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## ABSTRACTS

**An Analysis on the Urban–Rural Income Balance***Mu Huaizhong* • 2 •

The 14th Five–Year Plan outlines the target of a coordinated development of urban and rural areas. Based on the urban–rural income gap and GINI coefficient, the paper builds an Urban–Rural Income Balance Model with a quin–quepartite income measure, and it tests the situation and trend of urban–rural income development balance empirically. The research finds that: (1) the urban–rural income balance exists in different income gradients. Rural high income level is comparable to urban middle income level, while the rural middle and upper–middle income levels are close to the urban low–income level. (2) The income balance coefficient rose from 1.65 in 2013 to 1.70 in 2019. The share of population in balanced income gradients increased from 58 percent in 2013 to 62 percent in 2019. The balance of urban–rural income shows a gradual improvement. (3) The absolute rural–urban poverty gap narrows, while the relative poverty gap enlarges, implying new issues of urban–rural income balance. (4) The population in balanced rural–urban income gradients accounts for 24.4 percent of China’s total population, and it has policy implications for the urbanization modes of rural population in China.

**National Income Distribution among Departments and the Influences of Taxes and Fees Cut:****Calculation and Analysis of Seven–Department Flow of Funds Account***Zhang Juwei and Others* • 16 •

This paper analyzes the national income distribution by compiling the flow of funds account in seven departments. In response to the downward pressure of the economy, China has strengthened its macro policies, consolidated and expanded the tax and fee cut policies, and continued to adjust the national income distribution pattern since 2019. The share of non–financial private enterprise income increased, while that of non–financial state–owned enterprise, government department income and financial institution income decreased. The latter is achieved mainly through replenishing social security funds with state capital and increasing profit delivery of designated state–owned financial institutions and enterprises directly under the central government. Consequently, the distribution relation between the central and local governments has been further changed, and the public service ability at base level improved. The share of non–financial private enterprises is expected to increase further with the policies issued in 2020. The paper suggests that in the 14th Five–Year Plan, China need to further improve the wage determination and growth mechanisms, promote the role of market in distribution decision, and enhance income redistribution adjustment. We should also support the development of philanthropy, and improve the tax policies that encourage giving back to the society and helping the poor.

**The Impact of China’s Labor Transfer on Total Factor Productivity Growth** *Zhang Jianhua and Others* • 29 •

This paper selects data in 29 provinces from 2006 to 2017, uses the Effective Structural Change Index (ESC) to depict the labor force transfer among industries and its impact on total factor productivity (TFP) growth. The results show that: (1) the ESC of labor transfer has an inhibitory effect on TFP growth, and the increase of labor heterogeneity within an industry mediates this inhibitory effect. (2) The ESC of labor in low–skilled industries has been greater than that in high–skilled industries, but the gap between them decreased gradually. The ESC of low–skilled industries has a greater inhibitory effect on TFP growth than that of high–skilled industries. (3) The ESC is the highest in the eastern region, fol–

lowed by that in the western region, and it is the smallest in the central region. The inhibitory effect on TFP growth is the strongest in the central region, smaller in the eastern region, and none in the western region.

### Spatiotemporal Pattern of China's Total Factor Labor Productivity and Its Convergence

*Liu Huajun and Others* • 41 •

Under the framework of DEA, this paper constructs the Total Factor Productivity (TFP) index in China and examines its spatiotemporal pattern and convergence trend. The results show that: (1) China's total factor labor productivity (TFLP) is generally low, but it keeps rising. From 2001 to 2017, the TFLP of all provinces has increased to different degrees. The eastern provinces observed faster growth, followed by those in western region. The TFLP is generally low in the provinces of central and northeast regions. (2) The regional disparity of TFP increases first and then fluctuates, to which the inter-region disparity contributes greatly. (3) The center of TFP distribution is shifting from coastal to inland areas, and the diverging pattern goes north-south. (4) There is no obvious  $\sigma$  or  $\beta$  convergence in China's TFP, but after controlling for the spatial factors, the results show a  $\beta$  convergence. Therefore, in the period of 14th Five-Year Plan, we should pay attention to the role of TFP in promoting sustainable economic development, strive to create a window of opportunity for the development in low-level areas, and achieve a coordinated improvement of TFP in all regions.

### The Quality of Urban Public Service Supply and Migrant Workers' Settlement Choice

*Hong Junjie Ni Chaojun* • 54 •

Based on the data of the 2017 CMDS and city-level statistics in 225 cities, the paper investigates how the quality of urban public service supply affects migrant workers' settling site selection by using the conditional logit model. The results show that: (1) the quality of urban public service supply has a significant positive impact on the settlement site selection of migrant workers, and more substantial on their permanent settlement behavior. (2) After controlling for the urban household registration restrictions, the effect of the quality of urban public service supply remains salient. (3) Those who are 30~44 years old, female, of high school education, married, homeowners, or self-employed workers are more sensitive to the urban public service supply quality. This paper argues that government should improve the quality of urban public service supply, further reform the household registration system, establish a supply system of basic public services for rural migrant workers, and eliminate the public service gap between migrant workers and local residents. These are crucial to promote the urbanization of rural migrant workers and the new national urbanization process.

