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# SASS PAPERS 12

Volume I

*Economics*



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SASS PAPERS **Editorial board**



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## Countermeasure to Control Shanghai Population Scale with Fast Growth Effectively

WANG Zhen, ZHOU Haiwang, CHEN Guozheng and GAO Hui

**Abstract:** The fast population growth, especially the sharp expansion of floating population scale, brings challenge to and pressure on public services, resources and environment, industry upgrading, social management of cities and so on. At present, the momentum for continuous growth of floating population in metropolis still exists, so that population scale of Shanghai will soon exceed 30 million if no effective measures are taken. Therefore, this paper proposes some suggestions for effectively controlling fast growth of population scale: (1) Establish the concept of long-term control and set up municipal population administration committee to strengthen the organizational leadership of population control work; (2) Establish “four-management” mechanism, namely, management on housing, industry, enterprise and certificate at the same time in order to insure effectiveness of population control measure; (3) Establish linkage mechanism, assessment mechanism and incentive mechanism of population control to guarantee practical implementation of population control measures.

**Keywords:** Shanghai, Population Scale Control, Countermeasures

It takes thousands of years for Shanghai developing from a small fishing village into a metropolis with millions of population. In 1959, Shanghai's population reached 10.28 million for the first time, its total population has increased by 10 million in just two decades and its total permanent resident population currently has already surpassed 24 million. Fast population growth will give rise to increasingly serious “big city malaise” such as traffic jam and shortage of housing, education and health resources. “Reasonably controlling the population scale in metropolis” put forward in the *Twelfth Five-year Plan Outline*

for China's National Economy and Social Development and Notification on Actively and Steadily Promoting the Reform of Household Registration System promulgated by General Office of the State Council, provides basis for Shanghai to control population growth. How to effectively control fast growth of population scale in Shanghai and realize harmonious and sustainable development of population, resources and environment are the major practical issues confronted by Shanghai people.

There are some disputes about whether to strictly control population scale in metropolis among academic circles. Respectively from the perspective of urban sustainable development<sup>1</sup> and urban innovation and keeping a favorable position<sup>2</sup>, WANG Guixin and ZUO Xuejin believe that it is necessary to further increase the population scale in metropolis currently; while DING Jinhong and HUANG Rongqing hold the opinion that it is necessary for metropolis to control its population scale for the purpose of mitigating big city malaise, especially the floating population scale<sup>3</sup>.

It is generally believed by scholars that the population scale control in metropolis already implemented doesn't work very well. Based on summary of population control experience of "consolidating step by step, suffering one defeat after another" in Beijing, DUAN Chengrong believes that it is greatly difficult for Beijing to control population scale, which might be worse than actions in the context of further increase in total floating population and the population mainly overflowing into metropolis<sup>4</sup>. Currently, such main measures taken by metropolis in the country as administrative measures and industry replacement and spatial dredge have not achieved expected results<sup>5</sup>. There are problems of backward control concept, ineffective spatial regulation and lacking market means in the process of population control in China's metropolis<sup>6</sup>. As a whole, no in-

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1 Wang G.X., Shanghai's Population Scale Growth and Urban Sustainable Development[In Chinese], *Fudan University Journal of Social Science*, 2008(5).

2 Zuo X. J. and Wang H. X., International Comparison between Metropolitan Innovation and Population Development-Research Based on New York, Tokyo, London and Shanghai Cases[In Chinese], *Social Science*, 2009(2).

3 Ding J.H., Discussion on Urban Explosion and Population Control[In Chinese], *Population Research*, 2011 (1); Huang R.Q., Population Scale Control of Beijing[In Chinese], *Population and Economy*, 2011 (3).

4 Duan C.R., Population Scale Control in Beijing: The Possibility of History and Reality[In Chinese], *Population and Economics*, 2011(3).

5 Chen Y.L., Evaluation and Consideration on Population Scale Control Countermeasures in Metropolis during China's Rapid Urbanization[In Chinese], *Modern Urban Research*, 2012(7).

6 Floating Population Division of National Health and Family Planning Commission of the People's Republic of China, *China's Floating Population Development Report 2013* [In Chinese], China Population Publishing House, 2013.



depth researches have been carried out on the reason for poor control effects in metropolis by scholars.

