The Impact of City and Countryside Integration Social Protection System on Urban and Rural Poverty in China

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# Table of Contents

Chapter one: Introduction ........................................................................................................4  
Objectives ............................................................................................................................4  
Methodology ........................................................................................................................4  
Brief of City and Countryside Integration Social Protection System and Three-farm Issues .................................................................................................................5  
Overview Urban and Rural Poverty Difference .................................................................8  

Chapter two: Economic and Inequality Profile of Urban and Rural China ......................10  
Geographic and Demographic Division ..............................................................................10  
Dispersion of Urban and Rural Incomes .............................................................................11  
Poverty and Inequality in Urban and Rural ........................................................................13  
Measurement of Poverty ...................................................................................................13  
The Urban-Rural Income Gap: Magnitude and Trends .......................................................14  

Chapter three: City and Countryside Integration Social Protection System ....................19  
Background ........................................................................................................................19  
Conceptual of City and Countryside Integration System ...................................................20  
Conceptual of Urban and Rural Social Protection System Frameworks .......................22  
  Rural Social Protection System Framework ...................................................................22  
  Urban Social Protection System Framework ................................................................23  
  The Establishment of City and Countryside Integration Social Protection System ..........23  
Three-farm Issues .............................................................................................................24  
  Background of Indispensable to Establish the Three-farm Issues ..........................25  
  Currently New Insurances for Farmers ..................................................................26  
  Challenges ...............................................................................................................27  

Chapter four: Evaluation of Rural Tax Reform on the Impact of Poverty Reduction ........28  
Analysis of Agricultural Growth Factors ........................................................................28  
Rural Taxation Reform .......................................................................................................30  
  Farmers Tax Burden and Other Burdens ................................................................30  
  Difference-in-Difference Estimation ...........................................................................32  
  Assess the Development Process of Rural Taxation and Its Impact on Reduce Farmers Burden ....................................................................................................................35  
Conclusion .......................................................................................................................40  

References .........................................................................................................................42
Index of Figures

Figure 1 Rural Migrant Laborers by Destinations, 1997-1999...............................7
Figure 2 The National Finance Used in Agricultural Disbursement, 1978-2005.........9
Figure 3 Demographic Division by Urban and Rural, 1978-2005.......................11
Figure 4 Urban and Rural Per Capita Disposable Income, 1978-2005...............13
Figure 5 The Trends of Regional Inequality, 1952-2000...............................17
Figure 6 City and Countryside Integration Framework..............................22
Figure 7 Time Axis of Government Rural Reforms................................36
Figure 8 Rural per Capita Disposable Income Growth Rate, 1980-2005..........37
Figure 9 Output of Major Farm Products, 1991-2005.................................40

Index of Tables

Table 1 Mean Household per Capita Incomes: National, Urban, Rural, and Urban- Rural Gap (unit: Yuan, Except for the Ratios).................................16
Table 2 Per Capita GDP Growth Rate, 2001-2004.....................................34
Table 3 Per Capita Annual Farming Income of Rural Household....................41
Chapter 1: Introduction

1.1 Objectives

With the accelerated development of “reform and opening up program”, most urban areas in China have so far achieved rapid economic growth. There is also some reported growth in rural areas, even though many people are still poor in such areas. The objective of this master thesis is to explain and analyze the poverty margin between urban and rural areas in China, furthermore to evaluate the successful points of Three-farm Policy in City and Countryside Integration Social Protection System to reduce poverty in rural areas.

The key term in this analysis is the “Three-farm policy”, which deals with the issues of peasants, agriculture and the countryside. China is a big farming nation with close to 900 million rural people in year 2005, (China statistical yearbook 2005), and nearly all of them rely on agriculture. So rural stability, peasant satisfaction, and sustained agricultural growth determine the overall social, economic and political health of China. The thesis will therefore focus on rural poverty, urban and rural poverty margin and the City and Countryside Integration Social Protection System. Through the analysis of these issues the thesis will come up with ways to reduce poverty in rural areas.

1.2 Methodology

The starting point in this study is the review of the economic profile of urban and rural China. The first step is to analyze urban and rural poverty situation, as regards income of residents, the economic development tendency, etc. Then based on secondary data which collected from other people’s articles, draw a comparison of the poverty in urban and rural areas.
Secondly, qualitative analysis is applied to explain the content of City and countryside integration policy. Based on first part analysis, policy options are developed to solve this problem. This part starts from the historical perspective, analyzes the City and countryside integration policy by the inevitability and the importance. Next, illustrate the framework of this policy, which lies in get general ideas of it and draw Three-farm policy out. So the literature review method will be used to explain and analyze the policy in this part.

In the end, through both the method of qualitative analysis and quantitative comparison to analyze the impacts of City and countryside integration policy (Three-farm policy) on reducing the poverty level in rural area and narrowing the poverty gap between city and countryside. Difference-in-Difference Estimation method could be mentioned in this part which is widely used in assessment of policy analysis. This is one kind of econometric method to estimate the net effect for target people which caused by a policy of government. Unfortunately, I can not get sufficient data which can be calculated by using Difference-in-Difference Estimation method, so through review literatures to conclude whether Rural tax reform policy is helpful to increase farmers’ income. The reason why I conclude another author’s idea is to compare with my own result comes from analyzing the relationship between government policies and farmers’ income tendency which happened in same time period. If my result can match with previous studies results, then my conclusion becomes more precise and acceptable.

1.3 Brief of City and countryside integration social protection system and Three-farm issues

Before any further analysis is done, it’s important to know the basic characteristics of two policies which are City and countryside integration social protection system and Three-farm issues, as well as understanding the relationship between them.
I. City and countryside integration social protection system

In 20th century, the Chinese government established the City and countryside integration protection system which emphasizes on making overall planning to integrate urban and rural economy in order to promote development of agriculture in China. The main reason to establish the system is because most local governments much more focus on urban rather than rural development. For this policy, purpose of government is to make sure rural residents get equal rights with urban residents not only in economic aspect but also in political aspect. Two methods were being used for government to guide the system; these are, firstly, control the flow and migration of rural population to get reasonable demographic distribution in rural areas. The tendency for rural migrant laborers by destinations between year 1997 and 1999 is shown in figure 1. We see that in 1997 nearly 79.5 million rural residents migrate to urban areas (accounted for 9.4% of rural population) and around 96.5 million in year 1999 (accounted for 11.8% of rural population). To analysis the effects of internal migration in China, on the one hand, huge number of farmers spill into cities which cause the urban population to be excessively crowded, as well as brings big problem to the development of cities. On the other hand, the administration system of China government can not provide rural migrants with welfare and social security. (Huang and Frank, 2003) Secondly, promote the process of sharing resources (both manpower and material) between urban and rural to meet holistic development.
II. Three-farm policy

