the old middle class.⁷ The growth of the new middle class continued in the era of industrial restructuring. The expansion of public services in the 1960s and retail and commercial services in the 1970s and 1980s in the United States all directly contributed to the expansion of the new middle class.⁸ The continued development of capitalism and the advent of post-industrial era meant further growth of the new middle class.

A parallel trend in social structure change was the decline in the number of blue-collar workers. The extensive use of machinery led to a significant reduction in manual work. A smaller number of technical workers with expertise for machine operation replaced larger numbers of blue-collar workers. In the post-industrial society of the United States, there has been a steady decrease in the number of industrial workers (see table 1). In well-established capitalist countries such as Britain and France, there have been similar reductions in the number of blue-collar workers and increase of white-collar employees. All this has contributed to the rising proportion of the "new

middle class” in the working population.

Table 1: Occupational structure in the United States 1960-1990 (%)

Occupation \ Years	1960	1970	1980	1990
<i>Non-business owner</i>				
Managers	7.5	7.57	7.95	8.25
Supervisors	13.66	14.86	15.23	14.82
Specialist managers	3.87	4.41	5.06	5.99
Specialists	3.53	4.53	5.49	6.9
Technical workers	13.46	14.08	12.92	12.77
Blue collar workers	44.59	45.13	44.05	41.3
<i>Business owners</i>				
Small business owners	5.54	4.09	4.53	5.19
Employers	7.86	5.33	4.77	4.71

Source: Zhou Xiaohong (2005). *Report of Middle Classes in the World*. Beijing: Social Sciences Academic Press. 19.

1.2 The middle class in Macao: a large population base of “new middle class”

1.2.1 Employment structure: a comparison with developed countries

Table 2 shows the employment by occupation in a number of developed countries in 2001. The first four occupational categories are all white-collar or middle class, the fifth and sixth categories are classified as blue-collar. The first four categories account for 73.5% of total employment in the United States, 66.9% in the U.K., and 63.2% in Germany, which reflects the predominance of middle class in the social structure of these countries. Table 3 shows the figures for Macao where in 2010 the first five categories of white-collar workers account for 66.19% of all employment. Such a structure is quite similar to that of developed countries. Thus, according to figures from occupational classifications, we can see that there is already a well-developed middle class in Macao.

1.2.2 A large “new middle class”

Table 3 with 2010 statistics shows the employees in various occupations account for a large segment of total Macao employment, i.e. 92.05%, of which the first five categories of “white collar” workers accounted for 60.51%.⁹ The number of employers was 9,900¹⁰, accounting for 3.11%, and self-employed 13,400, accounting for 4.2%, with a combined total of 7.31%. Such a large segment of the new middle class conforms to the contemporary worldwide trend, and in particular, to the pattern in the industrialized capitalist societies. They all have a relatively high proportion of industrial workers and the new middle class, with a declining number of small farmers and urban petty bourgeoisie in production of simple merchandise, and small employers who all belonged to the old middle class.

The emergence of the large new middle class in Macao is closely linked with the changing economic structure of Macao. In 2009, Macao’s tertiary industry accounted for 88.96% of GDP. The farming and fishery industry in Macao had long been in decline. The proportion of the secondary sector also decreased from 23.27% in 1999 to 11.04% of GDP, of which the manufacturing segment decreased sharply from 16.52% to 1.48% of GDP. At the same time, the tertiary industry’s proportion in GDP expanded from 76.73% to 88.96%, of which public administration, public and private services (including the gaming industry) increased their proportion from 40.57% to 48.16%.¹¹ In the first quarter of 2011, the gross income of the gaming industry accounted for more than 95% of GDP and gaming taxes accounted for nearly 90% of

government revenues (see Table 4). The gaming industry is an extremely important component of Macao's economic structure with immense contribution to the local economy. The booming tertiary industry and the robust expansion of entertainment services centered around the gaming industry in particular has created a large number of employment opportunities in commerce and services, contributing to the expansion of the new middle class in Macao.

