

Analyze the Causes of Income Gap Between Urban and Rural Residents: Take Guangdong Province in China as an Example

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Abstract: In nearly 40 years since China's reform and opening-up, Guangdong province has experienced continuous economic growth, reaching high levels of production. Urban and rural development has also seen gradual growth, but the income gap between urban and rural residents has gradually increased. In the initial phase of reform and opening-up, rural and urban development was not adequately supported through limited policies and financial assistance for farmers. As Restructuring and liberalizing policies continued, China's economic reconstruction made significant progress, and the income gap between urban and rural areas deepened. With the advancement of China's economic level, Guangdong province has experienced increased economic development, but the income disparity between urban and rural areas has continued to grow gradually. However, in recent years, the income gap between rural inhabitant and countryside resident in Guangdong province has not increased at the same rate as in the past, although this gap persists. This paper analyzes the per individual expendable income for urban and countryside inhabitant in Guangdong province from 2010 to 2020 as an indicator.

Keywords: The income gap between urban and rural residents, the knowledge acquisition gap between urban and rural residents, and the unequal distribution of income.

1. Introduction

Analyzing the causes of income gap between urban and rural residents is a crucial research task that aims to understand the underlying factors contributing to the disparities in income distribution. [1] The income gap between urban and rural areas has become a prominent issue in many countries, posing challenges to social equality and economic development. [1] This research seeks to explore the reasons behind this income gap, shedding light on the socioeconomic factors and policy implications that perpetuate the divide.

The income gap between urban and rural residents is a multifaceted issue influenced by various factors. Economic disparities, differences in employment opportunities, educational attainment, and social welfare systems all contribute to the income gap. By delving into these factors, we can gain a comprehensive understanding of the root causes and identify potential solutions to address the income inequality.

One significant factor contributing to the income gap is the urban-rural divide in economic development. Urban areas often attract more investment, have better infrastructure, and offer a wider range of job opportunities, leading to higher wages and income for urban residents. In contrast, rural areas may face limited job prospects, lower wages, and a lack of access to essential services, resulting in lower income levels. Understanding the dynamics of economic development in both urban and rural areas is crucial for addressing the income gap.

Education also plays a crucial role in income disparities between urban and rural residents. Disparities in educational opportunities and quality can lead to differences in skills, knowledge, and qualifications, ultimately affecting employment prospects and income levels. Lack of access to quality education in rural areas, limited resources, and inadequate infrastructure pose significant challenges for rural residents, exacerbating the income gap.

Social welfare policies and systems also contribute to the income gap. Differences in social security benefits, healthcare coverage, and pension schemes between urban and rural areas can significantly impact income levels. Urban residents often have better access to social welfare programs and services, providing them with a safety net and additional income support. In contrast, rural residents may face limited social welfare coverage, leaving them more vulnerable to income fluctuations and economic shocks.

In conclusion, analyzing the causes of the income gap between urban and rural residents is essential for addressing income inequality and promoting social and economic development. [2] By examining factors such as economic development, education, and social welfare policies, we can identify strategies and policies that can help bridge the income gap and promote greater equity. This research aims to contribute to the understanding of income disparities and provide insights for policymakers and stakeholders to develop effective measures to reduce the income gap and achieve more inclusive growth.

2. Data Analysis

2.1. Income of urban and rural residents, 2010-2020

In 2010, the per individual spendable revenue for urban dweller was 21,149 yuan, and the net revenue for rural residents was 7,987 yuan. As for the income proportion between urban and countryside dweller was 2.821, indicating a significant income disparity.

In 2011, the per individual spendable revenue for urban residents increased to 22,383 yuan, while the net revenue for rural residents was 8,635 yuan. The income proportion between rural inhabitant and countryside resident experienced a marginally decrease to 2.731, indicating a small decrease in income disparity.

In 2012, the per individual expendable revenue for urban residents further increased to 23,539 yuan, while the net revenue for rural residents was 8,986 yuan. The revenue proportion between rural inhabitant and countryside resident was 2.701, and the income disparity slightly increased.