Like other cities throughout the country, Shanghai also suffers from poor population control results. From the “fifth national census” to the “sixth national census”, the permanent resident population in Shanghai goes up by 690 thousand on average every year, showing continuously and rapidly upward trend for a long time. If no effective and powerful measures are taken to control population scale growth, the permanent resident population in Shanghai would be still on rapid increase for a long period in the future. As a result, effective control over fast growth of population scale has already become the extraordinarily exigent and major issue needed to be addressed by taking powerful measures. This paper is planned to discuss countermeasures for controlling fast growth of population scale in Shanghai based on analysis of growth situation of population scale in Shanghai and bottlenecks confronted with during controlling population scale growth in Shanghai.

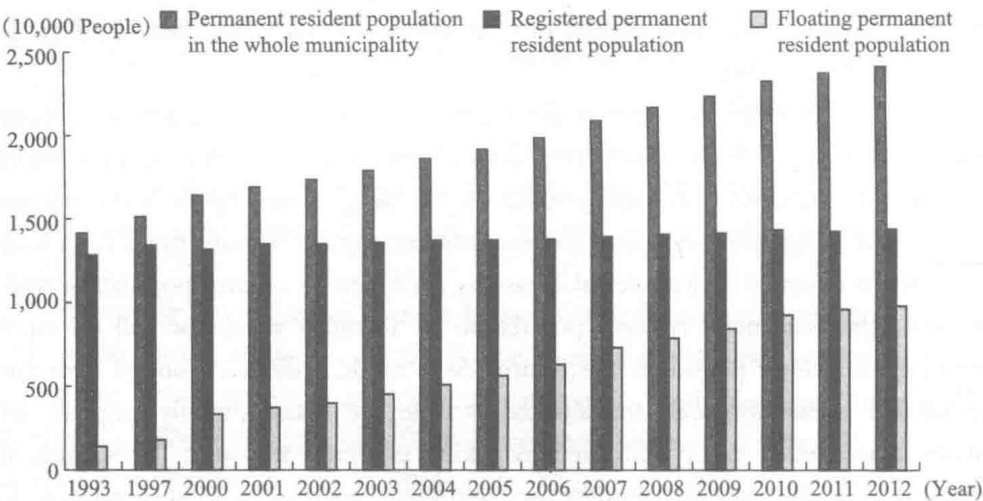
## **1. Growth Situation of Floating Population Scale in Shanghai and Severe Challenges Confronted**

### **1.1 Growth momentum of floating population scale in Shanghai**

From 1993 to 2012, the permanent resident population rose to 23.8 million from 13.81 million in Shanghai, increased by 10 million over 19 years and by 526 thousand on average annually with average annual growth rate of 2.9%. Therein, the floating permanent resident population rose to 9.6 million in 2012 from 1.23 million in 1993, increased by 440 thousand averagely every year with average annual growth rate of 11.4%; the growth in floating permanent resident population makes up 83.8% of that of permanent resident population in the whole municipality, with growth rate rising to 40.3% from 8.9% of permanent resident population in the whole municipality. (See Figure 1)

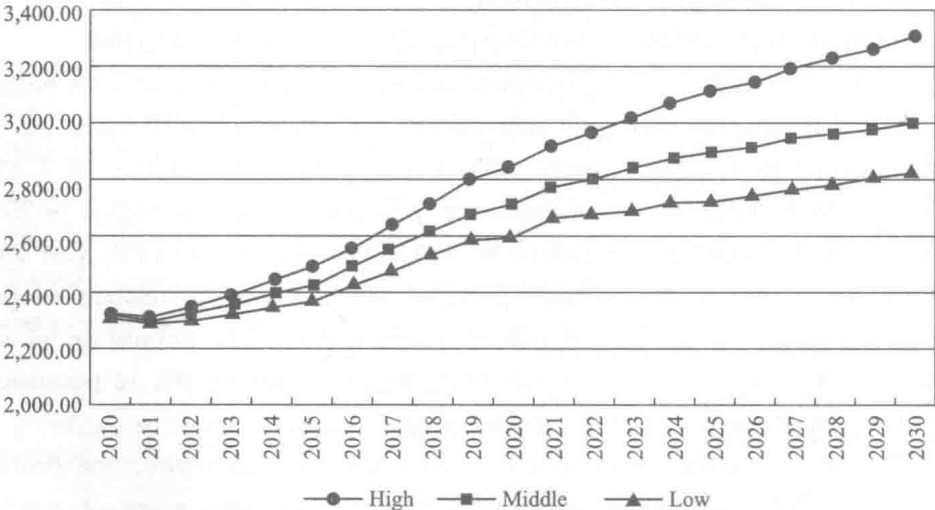
In terms of medium-term and long-term trend in the future, the floating permanent resident population in Shanghai still shows continuous growth trend if no powerful, effective and proactive control measures are taken. Based on our prediction, if no effective control measures are taken, the permanent resident population would outnumber 26.5 million (the population planning objectives in *Major Function-oriented Zone Planning in Shanghai*) in 2020 and reach nearly 30 million in 2030 (See Figure 2).