Table 2: Occupational structure in select developed countries 2001 (%)

Occupation \ Country	U.S.	UK	Germany	Sweden*	Italy	Australia	Japan
Administrators, manager, etc.	15.1	13.6	5.8	4.8	3.2	11.9	3.2
Professionals	19.2	25	33.1	37.7	26.8	30.8	13.6
Clerical staff	13.7	13.3	12.6	10.2	13.8	13.4	19.5
Commerce, services workers	25.5	15	11.7	18.9	15.9	14.1	25.9
Industrial workers, operators, assemblers	24.1	20.5	24.2	21.3	26.7	20	32.4
Farm, fishery, mining, waste treatment workers	2.4	12	10.1	6.7	11.8	9.7	4.8
Other employees	0	0.6	2.5	0.5	1.8	0.1	0.6
Total	100	100	100	100	100	100	100

* Swedish figures are from 2002.

Source: Li Qiang (2005). On Western Theories of Middle Class and the Status Quo of China's Middle Class today. *Chinese Journal of Sociology*. Issue 1.

Table 3: Macao's major occupational groups, 2010 (In thousands)

Occupation \ Employment type	Employers	Self-employed	Employee	Unpaid family assistants	Total	%
Members of legislature, public administrators, leaders of community organizations, Directors and managers of companies	4.7	0 [#]	10.3	0.2	15.2	4.78
Professionals	0.3	0.5	10.6	0 [#]	11.4	3.58
Technicians and associate professionals	1.1	2.3	25.8	0 [#]	29.2	9.17
Clerks	1.2	1.0	82.0	0.5	84.7	26.61
Services and sales workers	1.6	3.6	63.9	1.1	70.2	22.05
Skilled farm and fishery workers	0 [#]	0.1	0.9	0 [#]	1.1	0.35
Trades and handcraft workers	0.8	1.5	23.6	0.1	26.0	8.17
Mechanics and drivers	0.3	3.7	15.5	0 [#]	19.5	6.13
Unskilled workers	0 [#]	0.6	60.5	0.1	61.2	19.23
Unspecified	-	-	0 [#]	-	0 [#]	
Total	9.9	13.4	293.0	2.0	318.3	100

[#] Value smaller than 1,000 is entered as zero.

Source: Statistics and Census Service of Macao Special Administrative Region (2011). *Employment Survey, 2010*. Macao: Statistics and Census Service.

Table 4: Gaming industry's contribution to Macao economy

Item \ Year	2008	2009	2010	Q1/2011
Gross income (in millions MOP)	109,826	120,383	189,588	58,835
Gaming income as % of GDP	66.2	70.8	84.7 ^P	96.5 ^P
Tax contribution (in millions MOP)	43,208	45,698	68,776	21,864
Gaming taxes as % of total government revenues	69.4	65.4	86.4 ^P	89.8 ^P

^P Provisional data.

Source: Statistics and Census Service of Macao Special Administrative Region(2011). *Macao Economic Quarterly (Q1, 2011)*. Macao: Statistics and Census Service

The decline of farming and fishery industry and shrinking of small and medium-sized businesses have posed a threat of structural unemployment to Macao's white-collar workers as well. In Taiwan in the 1990s, petty bourgeoisie and small employers directly or indirectly engaged in the production of simple merchandise still accounted for a sizable portion of total employment. In China today with an expanding middle class, there is still a large farming population and a large number of self-employed workers. In comparison, members of Macao's new middle class do not possess any means of production and rely totally on income of paid employment, with no recourse to other sources of income in the labor market. In the face of industrial restructuring or an economic crisis, these salaried employees with no assets or means of production will face the prospect of losing their only sources of income. Given the huge number of salaried employees, certain preventive measures by the government would be necessary. They could include:

(1) Improve local social security and unemployment assistance systems to assist unemployed residents in times of difficulty;

(2) Assistance to local SMEs that are experiencing problems of labor shortage and increased operating costs as the gaming industry attracted flow of human resources and pushed up wage levels, to maintain a sound structure of local commerce and services.

(3) Encourage optimal diversification and avoid over-reliance on the gaming industry as part of long-term policy.

II. Macao resident status and its role of social exclusion

2.1 Max Weber and Neo-Weberian Theorem of Social Exclusion

2.1.1 What is social exclusion?

Weber introduced the concept of market in his class analysis. Unlike Karl Marx, Weber believed that the control of the means and output of production is less important. What is more important is the position of an individual or social group in the market and their possession, or the lack, of individual bargaining power in the market. An individual can increase his or her bargaining power by improving skills, accreditation and qualifications, with which an individual may obtain managerial or professional jobs. They can achieve more prestige and greater bargaining power than those without such qualifications.¹²