In 2013, the per individual discretionary revenue for urban dweller reached 24,909 yuan, while the net proceeds for rural inhabitant was 9,622 yuan. The revenue proportion between rural and metropolitan residents decreased to 2.561, indicating a slight decrease in income disparity.

In 2014, the per individual spendable revenue for urban dweller was 26,739 yuan, and the net earnings for rural residents was 10,569 yuan. The revenue proportion between metropolitan and rural dwellers was 2.491, indicating a slight decrease in income disparity.

In 2015, the per individual expendable revenue for municipal residents increased to 29,277 yuan, while the net income for metropolitan residents was 11,730 yuan. The revenue proportion between metropolitan and rural residents decreased to 2.381, indicating a slight decrease in income disparity.

In 2016, the per individual expendable revenue for metropolitan residents further increased to 31,542 yuan, while the net income for metropolitan inhabitants was 12,717 yuan. The income proportion between urban and rural residents was 2.291, indicating a slight decrease in income disparity.

In 2017, the per individual expendable revenue for metropolitan residents reached 33,907 yuan, while the net income for metropolitan residents was 13,931 yuan. The revenue proportion between metropolitan and rural dwellers decreased to 2.221, indicating a slight decrease in income disparity.

In 2018, the per individual expendable revenue e for urbanite was 36,383 yuan, and the net revenue for metropolitan residents was 14,932 yuan. The income proportion between metropolitan and countryside dweller was 2.201, indicating a slight decrease in income disparity.

In 2019: the per individual expendable revenue of urban residents will be 38,868 yuan, the per individual net income of metropolitan dweller will be 16,131 yuan, the income proportion of metropolitan and rural dweller will be 2.091, and the income gap will be slightly narrowed.

In 2020: the per individual expendable revenue of urban residents will be 41,447 yuan, the per individual net revenue of metropolitan dweller will be 17,361 yuan, the income proportion of metropolitan and rural dweller will be 1.961, and the income gap will be further narrowed.

Table 1: Per capita disposable income of urban and rural residents in Guangdong Province from 2010 to 2020

Year	Disposable shepherds per capita for urban residents(Yuan)	Table village residents per capita disposable bite (Yuan)	Ratio of urban broadcasting inhabitants' pastoral income(multiple)
2010	23392	9423	2.5
2011	24930	9908	2.52
2012	24709	10622	2.52
2013	28389	11272	2.5
2014	29899	11860	2.53
2015	31374	12454	2.5
2016	32839	13054	2.5
2017	34300	13671	2.5
2018	35767	14299	2.51
2019	37232	14938	2.5
2020	38699	15581	2.5

Data source: Guangdong Provincial Bureau of Statistics

According to the above data, the revenue gap of Guangdong inhaitants has narrowed in the past decade, but there is still a certain gap.

2.2. Three industrial structure Primary industry secondary industry tertiary industry

"Three major industries, or three industries, the division of the world is not completely consistent, but basically divided into three categories: primary industry, secondary industry and tertiary industry."

The primary industry primarily encompasses the production of the primary industry mainly encompasses the cultivation of food and other biological materials, as well as activities related to forestry, animal husbandry, aquaculture, and other directly connected industries. based on natural objects of production (generally referred to agriculture). The secondary industry mainly refers to the processing and manufacturing industry (or manual manufacturing operations), using the basic

materials provided by nature and the primary industry for processing. The tertiary industry refers to other industries other than the primary and secondary industries (modern service industry or commerce), with a wide range, mainly including the transportation industry sector, communications industry sector, catering sector, and commerce industry sector, financial industry sector, formal training sector, public service sector and the sector of intangible goods. [3]

Table 2: The proportion of three industries in GDP of Guangdong Province from 2010 to 2020.

