Rising Inequality in China: Challenge to a Harmonious Society

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Abbreviations

CCP	Chinese Communist Party
CHIP	China Household Income Project
CI	concentration index
CPI	consumer price index
CPPCC	Chinese People's Political Consultative Conference
FDI	foreign direct investment
FGT	Foster, Greer, and Thorbecke (poverty index)
FIE	foreign-invested enterprise
GAI	government agency or institution
MLD	mean log deviation
MOF	Ministry of Finance
NBS	National Bureau of Statistics
OECD	Organisation for Economic Co-operation and Development
PE	private enterprise
PIE	private or individual enterprise
PIT	personal income tax
PITL	Personal Income Tax Law
PPP	purchasing power parity
RUMiC	Rural-Urban Migration in China Project
RUMiCI	Rural-Urban Migration in China and Indonesia Project
SAT	State Administration of Taxation
SOE	state-owned enterprise

SSB	State Statistical Bureau
TVE	township-village enterprise
UCE	urban collective enterprise
VAT	value-added tax
WTO	World Trade Organization

Glossary

anju gongcheng （安居工程）	welfare-oriented housing projects
bingzhen bingcun (并镇并村)	merger and reorientation of townships and villages
chengfen（成分）	class background
chengzhen jumin jiben yiliao baoxian zhidu (城镇居民基本医疗保险制度)	basic health insurance for urban residents program
chengzhen zhigong jiben yiliao baoxian zhidu (城镇职工基本医疗保险制度)	basic medical insurance program for urban employees
chun shouru (纯收入)	net income
chuzhong（初中）	lower middle school
cun tiliu （村提留）	administrative village levy
daiye （待业）	waiting for employment
daxue benke（大学本科）	four-year college
daxue zhuanke (大学专科)	junior/specialized college
dazhuan (大专)	junior/specialized college
dianda/hanshou/yuancheng jiaoyu (电大/函授/远程教育)	TV/correspondence/distance university
dibao （低保）	minimum living guarantee
dishouru （低收入）	low income
duoyu shaoqu fanghuo (多予, 少取, 放活)	giving more, taking less, and allowing more flexibility
fanggai fang（房改房）	housing-reform housing

fangwu chanquan dengji (房屋产权登记）	registration system for housing property
feigaishui (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 zhipei 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

putong gaozhong （普通高中）	upper middle school
qiye zhigong jiben yanglao baoxian zhidu （企业职工基本养老保险制度）	basic pension insurance program for enterprise employees
sandai tongtang （三代同堂）	three-generations family
sannong （三农）	agricultural, rural, and peasant problems
saomang ban (扫盲班)	anti-illiteracy class
shangpin fang （商品房）	commodity housing
shehuihua (社会化）	socialization
shequ (社区)	neighborhood communities
siying qiye (私营企业)	privately-owned firms that employed eight or more workers
tekun （特困）	extreme poverty
tekun jiuzhu （特困救助）	subsidies for destitute households
tiefanwan （铁饭碗）	iron rice bowl
tongchou chengxiang （统筹城乡）	integrated and balanced urban–rural development
toushui qing, ershui zhong, sanshui shi ge wudidong (头税轻, 二税重，三税是个无底东）	the first tax is light, the second is heavy, and the third is bottomless
tudi caizheng（土地财政）	land-dependent local public budget
tudi gufen hezuozhi（土地股份合作制）	land shareholding system
tuigeng huanlin (退耕还林)	sloping land conversion

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
xiangcai 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 zhanlüe (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 （or *shengtai yimin*） (整村搬迁移民) (or 生态移民)	whole village migration
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.

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Li Shi July 31, 2012

Hiroshi Sato

Terry Sicular