Rising Inequality in China: Challenge to a Harmonious Society

LI Shi, Hiroshi Sato, and Terry Siclar, eds.
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### Abbreviations

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<tbody>
<tr>
<td>CCP</td>
<td>Chinese Communist Party</td>
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<td>CHIP</td>
<td>China Household Income Project</td>
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<tr>
<td>CI</td>
<td>concentration index</td>
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<td>CPI</td>
<td>consumer price index</td>
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<td>CPPCC</td>
<td>Chinese People’s Political Consultative Conference</td>
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<tr>
<td>FDI</td>
<td>foreign direct investment</td>
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<td>FGT</td>
<td>Foster, Greer, and Thorbecke (poverty index)</td>
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<tr>
<td>FIE</td>
<td>foreign-invested enterprise</td>
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<td>GAI</td>
<td>government agency or institution</td>
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<td>MLD</td>
<td>mean log deviation</td>
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<tr>
<td>MOF</td>
<td>Ministry of Finance</td>
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<td>NBS</td>
<td>National Bureau of Statistics</td>
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<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<tr>
<td>PE</td>
<td>private enterprise</td>
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<td>PIE</td>
<td>private or individual enterprise</td>
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<td>PIT</td>
<td>personal income tax</td>
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<td>PITL</td>
<td>Personal Income Tax Law</td>
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<td>PPP</td>
<td>purchasing power parity</td>
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<td>RUMiC</td>
<td>Rural-Urban Migration in China Project</td>
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<td>RUMiCI</td>
<td>Rural-Urban Migration in China and Indonesia Project</td>
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<td>SAT</td>
<td>State Administration of Taxation</td>
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<td>SOE</td>
<td>state-owned enterprise</td>
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<td>Acronym</td>
<td>Description</td>
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<td>SSB</td>
<td>State Statistical Bureau</td>
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<td>TVE</td>
<td>township-village enterprise</td>
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<td>UCE</td>
<td>urban collective enterprise</td>
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<td>VAT</td>
<td>value-added tax</td>
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<td>WTO</td>
<td>World Trade Organization</td>
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<td>English Term</td>
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<tr>
<td>anju gongcheng</td>
<td>安居工程</td>
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<td>bingzhen bingcun</td>
<td>并镇并村</td>
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<td>chengfen</td>
<td>成分</td>
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<td>chengzhen jumin jiben yiliao</td>
<td>城镇居民基本医疗保健制度</td>
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<tr>
<td>chengzhen zhigong jiben yiliao</td>
<td>城镇职工基本医疗保健制度</td>
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<td>chuzhong</td>
<td>初中</td>
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<td>cun tiliu</td>
<td>村提留</td>
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<td>daiye</td>
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<td>daxue benke</td>
<td>大学本科</td>
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<td>daxue zhuanke</td>
<td>大学专科</td>
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<td>dazhuan</td>
<td>大专</td>
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<td>dianda/hanshou/yuancheng jiaoyu</td>
<td>电大/函授/远程教育</td>
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<td>dibao</td>
<td>低保</td>
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<td>dishouru</td>
<td>低收入</td>
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<tr>
<td>duoyu shaoqu fanghuo</td>
<td>多予, 少取, 放活</td>
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<td>fanggai fang</td>