Year	Primary industry	Secondary industry	Tertiary industry
2010	9.2	44.8	46
2015	8.4	45.9	46.7
2020	7.5	46.9	45.6

Data source: Guangdong Provincial Bureau of Statistics

2.3. Urbanization rate

The urbanization rate of Guangdong Province in 2010 was 44.6 percent, by 2020 has reached 52.6 percent, an increase of 8 percentage unit. This also signifies that the urban population of Guangdong Province has grown rapidly during this period, and the economic and cultural development of the city has been further promoted.

Table 3: Urbanization rate of Guangdong Province during 2010-2020

A given year	Urbanization rate(%)
2010	44.6
2015	49.5
2020	52.6

2.4. The proportion of urban and rural population

Table 4: The proportion of urban and rural population

Number of taboos for the resident population	Population in urban areas	Population of the village of clothes	Multi-City population share
10462.52	6306.2	4156.32	1.51
10759.2	6502.84	4256.36	1.52
11055.62	6690.24	4365.38	1.53
11360.92	6881.22	4479	1.54
11675.4	7080.12	4590.68	1.54
11999.04	7286.98	4700.06	1.55
12321.94	7490.98	4809.96	1.55
12654.14	7702.88	4926.78	1.56
12995.82	7914.7	5041.88	1.56
13347.14	8123.84	5156	1.57
13709.34	8334	5241.12	1.59

2.5. Urban income

Table 5: Per capita disposable income of urban residents in Guangdong Province, 2010-2020

Year	Urban per capita disposable income (Yuan)
2010	23053
2011	25028
2012	27058
2013	29090
2014	31132
2015	33202
2016	35290
2017	37412
2018	39562
2019	41822
2020	41930

Data source: Guangdong Provincial Bureau of Statistics

The income of urban residents in Guangdong province has shown a steady upward trend over the past decade, reaching 41,822 yuan in 2019, an increase of about 45 percent from 2010.

The income of rural dwellers.

Table 6: Per capita disposable income of rural dwellers in Guangdong Province, 2010-2020

Year	Per individual disposable income of rural dwellers (Yuan)
2010	9739
2011	10689
2012	11640
2013	12660
2014	13759
2015	14932
2016	16187
2017	17532
2018	18970
2019	20512
2020	17532