According to Weber, different social collectives seek to maximize rewards by restricting access to resources and opportunities to a limited circle of eligibles. This entails the singling out of certain social or physical attributes as the justificatory basis of exclusion. Frank Parkin derived his theory from Weber's discussions of such social closure. He believed that social closure is the attempt by one group to secure for itself a privileged position at the expense of some other groups through legitimate processes. He suggested that any system of stratification is a form of exclusionary social closure. In modern capitalist societies, there are two types of exclusionary mechanisms: one being private-property rights and the other accreditation and licensing, which determine the distribution of career opportunities. Setting certain threshold and limiting the number and qualifications of eligibles will help ensure the market value of certain career opportunities.¹³

2.1.2 How to define social exclusion?

The best illustration of justificatory basis for social exclusion is "credentialism". Only candidates with certain professional accreditation or advanced education qualifications are qualified

for certain middle class jobs. However, the accreditation and qualifications entail significant costs including time, tuition fees and learning efforts, which exclude those who cannot afford these from entering those jobs. Of course, scholars of this view also recognize the role of learning in enhancing productivity, but are concerned more with the role of higher education in social exclusion. Social exclusion is always dependent on the monopolization of specific opportunities by one status group. This monopolization is directed against others to ensure privileges of one status group. Thus the economic advantages gained from being in a privileged class position are causally connected to the disadvantages of those excluded from such positions.¹⁴

2.2 Macao resident status – a golden key for becoming a casino dealer

2.2.1 The exclusion mechanism in appointment of casino dealers

Since the opening of Macao gaming industry, the casino dealer jobs have been reserved for Macao residents only. In 2006, Macao Chief Executive Edmund Ho Hau Wah stated that the current and future policies of the SAR Government would be based on the premise of ensuring full access by Macao resident to employment in the gaming industry and would not likely open the sector to foreign workers.¹⁵ In 2010, Shuen Ka Hung, Director of Labour Affairs Bureau stated that the SAR Government was committed to protecting the rights of local residents to being given priority in employment and would adhere to the policy of allowing foreign workers only to ease local human resources shortages.¹⁶ In 2011, after the launch of *Galaxy Macao* resort, there was a tremendous need for human resources given its large-scale, which prompted appeals by the gaming industry for relaxation of government restrictions on imported workers. However, Shuen Ka Hung responded that such relaxation would not be considered for the gaming industry.¹⁷ The official statements demonstrated that the primary concern of government regarding policy on imported workers was to secure advantages of local residents in employment and exclusivity in job opportunities for casino dealer. The vigorous restrictions closed such opportunities to non-residents and made the Macao resident status the only golden key to getting casino dealer jobs.

The 2010 *Survey on Manpower Needs and Wages - Gaming Sector* by Statistics and Census Service of Macao showed that with the only exception of the dealer job, foreign workers were employed in all job positions in the gaming industry, ranging from Directors and managers, professionals and technicians, surveillance room operators, to drivers and operators. The dealer job requires a certain minimal level of technical competency, usually gained through three-month pre-training. It is relatively a short period with a high rate of admittance. Therefore, an incumbent dealer is always relatively easy to replace. In 2008, a casino janitor filed a complaint against the employer claiming his/her job was taken by a foreign worker and the employer failed to give priority to hiring local residents.¹⁸ This case suggested that casino employers would tend to hire imported workers for positions easy to replace. Casino dealer jobs, short of vigorous restrictions by the government mandating hiring only Macao residents, would have likely been filled by foreign workers as well.

It is obvious that resident status provided Macao residents an exclusive advantage in gaining dealer jobs. Such a social exclusion mechanism effectively and legally closed dealer job opportunities to non-Macao resident candidates.

2.2.2 Rent as result of social exclusion

“Different forms of social closure mechanisms led to rents flowing into the pockets of the people holding these positions.”¹⁹ The exclusionary function of Macao resident status pushed up

wage levels of certain jobs that do not require high technical competency and are easily filled. Davis Fong, Director of the Institute for the Study of Commercial Gaming at University of Macao, stated bluntly that the high wage levels of Macao casino employees are in distorted proportion to their education qualifications.²⁰ The value of human capital depends largely on its scarcity. In the period from 2005 to 2011, the number of Macao casinos rose from 17 to 34, and gaming tables from 1,226 to 5,237. The number of Macao residents was 502,113 in 2006²¹ and 558,100 in 2011.²² In other words, the explosive expansion of the gaming industry occurred alongside mild population growth. When the need for human resources, including casino dealers, steadily increased against relatively stagnant labor supply, wage levels are bound to rise. In December 2010, the average monthly pay for casino dealers was already MOP13,610.²³ Some casinos even offered to pay MOP17,000 for qualified dealers.²⁴

Given that the government has never relaxed its requirement for casino dealers being local residents and the insufficiency of current data, it is impossible to demonstrate statistically the causal relations between government restriction and dealer wage levels. However, the impact of imported workers on local residents' income could be seen in the case of bus driver recruitment by Reolian, a new Macao public bus operator.