In 1993, Chinese government held one conference to study the agricultural problem specially, this was the first time agriculture, countryside and farmers were called together as “Three-farm”. Three-farm policy is a subsection in City and countryside integration social protection system. The main reason for establishing the Three-farm policy is to reduce the gap for obtaining subsistence and development rights between urban and rural people which had become wide in favor of the urban region. This situation is shown in three aspects which are income of peasants, rural consumption in market and rural labor force migration. The methods to implement Three-farm policy include government giving income support to farmers in absolute
terms (see Figure 2). Each column means total agriculture expenditure of government in each year, and the total expenditure includes five aspects which be shown in figure 2. Agricultural expenditure increased in absolute terms from 15.06 billion Yuan in 1978 to 245.03 billion Yuan in 2005, but decreased in relative terms from 13.43% and 7.22% of public expenditures respectively. Rural tax reform which will be discussed in Chapter four is another tool used by government to implement the Three-farm policy. Property rights reform, so as to ensure that land can be traded freely in market by farmers has also been used to implement the Three-farm policy.

1.4 Overview urban and rural poverty difference

Before measuring the poverty gap between city and countryside, it is important to have an understanding of urban and rural population, and income levels. China is a big agricultural country with large rural population. In 1991, the rural population was 846.2 million, which represented 73.6% of the country's total population, while the urban population accounted for 26.4%. However in year 2005, the proportion of rural population reduced to 57.01% of national population and meaning that urban population increased to 42.99% of total population (China Statistics Census, 2005). Although the share of population between urban and rural narrowed down, as a result of continued escalating differences in the levels economic development and residents’
income in urban and rural. Based on the data of per capita income in China, urban residents’ per capita income in 1991 was 1,700. 6 Yuan and rural residents’ were 708. 6Yuan. Therefore, the average income gap between urban and rural residents was 992 Yuan in year 1991 and the gap was even larger than the average rural income. In year 2005, the per capita income of urban residents rose to 10,493. 0 Yuan, but average rural income merely increased to 3,254. 9 Yuan, so the urban-rural gap widened to 7238. 1 Yuan which was two times the average rural income (China Statistics Census, 2005).

As a country with uneven development progress, it’s important to know the poverty situations in urban and rural respectively, so measure the poverty gap between urban and rural areas becomes necessary. The poverty line been decided by “food share method” which means it’s generated by dividing minimum food consumption by 60% share of consumption going to food. The poverty line was 300 Yuan per person for 1990, and increased to 882 Yuan for 2003(Poverty Statistics in China, 2004) as can be seen in the next chapter.
Chapter 2 Economic and inequality profile of urban and rural China

This section gives a general analysis of the geographic and demographic differences between urban and rural areas in China, and also measures the income distribution between urban and rural. From the analysis we expect to see how the poverty situation in both urban and rural areas.

The definition of poverty for Chinese government is based on the lowest living-level standard which is corresponding a specific word “Wen Bao”. It means people should not suffer from cold weather, have a full stomach, and have clothes to wear. Still a large number of people in China, especially rural residents, can not reach Wen Bao. This fact will be shown in graphs in this chapter.

2.1 Geographic and demographic division

China is a country with great expanse of land and large population. Based on the data from China scientific database in 1996, it was shown that the rural area accounted for 57.59% of national acreage, that around 5529 thousand square kilometers. while, the area of urban was nearly 4071 thousand square kilometers.
From the Figure 3 above – Demographic division by Urban and Rural, it is clearly illustrated that most people are living in rural areas, for example, the population in 1978 in rural and urban were 180 million and 790 million respectively. However the urban population has increased since 1978. In the mean time, the rural population declined.

Based on the question how to define the urban and rural population in China, the Household register system should be introduced here. The Household register system refers to “Hu Ko” which in one certificate issued by government gives clear indication of name, sex, born place etc. after each people born. For instance, if one person born in Mengyin viallage, it means he/she belongs to rural resident. While if he/she born in Jinan city, it means this person belongs to urban resident.

Strictly speaking, rural people and urban people were supposed to work on farm work and non-farm work in their registration areas, respectively. “The household register system used to prevent population from moving freely to a large extent” (Kanbur and Zhang, 2003). While after the rural reform in 1978, rural population can try to seek
much more working opportunities in urban areas, especially in large cities. However one very important thing should be mentioned, for those people from rural areas who want to seek opportunities in cities, they do not have any entitlement to subsidies like urban residents. If rural residents intend to change to urban residents, one way is they should make big investments in cities, such as buying very expensive house in cities, setting up companies in cities or marry with urban people. So this is one of the reasons urban population continue increased after 1978.

2.2 Dispersion of Rural and Urban Incomes

The income distribution between urban and rural areas is highly unequal. Based on data collected from National Statistical Bureau in 2005, the per capita disposable income of urban and rural residents is used to measure income distribution.

According to the Figure 4, the per capita incomes for both urban and rural people have increased gradually since 1978. Especially, the urban people whose average income had increased around 1000 Yuan per year between 1978 and 2005, but the rural people’s average income only had a comparatively small increment. For the urban and rural indicators shown in this figure, I assumed the basic year’s (1978)
indicator equals to 100, then the other years indicators can be calculated as follows. For example, the urban per capita disposable income in year 1978 was 343.4 %, and in year 1980 was 477.6 %. Thus in 1980, incomes increased by 28% as compared to 1978.

The inadequate nonagricultural employment reduces peasants’ income. The non-agricultural income of farmers is mainly from labor export. One way is for farmers to work in local township enterprises which mean they are not leaving their towns/homes. The second way is to work in cities which implies leaving their families. The crux of the problem is the rural labor surplus and output. Theoretically speaking, non-agricultural labor income and agriculture income are into complementary relationship, whenever agricultural production net income declines, nonagricultural industries have result of increased revenue (because if too many rural labor force migrate to urban areas, then labor force of farming will be not enough. So in this case, when non-agricultural income increases, the agricultural income will decrease. But in some other scenarios, the case can not be proofed completely). In recent years, more workers are employed in state-owned enterprises became unemployed, so some cities restrict companies to use the migrant workers. Thereby, it suppresses farmers’ non-agricultural income and leads to decline of farmers’ income growth.

2.3 Poverty and Inequality in urban and rural

Through the analysis of urban and rural disposable income from above, it clearly shown that urban people’s disposable income was much higher than rural people’s in the last 27 years. In another way, it proved that the urban economic level is higher than rural. With the fact that China is still a developing country and the poverty rate is still high, the rapid development in cities has been insufficient to eliminate poverty, while poverty is high in rural areas as a result of slow economic growth, both areas
have poor population. In the following part, urban poverty and rural poverty will be analyzed respectively, and also covers the analysis of poverty gap between urban and rural.