2.6. Change of gap

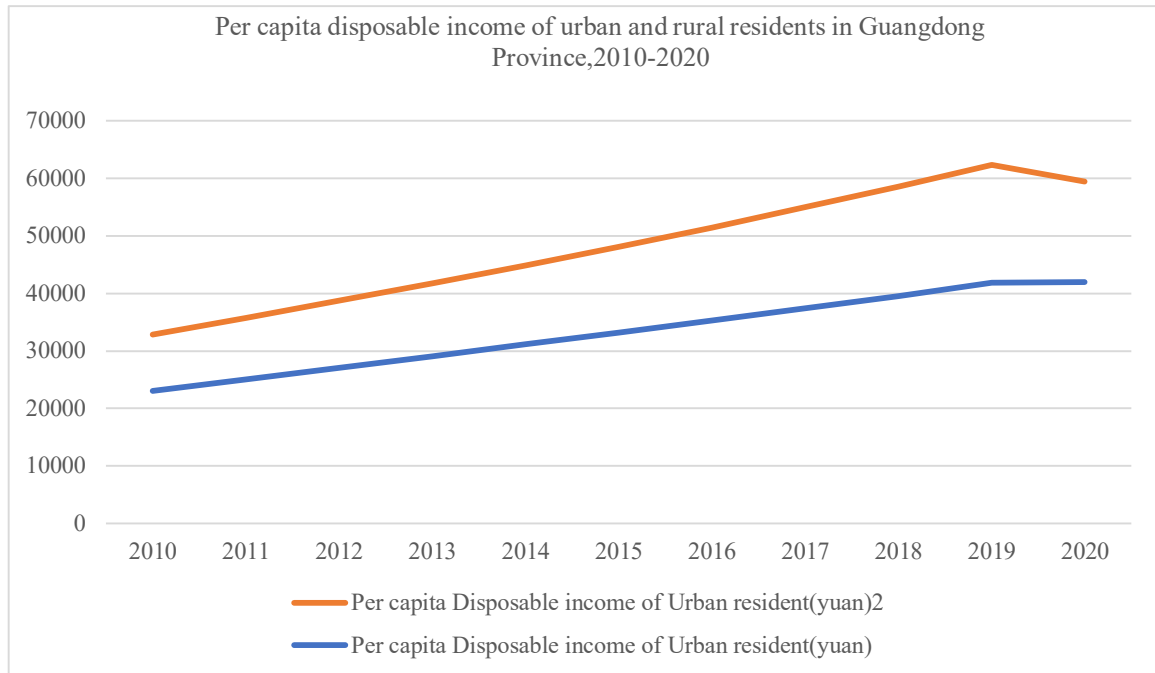


Figure 1: Per capita disposable income of urban and rural residents in Guangdong Province, 2010-2020

According to the above chart, in the period from 2010 to 2020, the per capita disposable income of urban residents and rural residents in Guangdong Province has steadily increased, while the income gap between urban and rural residents in Guangdong Province has changed gently, with little change. [4]

3. Impact of policies

At the inception of the reform and opening-up period, China's level of economic development was relatively backward, [5] so the Government gave more policy support, such as land reform in rural areas, reductions and exemptions in agricultural taxes and fees, and prioritization of urban employment. The policy support available to farmers in this context was relatively large. And after China's rapid economic development, the government's support for rural areas is relatively weak. As a result there is a huge gap between countryside and urban areas.

In response to the consistently large income gap between urban and rural residents, the Guangdong Provincial Government has introduced a number of relevant policies in the hope of helping to narrow the gap, promote a reasonable and fair price level in each region, and increase the real purchasing power of residents, so as to achieve the goal of common prosperity at an early date. In 2014, the Guangdong Provincial Government introduced and proposed a series of measures, including strengthening urban and countryside infrastructure development, promoting equalization of urban and countryside public services, and facilitating urban and agricultural population mobility. Promoting urban and villagelike infrastructure development. The Outline of the Plan proposes to strengthen urban and rural infrastructure development, especially agricultural infrastructure development, and to improve the coverage and service quality of villagelike infrastructure. [6] This will help improve the generation condition and standard of living of rural dwellers and raise their income levels.

Promoting the coordinated development of urban and rural industries. The Outline proposes to strengthen the collaborative development of urban and countryside industries, especially the development of rural industries, and to improve the added value and competitiveness of rural industries. [4] This will help raise farmers' incomes and narrow the income gap between urban and rural residents. [7]

Promoting reform of the rural land system. The Outline proposes to promote the reform of the rural land system, especially to strengthen the transfer of rural land and large-scale management, and to refine the efficiency of land utilization and the income level of farmers. [8] This will help promote rural economic development and raise the income level of farmers.

1. support rural economic development. in 2015, the Guangdong provincial government issued the Opinions on Accelerating the Development of Modern Agriculture, which put forward a series of measures, including increasing investment in rural infrastructure, encouraging rural entrepreneurship and employment, and supporting the development of new types of business such as rural e-commerce. Enriching rural industrial forms, the development of new agriculture has revitalized the rural economy and brought new economic forms to farmers.

2. implementing a minimum salary system. in 2018, the Guangdong provincial government issued the minimum wage regulations of Guangdong province, which clarified the mechanism for setting and adjusting the minimum salary standard, and safeguarded the basic living needs of low-income groups.

3. strengthening investment in education. in 2019, the Guangdong provincial government issued the Guangdong province education modernization 2035 action plan (2019-2022), which put forward a series of measures, including increasing investment in rural basic education, improving rural students' access to and level of education, and promoting the balanced development of education in urban and rural areas. Increase the transition rate of rural students to higher education and promote education equity.