In August 2010, Reolian Public Transport Company Ltd. received Macao government license to operate bus services. Wong Wan, Director of the Transport Bureau of Macao stated then that there should absolutely be no hiring of imported workers as drivers. However, Reolian Public Transport Company petitioned the government in March 2011 to allow it hiring imported drivers due to shortage of local drivers. This led to heated public debate and refusal by the government. Reolian submitted its hiring terms: eight-hour workdays and total monthly pay of MOP12,500 to MOP13,500 (MOP9,000 as basic monthly pay plus bonus and allowances).²⁵ In early August of the same year, Reolian Public Transport Company placed a full-page newspaper ad recruiting bus drivers offering such terms as nine-hour workdays, 20 workdays per month, with increased monthly wage of MOP16,000 and a sign-on bonus of MOP40,000. At the end of the same month, the company was still unable to hire needed drivers and had to place another ad raising monthly compensation including bonus to MOP18,000 and a sign-on bonus of MOP70,000 to MOP100,000 for experienced candidates. A director of the company explained that with scarcity of qualified candidates, they had to offer attractive remuneration package, which had risen steadily over time, so that the company could have adequate human resources it needed.²⁶

Remarks of some Legislative Assembly members revealed the role of Macao resident status requirement as exclusionary mechanism in raising wage levels of local resident employees. Lam Heong Sang, member of Macao's Legislative Assembly who was elected in the indirect constituency representing the labor sector and was vehemently opposed to allowing imported worker in the bus transport sector, stated that when market demand exceeded supply, drivers' wages would naturally rise. Allowing imported workers would hamper the wage rise of local drivers. The bus company's labor shortage was caused by unreasonable hiring terms and should not be a reason for allowing imported drivers.²⁷ Reolian Public Transport's case shows that maintaining scarcity of local workers resulted in pressure for the company to raise its wage offers. The advantages of Macao residents in employment were largely dependent on exclusion of imported workers with opportunity closure mechanism.

"A pronounced feature of social exclusion mechanism is its legality."²⁸ The exclusion based on resident status requirement was supported by policies of the government and was apparently

legal. From this author's point of view, it is also reasonable. As was discussed earlier, majority of the working population were employees selling their labor power for a living. Without employment, they will be deprived of means for making a living. *The Report of the Opinion Survey on "The Development of the First 10 Years of the Macao SAR"* produced by One Country Two Systems Research Center in 2009 pointed out that, in the context of rising property prices and cost of living in Macao, 11.58% of residents felt economic conditions deteriorated after the handover²⁹, showing that nearly 12% of the resident population did not share the fruits of economic development. Following the financial tsunami in 2008, the global economic situation has been grim with rising inflation. Macao has not been able to stay out of these problems. In June 2011, CPI in Macao rose 5.65%,³⁰ the highest of previous 30 months. In summary, using certain means to secure employment opportunities and well-being of the residents is a reasonable measure to share the fruits of development with the residents. Only through effective exclusion to ensure employment preference for local residents can their bargaining power for employment opportunities and terms be ensured.

III. Who are Macao's middle class?

Now let us turn to the question of great interest to academics and our readers in Macao, i.e. "who are Macao's middle class?" The divergent views and lack of consensus are the reason for its attracting public attention. Even among sociologists, there has been no generally accepted common definition of the middle class. It was claimed that there could be as many definitions of classes as theoreticians on class. The same is true for definitions of the middle class.³¹ Sociologists have long argued on different concepts, definitions and attributes of the middle class. Erik Wright, a contemporary scholar on social stratification, described three approaches to research on middle class with their varying definitions of the middle class. In his *Three Logics of Class Analysis and Research on Middle Class*, he pointed out three theoretical approaches to research on social stratification, i.e. the individual-centered, exclusionary, and exploitation-domination. Their respective definitions of the middle class are as follows:

(1) **Individual-centered:** representing the majority of society and mainstream way of life; they live a comfortable life (neither wealthy nor poor); they work to make a living but do not have positions of real power in the organizations and companies where they work. They have credentials of good education and even higher education.