2.3.1 Measurement of poverty

The national poverty monitoring system of China usually collects poverty data through three main surveys, they are: first, the national poverty line be established based on the data form Rural Household Survey (RHS) in terms of income and expenditure and poverty distribution; second, National Poverty Monitoring Survey (NPMS) which is used to evaluate the impact of national poverty reduction program; third, Special Poverty Monitoring surveys which relates to World Bank poverty reduction projects in China such as South-West poverty monitoring survey (Zude, no specific publishing time).

The poverty monitoring program was reformed in 2001 and the indicator system covers following factors: Household income and expenditure, Food consumption and nutrition, Fixed assets and living facility, Education attainment of adults and schooling of children, Household capability of accessing market (general), Income equality and gender disparity, Social security and Coverage, targeting of poverty reduction projects (Zude, no specific publishing time). The easiest way to determine whether the household is poor is to compare the per monetary income as well as consumption with poverty line. While in practice, usually both two the income poverty line and consumption poverty line are established (i.e. figure 5). From China Rural Survey Organization’s report in 2004, it measured poverty based on both income and consumption. The poor can be measured as:

I. People whose per capita net income below the poverty line classified as poor and per capita income between 1 and 1.2 times poverty line defined as near poor.
II. People whose per capita consumption below the poverty line classified as poor 
and per capita consumption between 1 and 1.2 times poverty line defined as near 
poor.

Based on this method, the China Rural Survey Organization got results as the annual 
decrease of poor population was 10 million during time period 1978 and 1990 (the 
poverty reduction rate was around 0.83% of total population), while it reduced to 5 
million during 1990 to 2000 (was nearly 0.38% of total population). So we can say 
that the poverty headcount rate in China decreased in the past 10 years, but what is the 
poverty situation in urban and rural areas respectively? I will answer this question in 
the next two sections.

2.3.2 The Urban-Rural Income Gap: Magnitude and Trends

The targeted variable in this section is household per capita disposable income. While, 
using income as target variable has both advantages and disadvantages. For example, 
one disadvantage is income fluctuates over people’s lifecycle and can change from 
year to year. However, the use of consumption also has its drawbacks. For instance, 
consumption not only fluctuates over the lifecycle, but also depends heavily on the 
preferences of individuals. Thus leads to some measured inequality looks spurious.

Table 1: Mean household per capita incomes: national, urban, rural, and urban-rural 
gap (unit: yuan, except for the ratios)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>National</td>
<td>2,969</td>
<td>2,596</td>
<td>5,930</td>
<td>5,121</td>
<td>4,886</td>
</tr>
<tr>
<td>Urban</td>
<td>5,878</td>
<td>4,379</td>
<td>10,396</td>
<td>7,913</td>
<td>7,240</td>
</tr>
<tr>
<td>Rural</td>
<td>1,779</td>
<td>1,866</td>
<td>3,063</td>
<td>3,329</td>
<td>3,046</td>
</tr>
<tr>
<td>Ratio of urban to rural</td>
<td>3.31</td>
<td>2.35</td>
<td>3.39</td>
<td>2.38</td>
<td>2.38</td>
</tr>
<tr>
<td>Urban minus rural</td>
<td>4,099</td>
<td>2,514</td>
<td>7,333</td>
<td>4,584</td>
<td>4,194</td>
</tr>
</tbody>
</table>

Source: Terry *et. al.* 2006
Table 1 shows the average household per capita income for aggregate China and separately for urban and rural households. It provides two indexes of measuring the urban-rural income gap, one is the ratio of urban to rural mean incomes which means the relative gap; the other one is the difference between urban and rural mean incomes that is absolute gap. For both columns in 1995 and 2002, the first column describes household income calculated according to the NBS definition (data from NBS household surveys) which excludes the housing components of income. The second column explains the total of NBS income and housing components of income. In the last column, 2002 incomes are converted into 1995 prices. Comparison of the PPP figures in constant prices which shown in the last columns reveals that China’s urban-rural income gap has increased slightly over time. Between 1995 and 2002, the adjusted relative gap rose by a mere 1 per cent (3.31-2.38) (Terry etc. all, 2006).

From table 1, we only can see the inequality situation in 1995 and 2002. So it not enough to show what the inequality tendency is in long time period. Actually the studies of inequality have been discussed extensively in some literatures, so as below let’s see the inequality tendency base on other literatures.

Measuring rural-urban inequality is necessary to show why Chinese government needs to publish some policies for helping rural poor population. Because the poor population in rural is much higher than in urban and the poverty situation in rural is more serious. The China National Bureau of Statistics, 2004 reported that rural poor population decreased from 250 million (poverty headcount rate=14.8%) in 1978 to 29 million (poverty headcount rate=3.1%) in 2003. While the low-income rural population was 56.2 million in 2003, here the low-income means people living above poverty line but under low-income line. For urban poor, the headcount rate in 1996 was 9.7% and decreased to 6.5% in 2001.
Based on China history, the development process can be divided into several phases which are revolution and land reform (government broke up land to each rural community) happened after Chinese government was established (1949-1956), the great leap forward and the great famine during 1957 and 1961, the post-famine recovery in 1962-1965, culture revolution and transition to reform in 1966-1978, rural reform which was government delivered land to reach rural household based on how many family numbers they have in 1979-1984, and lastly, post rural reform, decentralization and opening up to trade and foreign direct investment since 1985 until now (Zhang and Kanbur, 2003).

The figure 5 presents the long-run regional inequality between urban and rural, as measured by the Gini coefficient and the GE index, in the time of the six phases of development mentioned above. The GE index is an inequality index which is the decomposable generalized entropy class of inequality. It helps us to look deeper into the factors of inequality. For Gini coefficient of inequality, it was calculated based on the standard formula, moreover, it shown the whole region’s inequality in China in this paper. And the GE index was determined by following formulas.
In this equation, “yi is the ith income measured as Chinese Yuan, m is the total sample mean, f(yi) is the population share of yi in the total population and n is total population” (Zhang and Kanbur, 2003). The main character of GE measure is it can additively decompose.

\[
I(y) = \sum_{i=1}^{n} f(y_i) \left( \frac{y_i}{\mu} \right)^c \left( 1 - \frac{1}{n} \right) \\
\sum_{i=1}^{n} f(y_i) \log \left( \frac{y_i}{\mu} \right) \\
\sum_{i=1}^{n} f(y_i) \log \left( \frac{\mu}{y_i} \right) 
\]

\[
c = \begin{cases} 
0,1 & c \neq 0,1 \\
1 & c = 1 \\
0 & c = 0 
\end{cases}
\]

In this equation, “Ig is inequality in the gth group, mg is the mean of the gth group and eg is a vector of 1’s of length ng, where ng is the population of the gth group. If n is the total population of all groups, then \( f_g = \frac{ng}{n} \) represents the share of the gth group’s population in the total population” (Zhang and Kanbur, 2003). The first term in the equation means the with-in group inequality and the second term represents inter-group inequality.