### Migrants' Willingness to Settle Down in Cities and Its Determinants

*Su Hongjian* • 66 •

Using the data of China Migrants Dynamic Survey (CMDS) in 2012, 2016 and 2017, this paper analyzes the migrants' willingness to settle down in cities. The results show that the overall willingness goes down from 49.98% in 2012 to 39.01% in 2017. The city's attractiveness is significantly related with their willingness. In addition, migrants' human capital, living conditions, rural interests and equities, migration distance and other characteristics are significantly relevant as well. In response to the 2014 *Hukou* System Reform, the willingness to settle down declined significantly in the inland prefectural cities with a population less than 3 million. It drops by 7~8 percentage points from 2012 to 2016, and by 4~5 percentage points from 2012 to 2017. It concludes that: (1) the migrants' willingness is determined by the conditions of *hukou* settlement. (2) The reform of *hukou* system should be combined with a coordinated reform of rural land rights and urban housing security. (3) The purpose of *hukou* system reform is to eliminate direct policy constraints and promote market regulations.

### A Simulation of Inertial Population Decline in China

*Zhou Changhong* • 78 •

On the basis of discussing the meaning and causes of population momentum, this paper analyzes the population in-

ertial change in China. It argues that the period of population inertial change begins when fertility declines (or rises) to the replacement level, and ends when the population reaches the peak size. Accordingly, the time span of inertial population change is approximately equal to the difference between life expectancy at birth and the average age of women giving births. The population size will continue to rise (or decline) in the period of inertial change. The paper simulates the negative population inertial growth in China in the near future by using three sets of hypotheses. The results show that the inertial population decline lasts about 50 years, which is expected to reduce the population by 200–300 millions. Therefore, it is misleading in arguing that China's population will stop declining once the total fertility rate goes back to the replacement level.

### **Multidimensional Deprivation and Income Poverty in China**

*Xie E* • 87 •

Using the Latent Class Model (LCM), this paper explores the categories of multidimensional deprivation. And then it analyzes the relationship between income poverty and multidimensional deprivation using instrumented ordered probit model, and decomposes the urban–rural disparities therein. The results show that, with the time elapse, the proportions of the least and the most deprivation have increased, and the proportion of moderate deprivation decreased. Among the non-income deprived households, although the proportion suffering from moderate multidimensional deprivation declines, that in the most deprivation rises. The most deprivation in rural areas is more than 4 times that in urban. Income is a significant determinant of multidimensional deprivation. Both chronic poverty and temporary poverty have aggravated multidimensional deprivation, and transfer payments have not reduced multidimensional deprivation. The household socio-demographic characteristics have similar effects on income poverty and multidimensional deprivation. This provides support that income poverty and multidimensional deprivation are closely correlated. Public policies targeting at multidimensional deprivation may not be superior to policies that increase income.

### **The Effect of Employment Discrimination on the Urban–Rural Income Gap**

*Wu Binbin and Others* • 100 •

The employment distributions and earnings differ substantially between migrant and urban workers in China's labor market. This paper uses the cross-sectional data of CHIP 2002 and CHIP 2018 to analyze the degree and changing trend of the hukou discrimination in employment opportunity in China's urban labor market, and the related impacts on the urban workers income gap. The empirical results include: (1) from 2002 to 2018, the employment distribution gap and the income gap between migrant workers and urban workers are shrinking. (2) The income discrimination faced by migrant workers is no longer significant. (3) From 2002 to 2018, the hukou discrimination in employment opportunity also weakens over time, yet its absolute level is still high. (4) The hukou discrimination in employment opportunity widens the income gap between migrant workers and urban workers, and the effect intensifies from 2002 to 2018, which also expands urban–rural income gap indirectly.

### **Consistency of Subjective and Objective Measurement Results: Analysis and Solution**

*Song Jian Zhang Xiaoqian* • 112 •

The consistency of subjective and objective measurement results is a common problem in social science research. It is of great methodological significance to discuss this problem in depth. The paper finds that the differences between subjective and objective measurements seem inevitable in light of their different measuring objects, contents and rules. However, as fundamental measurement dimensions, the subjective and objective measurements should be consistent theoretically in order to reflect the nature of the concept and the main characteristics of social reality. This paper decomposes the differences between subjective and objective measurement results into unresolvable real difference (C) and resolvable error (X), and it exemplifies the three solutions (theoretical analysis, data analysis and improved measurement) with a case analysis.