(2) **Exclusionary:** Holders of positions protected in the labor market by social closure and exclusionary mechanisms requiring accreditation and credentials of various sorts.

(3) **Exploitation-domination:** those who are exploiting and being exploited, dominating and dominated at the same time; managers and supervisors being typical examples.

The third approach is based on Wright's own theory. However, he also suggested that there really is no reason to see the three approaches to class as mutually exclusive and to use only a single all-purpose concept of the middle class. He pointed out that individual attributes, exclusion and exploitation and domination could all affect an individual's life and status at the same time.³² The author of this paper agrees with him on this and referenced the individual-centered approach in the first part of this paper and exclusionary approach in the second part of this paper. The author will now attempt to elicit thinking behind these three approaches and the insight they provide for

research on the Macao middle class.

3.1 Individual-centered approach

In this approach, an individual's economic status is the result of personal achievement that is chiefly determined by attributes such as education, family background, individual motivations and social connections. As economic status and reward are mostly achieved through paid employment, most scholars have focused on determining attributes of individual's employment and income.³³ In analysis of the old and new middle class in Macao in the first part of this paper, employment attributes were used to define class attributes.

3.1.1 The divided middle class

The stratification analysis of the middle class has shifted from ownership of private property rights to employment occupation.³⁴ Research on occupational stratification has made much headway. In view of Macao situation, more than 90% of the working population is in paid employment. It is therefore only practical to use occupational stratification as central axes of class analysis. This should be an important tool for research on stratification in Macao.

There are also issues with occupational stratification: if we group a supervisor and sales assistant in a department store into the same class, would such classification still be representative of middle class? Is middle class internally divided or a unified singularity? There have been debates over this and the conclusion so far is that it is divided rather than unified. John Harry Goldthorpe, an important British sociologist on social stratification, pointed out that huge variances could exist within one social stratum given differences in employment status and relations such as pensions, career prospects, promotions and wage increases. He preferred the approach for subdivisions within different strata.³⁵ In his classification, under the three-class schema there were eleven sub-classes.

Michael H. H. Hsiao and Wang Hong-zen in their analysis of the middle classes in Southeast Asia divided them into: old middle class, new middle class and marginal middle class.³⁶ Li Peilin in his analysis of the Chinese middle classes divided them into "core middle class", "semi-core middle class" and "peripheral middle class".³⁷

During Macao's rapid economic ascendance in recent years, there appeared a large "peripheral" middle class whose member are in jobs with no management power and control and requiring even low education qualifications and technical competency, thanks to shortage of human resources and favorable social exclusion mechanisms. Therefore, it is necessary in class analysis for Macao society to distinguish between employees with low technical qualifications, no management power and control over their work who are easily replaceable, and those with a certain level of management power, high technical competency and good career advancement prospects, in accordance with their respective market and employment status. Thus, most employees (such as casino dealers or retail sales persons) should be grouped into the peripheral middle class.

3.1.2 Stratification system with multiple attributes

A research done in Taiwan in the 1990s indicated that the public tended to use different attributes to divide classes in society. 32.2% used wealth in their classification, 19.6% used occupational status (white-collar or blue-collar), 13% used political power, and 10% used social status.³⁸ The same tendency occurred in academic studies. A variety of practical and representative criteria have been used by increasing number of scholars to define the middle class, which one scholar has summarized as follows: (1) ownership of means of production; (2) income; (3) market

positions; (4) occupation; (5) political power; (6) cultural resources; (7) social resources; (8) reputation; (9) civil rights resources; (10) human capital.³⁹

Li Peilin and Zhang Yi in their analysis of the Chinese middle class used three attributes of significant impact on an individual's economic and social status as indicators, i.e. income levels, occupation and education qualifications.⁴⁰ Goldthorpe when converting occupation to class used a comprehensive analysis on occupation covering sources and levels of income, occupational benefits and security, opportunities for upward mobility or economic advancement, as well as level of autonomy in work and workplace supervision and control.⁴¹ In short, adopting comprehensive and multiple attributes can make class classification more specific and solid.