According to permanent resident population data in Shanghai provided by Shanghai Bureau of Statistics, the permanent resident population grew by 450



**Figure 1 Changes in Scale of Permanent Resident Population, Registered Permanent Resident Population and Floating Permanent Resident Population in Shanghai from 1993 to 2012**

Source: Floating permanent resident population data in 1993 and 1997 come from sample survey of Shanghai's floating population of corresponding years; other data come from 2012 *Shanghai Population and Family Planning Yearbook* and 2013 *Shanghai Statistical Yearbook*.



**Figure 2 Trend Prediction of Total Permanent Resident Population Scale in Shanghai( Unit: 10, 000 People)**

Source: WANG Zhen and ZHOU Haiwang, Social Economic Development Trend in Shanghai and Its Impact on Traffic, *Research Report of Shanghai Traffic White Book*, 2012.

thousand and 350 thousand in Shanghai respectively in 2011 and 2012, with growth rate obviously lower than the average annual growth rate of 690 thousand people from 2000 to 2010, indicating that the population growth rate has slowed

down. However, the above data don't mean that the floating population overflowing into Shanghai is at the turning point of progressive decreasing, for which are only estimative figures of sample survey and sample objects of which are primarily concentrated in some areas with high management maturity. We hold the opinion that it is better to hold gloomy view for future growth trend of floating population. If some special measures are not taken, the gloomy view would turn to be real. Learned from international experience, it is a law that metropolis like Shanghai is bound to be the destination popular among floating population, especially the rural population, in the process of industrialization and urbanization of a country. Given that China is a populous country with large amount of superior public service resources concentrated in several super large cities and the country is in increasing demands for providing fair and equitable treatment of people's livelihood for floating population, these super large cities would be exposed to great pressure of floating population overflowing for a long period in the future, and Shanghai is no exception.

## 1.2 Shanghai faces severe challenge of fast growth in floating population

Extremely limited to construction space area, Shanghai is also seriously restricted by public resources. The fast growth in population scale would bring more and more severe challenges to social economic development and urban management of Shanghai.

### 1.2.1 Demand-supply gap of public services is widened continuously

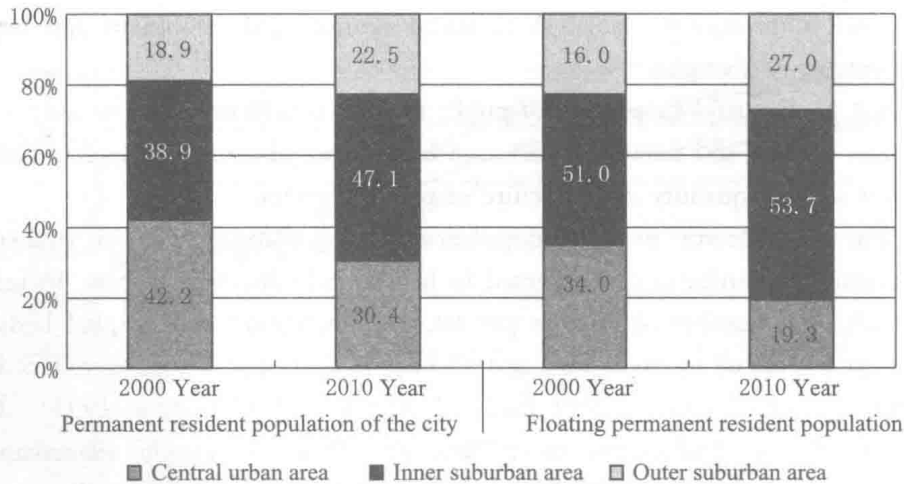
Fast growth and uneven distribution of total population in Shanghai lead to shortage in total quantity and structure of public services.