Thus in this paper, the GE includes “within urban-rural” and “between urban-urban” components, which we called the second one (between urban-rural) is “urban-rural inequality”. The GE and urban-rural inequality both were shown in figure 5. In the
paper, GE refers to the generalized entropy index with c=0 where 0 means more sensitive to transfer. From figure 5 we see that Gini and GE two indices move in close relation to each other, and match the different phases of Chinese development quite well. But it also shows Gini index is higher than GE index because the measurements are different. Inequality was relatively low in the first phase after the land reform was introduced, because China government was just established and all people lived either in urban or in rural were quite poor, so the regional inequality was low and steady. However, it rose sharply during the second phase when the great leap forward and the great famine happened and reached to a peak in 1960. This situation caused by serious natural disaster and farmers can not grow any agricultural plants. The tendency fell during the third phase of post-famine recovery and reached a though in 1967. But the culture revolution in the fourth phase caused to an increase of inequality and reached another peak in 1976. From the early 1980s and until 1984, the inequality tendency declined. During the post rural reform phase happened after 1984, when China decentralized and opened up, inequality increased precipitously through to the end in 2000. In order to reduce the regional inequality and narrow the poverty gap between urban and rural, so government published the city and countryside integration system which will be introduced in next chapter.
Chapter 3 City and countryside integration social protection system

Through the analysis of the previous chapter, we get the conclusion that the trend of poverty gap between urban and rural becomes rising (see figure 7). In order to solve this problem, Chinese government came out the urban and rural integration policy which covers on economy, education, social security and several other factors. Among this policy, the Three-farm issues focus on farmers directly, which means government intends to help farmers out of poverty through performing the issues. Until the beginning of the 21st century, the Three-farm issues had begun to be implemented. More details of the integration policy and Three-farm issues will be explained in this chapter.

3.1 Background

Western China is the most underdeveloped region in whole China which made up of 12 provinces namely Chongqing, Sichuan, Guizhou, Yunnan, Tibet, Shanxi, Gansu, Qinghai, Ningxia, Xinjiang, Inner Mongolia and Guangxi. It has an area of 6.85 million square kilometers, accounts for 71.4% of total area of China. In 2001, total population of western region is 364 million, which represents 28.6% of national population (National Statistical Bureau, 2002). In the same year, the gross domestic product in western region was around 1.8245 trillion yuan, accounts for 17.1% of national GDP (China western development organization, 2002). Western region occupies an important strategic position, because it has rich resources and great market potential, but due to natural, historical, social and other reasons, a relatively backward economy appeared. Meanwhile, the per capita gross domestic product is only about 40% of the eastern region's average level, so western region needs to accelerate the pace of reform urgently in order to catch up with the eastern region.

In March 1999, the previous Chinese government chairman Zemin Jiang said,
China government needed to investigate the implementation of the western development strategy, to speed up the development of the central and western regions. If western area’s development was not accelerated, the western area’s economy level will not improve, and then the western population's livelihoods will continue to be very low which can harm for China entire economy growth in the long run. In June, he again called on government to put the western region development strategy as a major task. In January 2000, the CPC (Communist Party of China) Central Committee outlined the clear requirements of how to implement the western region development strategy and established one leading group to supervise the strategy. So this marked the prelude to the implementation of the western region development strategy.

In this project, government social security policy for western area inhabitants plays a very important role, therefore this part will analyze how Chinese government intends to accelerate economy development and how to enhance the living standard in western area. So what kind of social security systems should Chinese government establish to promote the western areas’ development becomes a big issue.

Nowadays, western rural areas’ inhabitants are only covered by family protection (based on farmers own family saving) and land protection (based on farmers land-use rights). The countryside inhabitants are not covered in the social protection systems is one of the reasons for weak economic development in rural areas. In addition, because of the big industrialization development which results from western development strategy, land protection has not been able to resist the huge market competition risk and the heavy living risk of farmers. This situation brings enormous hidden danger for social development, particularly for western rural regions which with huge number of agricultural population. If government doesn’t establish the integrated City and Countryside Social Protection System, definitely the social contradiction will increase and the desire for keeping economy development steady will be harmed.
3.2 Conceptual of City and countryside integration system

City and countryside integration means keep cities and rural areas as a whole in social development strategies, in order to coordinate and reach the same paced development in both urban and rural areas. In the process of such an integrated development approach urban-rural development gap disappears gradually, common prosperity can come true eventually.

In China’s modernization process, the city and countryside integration has become an urgent need. To achieve this, China needs to eliminate both the urban-rural development gap and the worker-peasant differences. The main elements are:

- The economic development level of productivity and living standard in urban and rural are basically the same.
- Urban and rural residents have equal social status and political power.
- Urban and rural residents have same services and facilities of science and technology, sports and medical care. Lifestyle and living environment in city and countryside tend to close, family size, family structure and childbearing concept of urban and rural residents tend to same also. (also see Figure 6)
3.3 Conceptual of rural and urban social protection system frameworks

I. Rural social protection system framework

The rural Social Protection is based on legislation and mainly focuses on the state, cooperatives and farmers. It is an assistance system of providing materials to farmers who lose the ability to work temporarily or permanently and the goal is to stabilize and improve farmers’ living quality both on physical and spiritual wellbeing. The materials mentioned above refers to government provides food and money to some
disabled farmers, but the amount is not much, it only can help these marginal farmers get rid of hunger. Rural social protection system includes social welfare and social relief. The social protection of farmers mainly refers to the social security comes form land which means protection comes form farming. If farmers have bumper harvest, that means they can have good protection in that time period. The social welfare for farmers only covers geracomium means when farmers getting old, they can live in geracomium without any charging. But this way is not really acceptable by most farmers because they usually don’t like to leave their homes when they are old. The social relief of farmer means central government gives the minimum living allowances to the extreme poverty farmers. These amounts of minimum living allowances come from the state's tax. Central government directly delivers the allowances to township governments, and then these lower level governments transfer the money to targeted farmers. However the rural social protection system in China can not be covered in national social protection system, because a huge number of rural populations are not including in the national social security system. Nowadays, the social relief and cooperative medical treatment system (this system is financed in the way of raising money from both rural local governments and individuals, in order to provide low-cost health services in rural areas) are the most important policies in rural social protection system which been determined by the actual situation in rural areas.