<td>房改房</td>
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fangwu chanquan dengji (房屋产权登记) registration system for housing property
feigai shui (费改税) local levies replaced by formal taxation
fuli fenfang (福利分房) allocation of rental housing
fupin daohu (扶贫到户) poverty alleviation at the household level
fupin kaifa (扶贫开发) poverty reduction and development of poor areas
gaozhong zhongji (xiao zhongzhuan) (高中中技) (小中专) senior middle technical school
gongfei yiliao (公费医) public health care program
gongwuyuan (公务员) public servant
gouzhi nongji butie (购置农机补贴) subsidy for the purchasing agricultural machinery
hexie shehui (和谐社会) harmonious society
Hu-Wen xin zheng (胡温新政) Hu-Wen new policies
hukou (户口) household registration
jingji kaifaqu (经济开发区) and local economic development zones
jingji shiyong fang (经济适用房) economically affordable housing
jiti gongyijin (集体公益金) collective welfare fund
jiuji kuan (救济款) social relief
jumin hukou (居民户口) unified local residence household registration
jumin shenfen zheng (居民身份证) resident identification card
ke zhide shouru  （可支配收入）  disposable income
kexue fazhanguan (科学发展观)  vision of scientific development
lanyin hukou  （滥印户口）  blueprint household registration
laobao yiliao (劳保医疗)  labor security medical care program
laonianren butie  （老年人补贴） subsidy for the elderly
liangmian yibu (两免一补)  subsidy for dormitory fees
liangshi butie (粮食补贴)  grain subsidy
liangzhong butie （良种补贴） subsidy for improved seeds
lianzu fang (廉租房)  subsidized rental housing
likai hukou dengji di shijian  (离开户口登记地时间)  how much time since he/she left the place of his/her household registration
maiduan gonglin （买断工龄） work-units buy out middle-aged and older employees with a lump sum related to their cumulative future earnings up to regular retirement
minsheng （民生）  people’s welfare
minzu (民族)  ethnic group, nationality
nongcun shuifei gaige （农村税费改革） rural rax and fee reform
nongye chanyehua （农业产业化） industrialization of agriculture
nongye, nongcun, nongmin wenti （农业，农村，农民问题） agricultural, rural, and peasant problems
nongye ziliao butie (农业资料补贴)  agricultural production material subsidies
nongzi zonghe butie （农资综合补贴） comprehensive subsidy for agricultural production materials
pinkuncun （贫困村） poor village
<table>
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<tr>
<th>Chinese Term</th>
<th>English Translation</th>
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<tr>
<td>putong gaozhong</td>
<td>upper middle school</td>
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<tr>
<td>qiyé zhígōng jīběn yǎnlǎo bǎoxiān zhìdù</td>
<td>basic pension insurance program for enterprise employees</td>
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<td>sandài tóngtāng</td>
<td>three-generations family</td>
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<td>sànnóng</td>
<td>agricultural, rural, and peasant problems</td>
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<td>saománg bān</td>
<td>anti-illiteracy class</td>
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<td>shāngpín fāng</td>
<td>commodity housing</td>
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<td>shéhùihuà</td>
<td>socialization</td>
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<td>shéqu</td>
<td>neighborhood communities</td>
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<td>sìyíng qíyé</td>
<td>privately-owned firms that employed eight or more workers</td>
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<td>tékùn</td>
<td>extreme poverty</td>
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<tr>
<td>tékùn jiǔzhù</td>
<td>subsidies for destitute households</td>
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<tr>
<td>tīfānwàn</td>
<td>iron rice bowl</td>
</tr>
<tr>
<td>tōngchóu chéngxiāng</td>
<td>integrated and balanced urban–rural development</td>
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<td>toushuí qíng, ěrshuí zhòng, sanshuí shí ge wùdǐdong</td>
<td>the first tax is light, the second is heavy, and the third is bottomless</td>
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<td>túdī cǎizhēng</td>
<td>land-dependent local public budget</td>
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<tr>
<td>túdī gōufèn hézuòzhì</td>
<td>land shareholding system</td>
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<tr>
<td>tuìgēng huànlín</td>
<td>sloping land conversion</td>
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waichu renkou (外出人口) individuals who are members of households in a location and have a household registration in that location but were away

