Belief Change to Market Economy or Planned Economy? Shock from COVID-19

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Abstract
COVID-19 has caused panic buying, temporary supply shortage and soaring prices. The Chinese government has formulated restrictive policies to guide the market order. We are curious whether the epidemic had an impact on the belief in the economic system or not, and moreover it would strengthen the belief in market economy or planned economy. We designed a single decision-making experiment based “the intervention of economic explanation” via online questionnaire. On the analysis of the investigation results, three conclusions are found. Firstly, although people generally support the market controlling measures during the epidemic diseases, they still hold the belief in market economy as a whole. Secondly, in the regions with more serious epidemic infection, the probability of belief in planned economy has increased. Thirdly, economic explanation has significant influence on the belief distribution, specifically, the group who was randomly distributed the questionnaire with the market economy interpretation has higher market economy belief probability, while the group who was randomly distributed the questionnaire with the planned economy interpretation has higher planned economy belief probability. These experimental results show that the COVID-19 did not change the confidence of Chinese people in the economic system with Chinese characteristics. It also shows that it is of great significance for the government to publicize economic policies while formulating relevant economic policies.

Data description
We conducted the online survey during April 3rd to 7th, 1038 questionnaires has been completed by respondents from 30 provinces in China. We construct three questionnaires and randomly distribute one of the three to the sample. First questionnaire has no economic explanation of the key survey questions. Second one has the economics explanation in market economy perspective of the key questions. Third one has the economics explanation in planned economy perspective of the key questions. Demography and geographical variables were involved in the survey to control the influence on the attitude from personal characteristics and diverse infection danger in different regions. We are planning to expand the survey and update the data to see the influence of mid-term.

JEL codes for the project
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Key-words
Belief, Market Economy, Planned Economy, Experiment