Data source: Department of Agriculture and Rural Development of Guangdong Province

The introduction of these policies has solved the problems in many aspects, such as the low revenue of villagelike residents, rural infrastructure construction, rural education investment, and the trait of rural service industry, and has played a optimistic role in narrowing the income gap between urban and rural areas in Guangdong Province.

4. Analysis of reasons

4.1. Difference in education

The education resources in the city are more abundant, and the education concept is more advanced and the education level is higher. Rural areas, on the other hand, emphasize less education and have a low level of literacy. Therefore, urban residents have more advantages in finding jobs and negotiating salaries. [5]

4.2. Occupational differences

The distribution of occupations is not quite the same in urban and countryside areas. Urbanites are more likely to be engaged in knowledge work, technical work, or service industry work, and tertiary industry workers are very common in cities, far outnumbering those in rural areas. Rural residents, on the other hand, are mainly engaged in agricultural production and low-skilled jobs such as fishing and handicrafts, which pay lower salaries than those in the cities.

5. Regional differences

The degree of economic development of different localities also has a certain impact on the income of urban and rural residents. The urban population is large, industry and services are in a more developed stage, the per individual wage level is also relatively high. While the rural population is more dispersed, the development is not balanced, the level of economic development is lower, and the wage level will be reduced accordingly.

6. Policy Recommendations and Conclusions

This paper is to analyze the income gap between urban and rural residents in Guangdong Province through the income of urban and rural residents in Guangdong Province from 2010 to 2020. The conclusion is that the causes of the income gap between urban and rural residents in Guangdong Province are the education gap, the differences in the occupations of residents, and the differences in regional development. In the face of the income gap between urban and rural residents, the government has introduced relevant policies to raise the income of residents, implement the minimum wage system, and raise the overall income level, narrow the income gap between urban and rural residents and achieve common prosperity.

After China's reform and opening up began in 1978, the country's economic level has improved greatly, but the gap between the incomes of urban and rural residents has always existed, which has made the government aware of this problem. In order to solve this dilemma, the government has introduced some relevant policies to support it.

Like the fact that rural residents are generally engaged in jobs with lower skill levels and lower incomes, these jobs are not the choice of the farmers themselves, but are the result of the place they live in. The fundamental reason for all this is that rural residents are in a poor location. Because people in rural areas are generally farming-based, the importance of education is not high, due to the labor market does not have the advantage of negotiating salaries, so most rural residents can only engage in some of the lower-income jobs.

While increasing investment in education in rural areas, the government should also pay attention to the degree of importance attached to education by rural residents. Because this is also the key to increase the rate of rural residents to go to school. For example, in rural areas to implement the compulsory education stage of the implementation of the policy of free compulsory education, and for some of the more difficult family students to give some subsidies, so as to reduce the obstacles to rural students to seek education.

In order to improve the literacy level of rural dwellers, it is necessary to conduct a survey of the rural areas beforehand, so as to know the situation they face in their location. After the Government has increased its investment in education in rural areas, it must also find out how much importance they attach to education, so that it can carry out its work better.

In rural areas, social media is emerging as a new economic form. With the innovation of social media, the rural economy derives new economic forms, and they can use online media to publicize rural areas and help rural residents increase their income.

Besides, social media provides a platform for rural areas to show themselves, so that people can learn about local culture and customs through social media. This is important for promoting rural areas and attracting investment as it draws more attention to rural areas.

Secondly, social media provides a channel for rural areas to sell their goods. Farmers can use social media to sell their agricultural products, handicrafts, local specialties and so on. This can not only help them increase their income, but also promote local economic development.

Finally, social media can also provide a platform for rural residents to communicate with the outside world, so that they can learn about outside information and culture. This is very important for building cultural identity and strengthening community cohesion.

In conclusion, social media brings many opportunities and challenges for rural economic development. In the future development, we should actively use online media to publicize the rural areas, and we should also focus on supporting and helping the rural residents in order to propel the rural economic development and enhance the income of rural residents.

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