II. Urban social protection framework

China urban social protection system includes social insurance, social welfare, social relief, social allowances and loan society. Along with the re-adjustment of industrial structure, the state published protection measures of a minimum living standard for the citizens. For formal employees in cities, they usually get the basic old-age insurance, health insurance, unemployment insurance and work injury insurance. The urban people’s insurance comes from “occupational-based social protection” which can be divided into two situations. First is the state-owned companies, they provide protections to staff include pension, health care, unemployment and industrial injury.
insurance. Another is the private companies that only provide the basic insurances to employers (i.e. industrial injury insurance and basic health insurance).

Thus, two kinds of protection systems have common security projects, such as health insurance, social welfare and social relief. This laid the foundation of integration for the establishment of urban and rural social security system. However, the urban and rural social protection system also has many differences. As I mentioned before, farmers protection comes from land, however, the land belongs to the State and farmers only have using rights. So the state levies tax form farmers. Thus the land protection brings both protection and burden (taxes) for farmers. While, urban residents’ protection comes from the work, from the above analysis it shows that the protection insurance categories and the protection extent of urban residents is significantly higher than that of farmers.

III. The establishment of City and Countryside Integration Social Protection System

The economic development of west region in China is relatively backward compared with eastern coastal region which leads to the social protection system in western region is comparatively slow as compared with in eastern region that already been discussed in the section before. After the twentieth century, government has intensified the investment in the western region and under the guidance of Western Development Strategy, so the western region's economic development can rapidly improve in the near future. Based on this situation, government established the Western City and Countryside Integration Social Protection System which includes the establishment of basic universal insurance; the combination of occupational-based social protection and geographical-based social protection; the combination of rights and obligations, fairness and efficiency.
There are two ways for China government how to implement the development strategy: firstly, with the western region’s economic environment gradually improved, social protection projects should gradually expand the basic insurance coverage in urban and rural areas which based on old-age insurance, health insurance and establish personal saving account of insurance (the personal saving account means people can replenish money to their own insurance saving account by every month, they can withdraw money when they get sick). Furthermore, being use of inter-generational succession policy to improve the insured person's enthusiasm which means government issues old-age pension to farmers who follows the one child per family policy (detailed explanation will be shown in the last section of this chapter).

Secondly, the government uses the geographical-based protection to make sure all urban and rural residents can get equal rights in social welfare and social assistance. At present, social protection of urban workers belongs to occupational-based social protection in China which I mentioned above. While the geographical-based social protection mainly for rural residents, urban residents who are without fixed income and urban housewives. In addition, the urban and rural minimum subsistence protection, child care and elderly care, community services also belong to geographical-based social protection. Now we focus on one aspect of this large system, which named “Three-farm issues”.

### 3.4 Three-farm Issues

Three-farm issues deal with the issues of peasants, agriculture and countryside. China is a nation with close to 900 million rural people, while total national population is 1.3 billion in year 2005 (*China statistical yearbook 2005*), and nearly all of them rely on agriculture. So rural stability, satisfaction of peasant, and sustained agricultural growth all determine the overall social, economic and political health of China. In this part what will be discussed are background of establishing this issues, new insurance
for farmers in this issues and challenges about this issues.

3.4.1 Background of indispensable to establish the Three-farm issues

The Three-farm issues program aims to solve the problem of agricultural production. Nowadays, the sell and buy mode of agricultural products is not perfect and it impedes the rapid development of agriculture. This means because lack of information, farmers sometimes can not sell their products in market in good price. And other situation is buyers want to buy some agricultural products but they don’t know where they can get that. So the link between sellers and buyers is hardly established. Another problem of agricultural industry in China is that agriculture basically is in the form of subsistence and small-scale farms, so it has not achieved a full commercial scale yet. After joining WTO in 1998, the agricultural industry in China suddenly started facing more problems. This means China began to totally opened doors to foreign countries, so other countries can freely export kinds of agricultural products to China, and this causes Chinese farmers taking more competitive pressures. In Three-farm issues, Chinese government is creating a one-stop production and sales model which be explained as government on one hand to supervise farming and on the other hand to be responsible for agricultural productions’ selling in domestic or overseas. Moreover, through the agricultural mechanization be updated to improve agricultural productivity and abandon the self-sufficiency production and small-scale farms.

Rural issues direct at reform of rural household registration system. The household registration system leads to a division (because people registered based on where they born, so if they born in city then belongs to rural people, and government uses this system to divide urban and rural population) between the urban and rural population, and creates big differences in economy and culture also. At present, the Chinese government is trying to reform the household registration system, in the hope to liberate rural surplus labor.
Peasant issues relate to Peasants’ quality and burden. The quality of farmers mainly refers to the quality of culture. According to statistics, China's compulsory education coverage rate is around 85% of total population in the end of year 2000. Among the non-covered population (15%), peasants account for the majority. Meanwhile, the family planning policy in rural areas is resisted by the peasants. Therefore, improving the quality of the lives of farmers becomes necessarily. Another major problem of peasants is reduces theirs burden, because heavy burden directly affects the level of farmers’ income.

3.4.2 Currently new insurances for farmers

Farmers’ social protection system starts with the old-age security and health care insurance. In the part of labor social protection, migrant workers should be treaded in accordance with citizen workers. And farmers’ pension security should start from a lower level, purpose only to maintain the basic principle of survival and gradually improving in the future.

China government implements old-age security system for young farmers who willing to choose one child policy. Civil administration department represents central government to handle the procedures for young farmers’ old-age security. After age 60, they can receive pensions from government. This policy encourages a considerable number of young farmers voluntarily accept only child and to expedite the implementation of the one-child policy. But this kind of young farmers’ pension only can be delivered until several decades after, so no existing financial pressure for government. Further more, this system is established on the government's credibility. If rural population is slow-down growth, it may accelerate national wealth accumulation, as well as reduces the pressure of ecology resources. The wealth can be enough used to cover the young farmers’ pensions after several decades. If rural population growth rate can reduce, farmers’ savings will achieve a significant
improvement because farmers’ savings and birth rate of children are closely related. This situation is quite easy to understand, that is more children means more expenditure for each family. The expenditure relates to education, medical care, distraction etc.

3.4.3 Challenges

The biggest challenge for Chinese government is the implementation of the Three-farm issues and how to guarantee farmers’ income growth? On the one hand, government should increase the number of citizen consumers to purchase agricultural products, on the one hand, the agricultural labor force should be reduced suitably. In other words, firstly, with population structure adjustment, city crowd's proportion should increase and agricultural population’s proportion should drop. Secondly, agriculture through its own structure adjustment should to improve product quality and enhance processing speed. Through these two aspects both are important, agriculture can become the origin to improve farmers’ income.

