
Income Inequality In China: Causes And Prevalence

China has experienced vast economic reforms which have extended since 1978 and have been accompanied by an indisputable income inequality. The economic growth bolstered by widespread industrialization has significantly reduced China's poverty level. However, income inequality has taken a fast-paced upward trend beyond levels experienced by any other country across the globe over the last decade. While China has been experiencing great economic boom due to industrialization, income inequality remains prevalent across different social and economic stratum.

China's income inequality is conterminous to collective organs such as families, kinship lineages, hukou (household registration), villages, and geographic locations among others. A 2013 study by Gong and Li affirms that income inequality is bound to geographic location. According to Gong and Li, rural-urban and inter-provincial income differences account for an estimated two-thirds of China's income inequality. The trend dates back to 1980s where rural households have consistently earned lower incomes compared to their urban counterparts. Further, Gong and Li indicate that income growth in rural regions is dismal. Deductively, greater income inequality is experienced at the meso-collective level as opposed to individual level. Propaganda extended by the state champion for inequality as an opportunity cost necessary for economic development. According to Xie, the state blatantly conveys to the people that inequalities experienced between the rich and the poor are unavoidable costs that the people have to ascribe for the country to achieve the desired economic growth. Thus, economic prosperity advocated by the government for the people has intentionally left out a section of Chinese people for the greater good of the country.

Third, the conventional Chinese political credo sanctions merit-based inequality. The government extends a plethora of benefits and privileges to Chinese leaders who show high performance in expediting the public good. The Chinese meritocratic conventions endorse and find disparate treatment to be desirable. Such instances can be connected to what Trivedi refers to as sea turtles – Chinese people living abroad. Professional returnees qualify for the Beijing's Thousand Talents program that rewards them with 500,000 yuan and a tentative 2 million yuan research grant among other benefits. Thus, China's appetite for advanced delivery of quality public services and search for talent continues to boost the already wide income rift.

Acquisition of tertiary level education is a great determiner of income distribution. In China, the rapid technological advancements have seen a soaring demand for highly trained workers. In year 2017, Chinese universities produced an approximate 8 million graduates, twice the number of graduates in the U.S. Unfortunately, a wider rift in completion of tertiary education was

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observed between the rich and the poor and from urban to rural regions. For example, only 19 percent of those graduates were from Guangxi, a rural area in china, compared to a 70 percent graduates from Shanghai. For most countries, income inequality is unavoidable. However, how the government tries to strike income equality across all social stratum is fundamental. However, despite the blooming industrialization and higher levels of graduates joining the workforce, income inequality still remains a conundrum in China with notable high prevalence in rural areas among the poor. Traditionally, Chinese are tolerant of inequality which has been a major contributor to the current inequality status. While income inequality is viewed as divide between the rich and poor, China's income boundaries are prominently structural as opposed to personal.

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