wubao （五保） five-guarantee program

xiagang (下岗） workers are off-duty but keep their ties with the work-unit

xiagang butie （下岗补贴） limited benefits for laid-off workers

xiangcei xianguan (乡财县管) direct administration of township government budgets by county governments

xiangzhen tongchou (乡镇统筹) township levy

xiaochanquan zhufang （小产权住房） formal title deed of land usage

xiaochengzhen (小城镇) small cities and townships

xibu dakaifa zhanlue (西部大开发战略) western development strategy

xinxing nongcun hezuo yiliao baoxian （新型农村合作医疗保保险） new rural cooperative medical insurance program

xinxing nongcun shehui yanglao baoxian （新型农村社会养老保险） new rural pension system

yi xian weizhu （以县为主） county-based

yihao wenjian （一号文件） Document Number One

yishi yiyi chouzi (一事一议筹资) one-issue-one-discussion fee collection

yulu jihua （雨露计划） Rain and Dew Program

za tiefanwan （砸铁碗饭） smashing the iron rice bowl

zai 2002 nin zonggong zai chengzhen juzhu shijian duoshao yue? (在2002年您总共在城镇居住时间多少月?) how many months did you stay in an urban area in 2002?
zai jiuye peixun (再就业培训)  re-training for those who have registered and paid contributions
zai xiao xuesheng (在校学生)  students at lower levels
zanzhu renkou (暂住人口)  temporary resident
zaotui (早退)  early retirement
zhaijidi (宅基地)  land used for housing
zhaijidi zhihuan (宅基地置换)  urban commodity housing
zhengcun banqian yimin (或 shengtai yimin)  (整村搬迁移民) (或 生态移民)
zhengcun tuijin guihua (整村推进规划)  development program aimed at the village level
zhenxing dongbei (振兴东北)  revival the Northeast strategy
zhiye gaozhong (职业高中)  vocational senior middle school
zhongbu jueqi (中部崛起)  rise of the central region
zhongzhuan (中专), zhiye gaozhong (职业高中)  specialized (vocational) secondary school
zhuanye hezuo zuzhi (专业合作组织)  specialized production cooperative
zhufang gongjijin (住房公积金)  housing provident fund
zhufang gongjijin dixi daikuan (住房公积金 低息贷款)  low-interest bank loans for housing
zhufang shangpinhua 住房商品化  commercialization of housing
zijian ziguan ziyong zimie (自建自管只用自灭)  individually built, individually owned, individually used, and individually abandoned
**zili kouliang hukou (自立口粮户口)**
household registration with own responsibility for food grain

**zuidi gongzi (最低工资)**
minimum wage

**zuidi shenghuo baozheng (dibao)**
最低生活保证 (低保)
minimum living guarantee

**zuidi shenghuo baozhengxian**
(最低生活保证线)
minimum living guarantee line

**zujin gaige （促进改革）**
rent reform

**zuijin 12ge yue nei, zai waichu wu gongjingshang de yigong shenghuole jige yue?**
(最近十二个月内，在外出公务经商一共生活了几个月?)
how many months have you stayed outside your hometown for work or business?
Preface

This book is the product of a long-term research effort supported through the years by many individuals and organizations. In the late 1980s Keith Griffin and Zhao Renwei brought together a team of Chinese and international researchers to organize the first in a series of nationwide household surveys that are now known as the China Household Income Project (CHIP) surveys. Their goal was to collect household survey data that would make possible meaningful empirical analysis of trends in incomes, inequality, and poverty in post-Mao China. In the mid-1990s Zhao Renwei and Carl Riskin took the lead in organizing a second round of the survey, and in the early 2000s Björn Gustafsson, Li Shi, and Terry Sicular organized a third round of the CHIP survey.

In the mid-2000s the editors of this book together with Meng Xin organized a fourth round. The fourth CHIP survey took place in 2008 and gathered data for the year 2007. This round of the survey was carried out in conjunction with the Rural-Urban Migration in China and Indonesia (RUMiCI) Project. As in earlier rounds of CHIP, data collection was closely integrated with research analysis. This book contains analyses of incomes, inequality, and poverty based on the 2007 CHIP survey data; most chapters in this volume also use data from one or more of the earlier rounds.

We begin our acknowledgments by expressing gratitude to all those individuals who have contributed to and sustained this long-term body of work. Many of the contributors to this book have been trained and inspired by earlier generations of CHIP researchers, and many of the chapters in this book build upon the work of those researchers. We also thank those organizations that have provided ongoing support for
the CHIP over the years. Here the Ford Foundation and the National Bureau of Statistics (NBS) in China deserve special mention.

The 2007 CHIP survey would not have been possible without substantial financial support from the Ford Foundation, the National Foundation of Social Sciences of China, the Social Sciences and Humanities Research Council of Canada, and AusAid. Additional funds were provided by the University of Western Ontario, Beijing Normal University, Hitotsubashi University, the Ontario Research Foundation, and the Japan Society for the Promotion of Science. We thank these organizations for their generous support.

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From the initial design of the 2007 CHIP survey through to the completion of this book, we received helpful advice, ideas, and feedback from many individuals, including Cai Fang, Kathleen Hartford, Lai Desheng, Liu Zeyun, Meng Xin, Scott Parris, Scott Rozelle, Sun Zhijun, Wang Dewen, Wang Meiyan, Wang Sanguai, Andrew Watson, Wei Zhong, Xing Chunbing, Yin Heng, Zhao Renwei, Zhao Yaohui, and Zhao Zhong. Meng Xin and her team at the Australian National University made great efforts in conducting the migrant household survey as a part of the Rural-Urban Migration in China (RUMiC) survey project. Deng Quheng, Ding Ning, Ding Sai, Liu Hongbo, Luo Chuliang, and Mao Lei, Song Jin, Xiong Liang, Yang Sui, and Zhou Jin spent an
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Li Shi                      July 31, 2012
Hiroshi Sato               
Terry Sicular