The tax reform problem also is a big challenge for central government. We should recognize that the tax reform can reduce farmers’ burden and this is an important goal for Chinese government. The tax reform not only one of reforms in economical domain, but also is one local (town and countryside) governments’ structure reform and financial reform. The major part of township governments’ income be collected in the way of charging from farmers, thus through simplification of government departments and staff, the farmers’ over weighted burden can be eliminated fundamentally.
Chapter 4 Evaluation of Rural Tax Reform on the impact of Poverty Reduction

Through the analysis of the previous chapter, we can understand that the Chinese peasants are not covered by social security and poverty size of farmers still in big amount. Based on the data from National Bureau of Statistics of China, the rural absolute poverty size was 26,100 thousands in 2004, and the proportion of total rural population was 3.4%. Therefore, the main purpose of this chapter is to analyze the impact of Rural tax reform on farmers. In other words, it is the evaluation of whether Rural tax reform can help farmers increase their income and lift themselves out of poverty. The main word in this chapter is “Rural tax reform”. I am going to analysis the agricultural growth factors first, because these factors are useful to determine the level of farmers’ income. Second, I will analysis other people's views on Rural tax reform. Some empirical evidence will be shown in this section which can be used to compare with my own analysis results. Third, I am going to assess the development process of rural taxation and its impact on reduce farmers’ burden. Because farmers’ burden in the form of financial burden charged by government, so if farmers’ financial burden can reduce, it seems the rural poverty size also can decrease also.

4.1 Analysis of agricultural growth factors

Agricultural growth can be measured by two indicators. One is the growth rate of total output value on agriculture which is an index to measure the changes of agriculture economic of scale. Another is the per capita GDP of agricultural growth. This is an indicator shows the changes of agricultural population’s standard of living. As for the variables of agricultural growth, they include land, labor, capital, technology, taxation system etc (Qiao etc, 2006). Nowadays, the first four variables all are necessary conditions for agricultural development. However, under the circumstance of these necessary factors without big change, different land policies lead to different results in agricultural production. For example, the taxation reduction policy can improve the enthusiasm of farmers’ operation and affect the amount of agriculture production.
In practical terms, the biggest change of agriculture was from the collective production responsibility system (means farmers collective farming and average distribution of foodstuffs) to single family-based farming system that happened before and after China opening-up policy (in 1979) respectively. The single family-based farming system also named as household contract responsibility system which was one of the important reasons lead to significant growth on agriculture after 1979. In addition, there was another important factor namely price reforms in of the agricultural system reform. Before 1979, each production team (based on villages) sold foodstuffs into two prices, one is ordering price, and the other is above-quota price. Ordering price is suitable for selling crops that completed the ordering obligation level which been decided by government, while the above-quota price is suitable for selling crops that outstripped the ordering obligation level. Let’s say, if the government’s ordering obligation level is 10 thousand ton/year for each production team, if team members produced totally 10 thousand ton in the end of year, then this amount of crops should be sale at the ordering price, say 100RMB Yuan/ton. But if team members produced 12 thousand ton/year, then 10 thousand ton is sale at the ordering price, and the extra 2 thousand ton is sale at say 150RMB Yuan/ton. Beginning of 1979, the ordering prices of rice, oil-bearing crops, cotton, sugar and pork all increased by 17.1%. In addition, as for the amount of crops which exceed the amount of ordering obligation, government paid reward to farmers which nearly 30%-50% of ordering price (ordering price*amount of crops*30%-50%). Although the reform did not change the fact that government decides the crops price, but the price adjustment of foodstuffs still mobilized the enthusiasm of farmers (Qiao et al, 2006).

After entered twentieth century, the scope of adjusting agriculture products’ prices became more and more small. In order to further improve the interests of farmers, it is necessary to re-adjust the financial relationship between government and farmers. On
the late 1990s to early 2000, some local governments tried to reduce the heavy burden of farmers and finally the Rural tax reform came out. Actually, the problem of farmers’ burden appeared in several decades, and government tried various times to solve this problem through the way of publishing new policies, but none had the desired effect to reduce farmers’ burden. Until 2000, the Rural taxation reform has officially published by central government. More details of Rural tax reform will be analyzed in next section.

4.2 Rural taxation reform

In 2000, Chinese government began to choose Anhui province as the first experimental area of verifying the Rural Tax Reform. Two years later, the reform began to promote in other provinces. At the beginning of 2004, government decides to cancel all agricultural taxes within five years. Until 2007, this goal has been achieved. Before the analysis of Rural tax reform, it’s necessary to analyze the tax burden of Chinese farmers before the taxation reform.

4.2.1 Farmers tax burden and other burdens

"Farmers burden" refers to farmers as the independent economic entities, paid amount of materials to country, county collectives and social parties in the form of money, crops and labor services which beyond their own consumption and investment. Farmers’ burden can be divided into dominant burden and recessive burden. Dominant burden means the burden comes from direct payments to state, county collectives and social parties, it also known as the actual burden. Compare with dominant burden, the recessive burden only refers to the necessary payments for government tax and for projects of town and village (for example, road-works), it also known as reasonable burden. The difference between dominant burden and recessive burden was named as burden shift. Because the recessive burden is the necessary payment of farmers, so it already defined clearly and logically. Thus, I am only going
to analyze the dominant burden as below.

Dominant burden can be divided into four parts:

I. The agricultural taxation which mainly includes agricultural tax, taxes on special agricultural products (i.e. tobacco leaf products, marine products) and slaughter tax (charged from slaughter pigs, cattle and other large livestock which based on sale purpose).

II. The "three mentioned and five reunification" where "three mentioned" means public fund, public welfare fund and management fees (charged by village committee) and "five reunification" covers family planning fees, militia training fees, health expenditure, educational fees and village cadres retention fee.

III. The farmer voluntary labor service. It means during the time that township governments and state-owned factories started some community projects in rural areas such as forest planting, flood control and roading, farmers were required to join the works without payment.

IV. The "three chaos", means township government unwarranted pooling of funds, arbitrary requisition of donations and exaction fees from farmers. The first three categories are legitimate burdens, but the "three chaos" belongs to illegal burden (Zhang, 2005).

The systematic rural tax reform had two stages. The first stage is from 2000 to 2003. The content of the reform was to abolish the fees paid by farmers for overall township planning and village reserve and the slaughter tax of livestock. Meanwhile, the farmer voluntary labor service was been cancelled and the agricultural tax, taxes on special agricultural products were been abolished also. The second stage of the reform started from the beginning of 2004. The central government decided to abolish the agricultural tax within five years. In 2004, the agricultural tax were been cancelled in Heilongjiang province and Jilin province first, because they are the two biggest
agriculture provinces in China. And in Henan province etc. 11 major grain-producing provinces, the agricultural tax rate reduced by 3 percentage points. For example, the agricultural tax rate reduced from 7 percent in 2002 to 4 percent in 2004 in Henan province. The agricultural tax rates in remnant provinces reduced by 1 percent. And the taxes on special agricultural products also began to reduce from 2004.

