

Rising Inequality in China: Challenge to a Harmonious Society

LI Shi, Hiroshi Sato, and Terry Sicular, eds.

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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

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

<i>fangwu chanquan dengji</i> (房屋产权登记)	registration system for housing property
<i>feigaishui</i> (费改税)	local levies replaced by formal taxation
<i>fuli fenfang</i> (福利分房)	allocation of rental housing
<i>fupin daohu</i> (扶贫到户)	poverty alleviation at the household level
<i>fupin kaifa</i> (扶贫开发)	poverty reduction and development of poor areas
<i>gaozhong zhongji (xiao zhongzhuan)</i> (高中中技) (小中专)	senior middle technical school
<i>gongfei yiliao</i> (公费医)	public health care program
<i>gongwuyuan</i> (公务员)	public servant
<i>gouzhi nongji butie</i> (购置农机补贴)	subsidy for the purchasing agricultural machinery
<i>hexie shehui</i> (和谐社会)	harmonious society
<i>Hu-Wen xin zheng</i> (胡温新政)	Hu-Wen new policies
<i>hukou</i> (户口)	household registration
<i>jingji kaifaqu</i> (经济开发区)	and local economic development zones
<i>jingji shiyong fang</i> (经济适用房)	economically affordable housing
<i>jiti gongyijin</i> (集体公益金)	collective welfare fund
<i>jiuji kuan</i> (救济款)	social relief
<i>jumin hukou</i> (居民户口)	unified local residence household registration
<i>jumin shenfen zheng</i> (居民身份证)	resident identification card

<i>ke zhipei shouru</i> (可支配收入)	disposable income
<i>kexue fazhanguan</i> (科学发展观)	vision of scientific development
<i>lanyin hukou</i> (滥印户口)	blueprint household registration
<i>laobao yiliao</i> (劳保医疗)	labor security medical care program
<i>laonianren butie</i> (老年人补贴)	subsidy for the elderly
<i>liangmian yibu</i> (两免一补)	subsidy for dormitory fees
<i>liangshi butie</i> (粮食补贴)	grain subsidy
<i>liangzhong butie</i> (良种补贴)	subsidy for improved seeds
<i>lian zu fang</i> (廉租房)	subsidized rental housing
<i>likai hukou dengji di shijian</i> (离开户口登记地时间)	how much time since he/she left the place of his/her household registration
<i>maiduan gonglin</i> (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
<i>minsheng</i> (民生)	people's welfare
<i>minzu</i> (民族)	ethnic group, nationality
<i>nongcun shuifei gaige</i> (农村税费改革)	rural tax and fee reform
<i>nongye chanyehua</i> (农业产业化)	industrialization of agriculture
<i>nongye, nongcun, nongmin wenti</i> (农业, 农村, 农民问题)	agricultural, rural, and peasant problems
<i>nongye ziliao butie</i> (农业资料补贴)	agricultural production material subsidies
<i>nongzi zonghe butie</i> (农资综合补贴)	comprehensive subsidy for agricultural production materials
<i>pinkuncun</i> (贫困村)	poor village

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

<i>waichu renkou</i> (外出人口)	individuals who are members of households in a location and have a household registration in that location but were away
<i>wubao</i> (五保)	five-guarantee program
<i>xiagang</i> (下岗)	workers are off-duty but keep their ties with the work-unit
<i>xiagang butie</i> (下岗补贴)	limited benefits for laid-off workers
<i>xiangcai xianguan</i> (乡财县管)	direct administration of township government budgets by county governments
<i>xiangzhen tongchou</i> (乡镇统筹)	township levy
<i>xiaochanquan zhufang</i> (小产权住房)	formal title deed of land usage
<i>xiaochengzhen</i> (小城镇)	small cities and townships
<i>xibu dakaifa zhanlüe</i> (西部大开发战略)	western development strategy
<i>xinxing nongcun hezuo yiliao baoxian</i> (新型农村合作医疗保保险)	new rural cooperative medical insurance program
<i>xinxing nongcun shehui yanglao baoxian</i> (新型农村社会养老保险)	new rural pension system
<i>yi xian weizhu</i> (以县为主)	county-based
<i>yihao wenjian</i> (一号文件)	Document Number One
<i>yishi yiyi chouzi</i> (一事一议筹资)	one-issue-one-discussion fee collection
<i>yulu jihua</i> (雨露计划)	Rain and Dew Program
<i>za tiefanwan</i> (砸铁碗饭)	smashing the iron rice bowl
<i>zai 2002 nin zonggong zai chengzhen juzhu shijian duoshao yue?</i> (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?

<i>zai jiuye peixun</i> (再就业培训) and paid contributions	re-training for those who have registered
<i>zai xiao xuesheng</i> (在校学生)	students at lower levels
<i>zanzhu renkou</i> (暂住人口)	temporary resident
<i>zaotui</i> (早退)	early retirement
<i>zhaijidi</i> (宅基地)	land used for housing
<i>zhaijidi zhihuan</i> (宅基地置换)	urban commodity housing
<i>zhengcun banqian yimin</i> (or <i>shengtai yimin</i>) (整村搬迁移民) (or 生态移民)	whole village migration
<i>zhengcun tuijin guihua</i> (整村推进规划)	development program aimed at the village level
<i>zhenxing dongbei</i> (振兴东北)	revival the Northeast strategy
<i>zhiye gaozhong</i> (职业高中)	vocational senior middle school
<i>zhongbu jueqi</i> (中部崛起)	rise of the central region
<i>zhongzhuan</i> (中专), <i>zhiye gaozhong</i> (职业高中)	specialized (vocational) secondary school
<i>zhuanye hezuo zuzhi</i> (专业合作组织)	specialized production cooperative
<i>zhufang gongjijin</i> (住房公积金)	housing provident fund
<i>zhufang gongjijin dixi daikuan</i> (住房公积金 低息贷款)	low-interest bank loans for housing
<i>zhufang shangpinhua</i> 住房商品化)	commercialization of housing
<i>zijian ziguan ziyong zimie</i> (自建自管自用自灭)	individually built, individually owned, individually used, and individually abandoned

<i>zili kouliang hukou</i> (自立口粮户口)	household registration with own responsibility for food grain
<i>zuidi gongzi</i> (最低工资)	minimum wage
<i>zuidi shenghuo baozheng (dibao)</i> 最低生活保障 (低保)	minimum living guarantee
<i>zuidi shenghuo baozhengxian</i> (最低生活保障线)	minimum living guarantee line
<i>zujin gaige</i> (促进改革)	rent reform
<i>zuijin 12ge yue nei, zai waichu wu gongjingshang de yigong shenghuole jige yue?</i> (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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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 Meiyun, Wang Sangui, 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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