

Public Opinion in China

“Research on the relationship between securities public opinion and the fluctuation of the market value of listed companies”

■ Mo Qian, Yuan Zheng, Beijing Technology and Business University, China

This presentation discusses and shows evidence of a relationship between “securities public opinion”, which is the opinions of investors on securities, and the market value fluctuation of listed companies. Listed companies have to respond timely or appropriately to public opinion as it may lead to enormous losses in their own tangible and intangible assets.

The presenters used a self-developed securities public opinion monitoring system to extract the information of securities public opinion on Shanghai and Shenzhen A-share markets from October 2011 to April 2012. The extracted information was then linked with the market index, stock price and stock volatility for statistical analyses.

From a macro perspective, the authors divided the public opinion information extracted by a tendentious view classification algorithm, SVM algorithm, into three types: positive, neutral and negative. The positive heat had a similar trend with market index which implies a positive linear correlation between the positive public opinion and market index fluctuation.

From the microscopic point of view, three types of experimental methods were carried out to verify the association between stock price fluctuations and securities public opinion. They are: 1) *probability*, after extracting securities public opinion of A-Share market, a list of “the heat of weekly public opinion” by weeks was compiled. Meanwhile, professional stock trading software was used to obtain the top 10 stocks on the list of “weekly amplitude ups and downs”. It was found that the top 7% stocks on the list of “the heat of weekly public opinion” contained the top 10 stocks on the list of “weekly amplitude ups and downs” with a consistent probability up to 74%; 2) *contrast*, in which two attributes, namely, daily stock closing prices and daily stock price fluctuations, and top 10 stocks on the list of “the heat of weekly public opinion” were selected for testing. The result showed that there was a certain relationship between the securities public opinion and the daily stock price fluctuation; 3) *abnormal return*, which was executed by

firstly determining the estimated window and target window, then calculating the normal return and abnormal return was calculated and finally followed by T-test. The results showed that the stocks on top list of weekly heat of public opinion had a significant fluctuation on market value.

Lastly, Spearman rank correlation test was used to determine the direction of relationship between securities public opinion and individual stocks. The daily price fluctuations of stocks and the heat of daily public opinion were found to have a positive correlation and the correlation value was 0.59 by Spearman rank correlation coefficient.

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“Reporting public opinion polls in China”

■ Yin Lu, City University of Hong Kong, Hong Kong

This presentation explores the phenomenon of reporting public opinion polls in the context of China.

Content analysis was used to examine the reporting of polls in People’s Daily, the central party newspaper in mainland China, this study results illustrated that even though public opinion had been accepted as a common idea in the process of political deliberation in China, a big gap was found between what the governments says and what they really want to tell the public. From 1983 to 2010, the total number of news stories containing the concept “public opinion” was about 10 times more than the number of news stories about opinion polls. Moreover, reporting of public participation in political deliberation was quite limited in People’s Daily, which corresponded with the slow process of political revolution in China since 1978.

The study revealed that reporting with polls covered a much wider range of issues than reporting of polls. It was rare to see journalists using poll results to support the main theme in their news stories related to education, housing, health, transportation, environment and crime. Meanwhile, reporting of polls tended to focus on issues about the perception of quality of life and evaluation of government. The results also showed that more than 75% reporting of polls identified their sponsors and researchers, making it easier for readers to speculate on why the polls might have been conducted or who might benefit from the polls and the accompanying story covered. However, about half (53%) of the reporting with

polls did not mention the sponsors and researchers.

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“Perception of Online Polls, Information Literacy, Political Efficacy, and Online Polls Participation in Mainland China”

■ Kevin Wenyuan Zhao, Louis Leung,
Chinese University of Hong Kong, Hong Kong

In light of the increasing infiltration of Internet in China, this presentation examines the degree of participation in online polls and its relationships to the perception of online polls, information literacy, and the political efficacy of Internet users in mainland China. Data were gathered from a sample of 419 Internet users aged 15 and higher using a convenient sampling method. Two dimensions of perception of online polls, namely, usefulness and trustworthiness, were tested, while the five dimensions used to measure the respondents’ information literacy included publishing literacy, critical literacy, emerging technology literacy, social-structural literacy, and tool literacy. Besides, political literacy here referred to an individual’s feeling of effectiveness within a political system.

Results indicated that the perceptions of online polls were not in any way correlated to information literacy or political efficacy. These imply information literate Internet users in mainland China may not have realized the limitations of online polls in reliability and representativeness and that those with high political efficacy may think that they were able to impact the government in real life, but their perception of online polls were quite different in its ability to influence government policy or the political climate via online polls.

The study results also revealed that the degree of participation in online polls was significantly and positively related to the perceived effectiveness and trustworthiness of online polls. Besides, the more information literate the Internet users are, the more they will participate in online polls while political efficacy was not found significantly related to online polls participation. Multiple regression analysis results suggested that Internet users who often participated in online polls were usually male, literate in publishing, and believing that online polls were effective and trustworthy means.

“The Rise of Online Public Opinion in China: Its Agenda-setting Influence on Media Coverage and Government Policy”

■ Yunjuan Luo, Texas Tech University, U.S.A

In authoritarian China, the party state holds its tight control over the mass media. With the emergence of the Internet, the monopoly control of information by the government is waning and the influence of official media is declining. This presentation discusses the effects of online public opinion on media coverage and government policy in China, as well as its social and political implications.

First, a quantitative content analysis was performed to explore whether and how online public opinion influences the entire issue agendas of the traditional media and the government at the national level. Results showed that online public opinion did not have an agenda-setting influence on the national policy agenda whereas the government as the major agenda setter in China was able to set the agenda of online public opinions.

Second, a case study was used to examine the agenda-setting influence of online public opinion on media coverage and government decision-making in the development of individual issues. A recent high-profile case, the Yihuang self-immolation incident in 2010, analyzed in this study demonstrated that online public opinion interacted with the traditional media to make a local accident quickly transform into a national issue, pushing the government to address the public concern.

The findings of this study suggested that online public opinion has become a competing agenda-setting force in contemporary China. The author suggested it tended to play a bigger role in promoting the salience of a specific issue rather than setting the entire issue agendas of the traditional media and the government, and the influence of online public opinion in individual cases could have an incremental and long-term effect on the democratization of China, pushing the government to be more responsive, accountable and transparent.

✉ Editors: Winnie WY Lee and Stephanie HN Tse
Public Opinion Programme,
The University of Hong Kong

* On 15 June 2012, during the 65th Annual Conference of WAPOR (World Association of Public Opinion Research) held in Hong Kong, there was a panel session dedicated to “Public Opinion in China”. Four presentations were made and are summarized in this article.