4.2.2 Difference-in-Difference Estimation

“Difference-in-difference estimation” method is widely used to assess policies. It is an econometric method to estimate the net effect of one government policy to target populations. If we assume public policy as natural experiment, then through comparing the pre-set series of indicators, the effect of people who have been affected by the policy (named treatment group) and who were not affected by the policy (named control group) both can be measured. According to some data which were collected before and after of the policy for control group and contrast group, we can get some index numbers of these two groups respectively (i.e. increase rate of per capita income of the peasants). Then the difference between these two indexes is called “difference-in-difference number” which can be concluded as the net effect of the tax reform.

As for whether rural tax reform can increase farmers’ income, many government officials and scholars studied it before. There are three main views: first, the rural taxation reform improved farmers income. The people who agree with this point support the reform strongly. Second, taxation reform is able to increase farmers income in some extent. The holders of such view do not deny that the reform is helpful for farmers, however, it is not the best way and government should not overemphasize it. Three, the rural taxation is not very helpful to increase farmers income. People who hold this point of view do not deny that rural tax relief can cause
limited increase of peasants income, but this approach has only a little effect and some other approaches (i.e. government subsidies) can provide more pronounced effect on farmers income.

Here is one writer named Juan Zhang used Jiangsu Province (in the south of China) as an example, to analyze whether rural taxation reform can improve farmers’ income based on difference-in-difference estimation. Her data came from "Jiangsu Provincial Statistical Yearbook" and "Jiangsu Rural Economic Income Distribution Annual Report" from 1999 to 2004.¹ Some dummy variables were used, such as “per capita GDP increase rate”. Because in Jiangsu province, around 2 / 3 of total farmers income comes from non-agricultural industries (i.e. income from salaries and wages, income from household operations), so farmers income and the economic development have a very large correlation. Moreover, the "per capita GDP growth rate in 1999" was used to illustrate whether the level of economic development before rural tax reform produced obvious effect to farmers income. The results of difference-in-difference estimation shown that, compared with the pre reform time period, the income growth rate of farmers increased year by year after the reform started.

Table 2:

<table>
<thead>
<tr>
<th>Year</th>
<th>Reform Contribution Rate</th>
<th>Relative Change Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>3.07</td>
<td>31.91</td>
</tr>
<tr>
<td>2002</td>
<td>4.05</td>
<td>12.35</td>
</tr>
<tr>
<td>2003</td>
<td>4.58</td>
<td>98.25</td>
</tr>
<tr>
<td>2004</td>
<td>8.96</td>
<td></td>
</tr>
</tbody>
</table>

In the first year of taxation reform (2001), the reform contributed 3.07 percent on the farmers’ income growth rate, and contributed 4.05 percent in the second year which was nearly 1 percent higher than the first year and the relative change was 31.91%

¹ Because I can not access the data sources which mentioned above, so in this part I cannot assess the methodology of her calculations.
percent higher \((\frac{4.05-3.07}{3.07})\). This is because the rural tax reform in the first and second years was mainly to reduce the burden on farmers. In another round, if farmers’ financial burden decreased, it may lead to the net income of farmers increased. The third year’s contribution rate was 4.58 percent and increased by 0.5% over the second year, and the relative change was 12.35 percent higher compared with the previous year. But if compared with 31.91 percent which I mentioned above, the relative change between the second year and the third year became fallen. This situation caused by township governments faced financial deficiency in the third year. Because the transfer payment from central government to township governments decreased which lead to the burden on peasants was in small range of increase. Here, the transfer payment issued from central government that be used to fill the missing income of villages caused by rural tax reform. And the amount of missing income usually used to maintain basic operations of village communities.

In the fourth year, the reform contributed 8.96 percent on farmers’ income growth rate, and increased 4.5 percent compared with the third year. Thus the relative change was sharply increased by 98.25% in the fourth year. That because the rural tax reform was been performed in whole Jiangsu province in 2004 and the tax rate reduced from 7% to 4%. In 1999, farmers’ tax burden was 9 billion Yuan in Jiangsu province, while it reduced to 1 billion in 2005, so the average tax burden reduction was 159 Yuan. I think the results above seem to show that the rural tax reform was helpful to improve farmers net income, because actually farmers tax burden can be convert into kind of expenditure in household budget, the net income should increase in the time of expenditure decreases.

On the other hand, some people do not think rural tax reform is the best way to improve farmers income. They believe some other government policies such as delivering the grain subsidy, seed subsidy and agricultural machinery subsidy directly
to farmers are more useful than rural tax reform and they shown some figures below. For instance, farmers plant rice per 6 acres can receive 36RMB Yuan subsidies from government in central and western areas of Jiangsu province, but northern regions farmers can get 56RMB Yuan under same situation because they are poorer. In my mind, these policies maybe can greatly stimulate the peasants’ enthusiasm of production. While the agricultural product output not only depends farmers’ enthusiasm, but also depends on weather. The reason is China farming still in the basic level, which means the facilities of farming are not advanced. For example, if rained very less in one year, then it would greatly harm for agricultural output. Moreover, because land is limited and rural population is quite big, so the land has been separated to each household is not much, say 10 acres per household. If per 6 acres can receive 36 Yuan, then each household only can get 60 Yuan subsidies form government. So this little amount of subsidies can not provide significant effect to improve farmers income.

4.3 Assess the development process of rural taxation and its impact on reduce farmers’ burden

Figure 7:

In this section, the rural per capita disposable income growth rate’s tendency will be described in figure 8, and some government policies which aim at reducing farmers’
burden and increasing theirs income also will be analyzed. If the growth rate tendency and policies which happened in same time periods can be matched together, means policies are “possible” useful or useless for improving farmers’ income.

In 1980 of the initial rural reform, Chinese government apportioned land to each rural household. Farmers’ production enthusiasm was unprecedented increased which lead to the agriculture income was rapid growth at that time. The farmers’ burden (farmers burden generally means the financial burden that government impose to farmers) was lower than the agricultural revenue. Therefore, rural areas were in rapid development in this time period. Although there is no excessive burden of peasants in this period, government issued the "Notification about stop collecting fees arbitrarily from farmers" in 1985 which played preventive effect on peasants’ burden growth. Here, the fees which been cancelled refers to the shift burden which I mentioned in section 4.2.1, for example, the three chaos fees. Due to these kinds of illegal fees been stopped to charge from farmers, their financial burden reduced and income increased probably. This policy also liberated peasants’ burden and improved rural productivity. In figure 8 we see that farmers’ income sharply increased in this period, a movement that would be consistent with the view of an increased income as a result of this policy change (but however not a proof). From 1980 to 1985, the per capita income of
farmers jumped from 191.3 RMB Yuan to 397.6 RMB Yuan, and growth rate was high as 108 percent which reached a peak according to historical record so far.