3.2 Exclusionary approach

The analysis of casino dealers' remuneration in the second part of this paper adopted opportunity exclusion approach. Scholars of social conflicts believed that exclusion would increase social inequality.⁴² However, the Macao Government's respective obligations to residents and non-residents are different, with the former having much higher expectations for government support policies. Potential competitors excluded by exclusionary mechanisms who from Chinese mainland, Hong Kong, Southeast Asia and around the world and do not have Macao resident status. They should not be compared with local residents on the same basis. The opportunity exclusion for them would not normally cause discontent over relative deprivation and hence has rather limited negative social impact.

Social exclusion is meant to protect privileged interest groups. Most of casino dealers are not resilient to impact of structural unemployment, as they do not have higher education qualifications and strong technical competency. In reflections on current policies, government and industry therefore are considering to raise the bar for recruitment of dealers, e.g. increasing the minimum age for casino patronage from 18 to 21 and banning hiring of people under 21 as casino employees. In 2011, the Macao SAR Government provided a continuing education allowance of MOP5,000 to every qualified Macao resident, as part of government drive to improve qualifications and employment capacity of local residents.

Instilling exclusion mechanisms is meant to protect the advantageous position of certain groups. However, it is in fact not the only way to cultivate such advantage. The Macao government enjoys a substantial fiscal surplus every year that should be leveraged as a great opportunity to advance education and youth development. At the same time, efforts should be made to develop local industries and optimize industrial structure, so that highly qualified personnel can get appropriate jobs, matching skills with positions. With a general improvement in local residents' education and qualifications, there could be certain relaxation of non-credential exclusion mechanisms for low-level white-collar jobs, which were originally put into place to protect employment of local residents. By then, a suitable social exclusionary system based truly on credentials, accreditation and technical license could take shape.

3.3 Exploitation and domination approach

This approach is derived from Marxist class-analysis logic with emphasis on relations between the exploiter and the exploited, the dominant and the dominated. Wright proposed his theory of conflicting position attributes, which abandoned matching each position to a class and allowed the possibility of one position having attributes of two different classes, with those in positions

bordering two classes belong to the middle class. Managers, for example, possess attributes of both the bourgeoisie and the working class. Different classes have varying and even conflicting interests. The middle class can thus have conflicting attributes.⁴³ The notion of class division and social conflicts used by Wright in defining the middle class provides useful points of reference for avoiding theoretical traps of half-baked, status focused understanding of middle class.

IV. Conclusion

The analysis of current situation of Macao's middle class in this paper, referencing individual-centered and exclusionary approaches for class stratification, points to following two conclusions:

(1) The size of new middle class is significantly larger than that of the old middle class when classifying the working population in Macao into new and old middle classes, following a similar pattern in Western developed countries. The reason for this is a combination of the decline of the primary industry and rapid expansion of the service sector centered on the gaming industry, employing a large proportion of the working population.

(2) Since the opening of the gaming industry, Macao government has adhered to a principle of protecting employment of local residents as the premise of its labor policies. It has only allowed imported workers to address local shortages and mandated exclusivity of casino dealer jobs for Macao residents. Such an inflexible exclusion mechanism has led to rent acquisition by the privileged class and rise of their wage levels.

The paper finally focuses on a discussion of research methodology for Macao class stratification. It argues that given the predominance of paid employees in the working population, research using individual-centered approach with occupational classification as a central axis for class analysis is appropriate, representative, practical and plausible. To achieve stability and precision in classification criteria, multiple attributes including income and education levels, occupation, reputation, etc should be adopted. In addition, the middle class is not a singularity with internal unity, but can be further divided into central, upper and lower subclasses or core and peripheral categories.

The formation of Macao's middle class is a result of the functioning of multiple mechanisms, including such exclusion mechanisms as opportunity exclusion and hoarding, resident status and accreditation.

In conclusion, mechanisms of social stratification are complex. In studying Macao's middle class, there should be efforts to integrate different theoretical perspectives and examine from multiple angles the factors affecting conditions of individual life and social status, to accurately portray Macao's middle class and understand its evolution.

Notes:

¹ Chui Sai On Focus on the Development of Middle Class. (2011). In the website of *China Review News*: <http://www.chinareviewnews.com/doc/1017/0/6/1/101706178.html?coluid=7&kindid=0&docid=101706178>. 17th

- August 2011.
- ² Giddens, A. (1993). *Sociology*. Cambridge: Polity Press.
- ³ Li Qiang (2008). *Ten Lectures on Social Stratification*. Beijing: Social Sciences Academic Press.
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