Between 1986 and 1991, farmers’ burden became very heavy. The figure 8 shows that the growth rate of farmers’ income was rapid decline in the same period. The per capita disposable income growth rate decreased form 108 percent in 1985 to 51 percent in 1989. However, in 1991, the growth rate was only 3 percent. So compared with the previous period (1980-1985), the growth rate in this period (1986-1991) was declined greatly of 105 percent. The reason is that China started the opening-up policy in 1984, cities became the focus of reform which means government policy changed to tilted to cities and more focus on cities than rural areas. It resulted in the growth rate of farmers’ income fell markedly.

From 1992 to 1994, although this period was only two years, but central government re-emphasis on rural policy during these two years. In 7th December 1991, government published "Farmers’ costs and labor service regulations" which was clearly formed what kind of burdens farmers should to bear and what kind should not. This regulation began to fully implement in all villages in 1992. In 1993, government started to control the burden of peasants strictly and canceled 37 kinds of taxes, fees and funds which related to farmers. Meanwhile, the farmers’ burden was strongly reduced. During these two years time, the growth rate of farmers’ per capita income was increased from 11 percent in 1992 to the 32 percent in 1994.

From the beginning of 1994, government implemented the “System of dividing taxes”. This means taxes been divided in the way of “central government- provincial government- local county/township government” and central government usually took much higher percent of tax than local level government. Central government controlled some good quality taxes directly, and province government followed,
therefore, the central and provincial finance were more adequate, but the county and
township finances were very tight. As a grass-roots township government, their
financial deficits increased. To safeguard the functioning of township government,
shifted the burden to farmers became the only viable option. Therefore, the burden of
farmers increased and the growth rate of per capita income declined. In 1995, the per
capita income growth rate of farmers was 29 percent which declined 3 percent
compared with last year. By the end of 1996, government enacted the "Policy to
practical ease the burden of peasants", and it helped to reduce burden of peasants.
Therefore, from figure 8, it shows in 1997 the growth rate of per capita income of
peasants declined a bit. After that, the farmers’ burden changed between rebound and
fall repeatedly. Although some policies were helpful to control farmers’ burden and
increase theirs income, government could not find the fundamental method to ease the
burden of peasants.

In 2000, government published the “Rural taxation reform”, which aimed to reduce
peasants’ tax. We called some reasonable taxes as “regular tax” (i.e. national tax,
personal income tax, but less than 5% of theirs total income). This is used to ensure
that out of regular tax, there is no other tax charged from farmers. The rural taxation
reform on the one hand reduced farmers’ tax, and on the other hand, it also reduced
township governments’ revenue. For example, the rural education funding crisis
occurred and the rural public facilities are very limited. Some amount of taxes which
charged form farmers was used to improve the rural infrastructure construction, such
as build new schools and complete rural electrical supply equipment. So if the farmers
tax payment reduced lead to the township governments income also decreased, then
they can not spend more money for rural infrastructure construction. In January 2004,
government issued of the "Policy advice to promote farmers’ revenue" which is
helpful to improve farmers’ income. So from the farmers per capita income growth
rate can also see that, it increased gradually form 5 percent to 12 percent between
2001 and 2004. In January 2007, government started the nationwide tax relief of
farmers, but whether can get good consequence mainly depends on the extent of implementation by the local level governments.

Actually, only use one variable the “farmers per capita disposable income” is not enough to proof the rural tax reform has impact on farmers income, while only can say is rural tax reform seems can help farmers to reduce their burden and thus increase income. As below, I am going to use another two variables and analysis the effect of rural tax reform. In figure 9, it describes the annual output of major farm products from 1991 to 2005. The grain output is the total amount output of cereal, beans and tubers. The grain output was 435,293,000 tons in 1991 before the rural tax reform, while it increased to 462,175,000 tons in 2000 when the rural tax reform started. In 2005 when is the fifth year of rural tax reform, the grain output reached to 484,020,000 tons. Even though the floating tendency was shown between 1991 and 2005, but the overall tendency was slight increased, especially during the time period of 2003-2005. If output of major farm products increased, farmers income would increase also. This situation is supported in the following table. The per capita annual farming income of rural households increased from 833.93 Yuan to 1097.71 Yuan between 2000 and 2005. So the result can be explained as the tax reform stimulated farmers to increase agricultural output and thus income increases. But the increased tendency of per capita farming income can not proof that the tax reform is useful to improve farmers income, because some other factors also lead to income increase, such as market price of agricultural product increases, non-agricultural income of farmers increases etc. Above all, none of the variables which I analyzed can absolute proof that the rural tax reform stimulated farmers income increase, but all of them can support this hypothesis. Not only the output of major products, but also per capita farming income, both increased after the tax reform in 2000. So the climbing tendencies of produce output and farming income lead to farmers income rose also.
4.4 Conclusions

This paper has constructed a comprehensive picture of China’s Urban-Rural inequality from the beginning of 1980s until present, governments policies/reforms of reducing inequality (also reducing poverty in rural) in the same time period. Some important findings of this paper are as follows:

1. China’s urban-rural inequality has an overall increasing trend with a short period of decrease during the time period 1952-2000. Between 1952 and 1982, the inequality tendency was fluctuant, while after 1982 the inequality tendency became increased year after year. It is likely to remain at a high level in the
coming years and the urban-rural gap could increase.

2. In order to limit the inequality between urban and rural, the City and Countryside Integration Social Protection System was been set up in western China firstly. The reason is this region is the most underdeveloped area in China. Among the system, Three-farm Issues were directly focused on rural population which refers to peasants, agriculture and countryside. It seems helpful to increase farmers income because some issues can improve farmers enthusiasm on farming, thus the agricultural products could increase.

3. The Rural Tax Reform is one section in Three-farm Issues. It is a big challenge for central government because it not only one of reforms in economical domain, but also is one local (town and countryside) governments’ structure reform and financial reform. Through assessing the development process of rural taxation, we see that the growth rate tendency and policies which happened in same time periods can be matched together, means policies are “possible” useful or useless for improving farmers’ income.

4. We should recognize the limitations of this paper. The article studied urban-rural inequality in China with a particular focus on rural economic, income inequality and rural poverty reduction. No attempt was made to study regional inequalities in education, healthcare and consumption. Moreover, China’s provinces differ greatly, and substantial inequality exists between them. So the limitation of case study (Anhui Province) was can not represent the aggregate China. Further research should pay more attention to the crucial data collection (more aggregate data and less provincial/regional data), although some data are hidden by government.
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