The fast growth in total population puts public services in straitened circumstances, conspicuously reflected in health and education aspects. In terms of health, the number of doctors per 10,000 population and hospital beds in Shanghai is reduced to 31 doctors and 45 beds in 2000 and is further reduced to 22 doctors and 37 beds in 2011 from 42 doctors and 49 beds in 1993<sup>1</sup>. The phenomenon of "difficulties in medical care" is increasingly exacerbated, especially tertiary hospitals with more limited medical resources. From the perspective of education, Shanghai ushered in a new population birth peak in 2004, which had been followed by the peak of elementary school admission since 2011. The problems of "kindergarten crunch" and "difficulty in enrollment" were prominent increasingly these two years, extending to junior school and

<sup>1</sup> Shanghai Bureau of Statistics, *Shanghai Survey Yearbook 2013* [In Chinese], China Statistics Press, 2013.

senior high school in succession in the future.

In particular, the suburbanization of population distribution makes public service resources in the suburb more limited. As shown in Figure 3, in the wake of accelerating old city renovation and new zone development and construction together with adjustment of industrial structure and distribution since the new millennium, the permanent resident population throughout Shanghai has been undergoing a process of spreading from central urban area to suburban area and suburban area becomes the primary area for population growth in Shanghai. The following three areas rank top three in floating permanent resident population in Shanghai, namely, Pudong New District (2.0243 million), Minhang District (1.2037 million) and Songjiang District (0.9347 million). In addition, the floating permanent resident population scale in Songjiang District, Jiading District and Qingpu District has already exceeded their registered population, causing “reversal phenomenon” which is more severe in some “urban villages”. In suburban areas with rapid population agglomeration in a large number, unprecedented pressure is imposed on public services; general public service resources are in extreme shortage, not to mention superior public service resources.



**Figure 3 Changes of Permanent Resident Population and Floating Permanent Resident Population Distribution in Shanghai in 2000 and 2010**

Source: Population census data of Shanghai in 2000 and 2010.

1.2.2 Social management of the municipality gets more difficult

“Urban village”, group-renting, illegal building and other problems are increasingly outstanding, bringing frequent illegal criminal activities, severe

situation of social public order, obvious contradiction of the masses and multiply hidden troubles. The statistics show that above 72% crimes in Shanghai are not committed by local registered population<sup>1</sup>. In towns crowded with floating population, criminal cases of floating population account for 80%—90% of that in the whole town and the victims are also primarily floating population. A large proportion of floating population is engaged in such “six small businesses” as small restaurant, hotel, hair salon, cybercafé, KTV and market involving unlicensed business activities, deficiency of health facilities and poor environmental health conditions and also works on illegal tricycles, agencies, clinics, food processing and other “underground economies”; among these people there are also criminals of prostitution & whoring and robbery & fraud and criminals of larceny cases on the run, bringing many hidden troubles to social security. More than that, it's understaffed in suburban areas to maintain public order and the social security personnel in 9 suburban counties including Pudong New District account for 69.7% of that throughout the municipality, while authorized urban management staves only account for 52.5% of that throughout the municipality and there are more than 7,000 in shortage of comprehensive coordinators in Shanghai communities<sup>2</sup>.

### 1.2.3 The resources and environment carrying capacity is nearing the limit

Shanghai is a city lacking resources. As the population scale grows continuously, the contradiction between Shanghai's population and resources & environment has become more and more acute. In 2011, the urban and town construction land in Shanghai occupied 48% of total city area, approaching 50% of the ecological limits; Calculated based on urban and town land, the population density amounts to 9,589 persons/sq · km in Shanghai, and that in central urban area reaches 16,828 persons/sq · km, which is 2.4 times, 3.5 times and 4.8 times higher than that of Tokyo, London and Paris separately. The highly dense population in Shanghai has resulted in serious consequences endangering the municipality, like short supply of resources, degraded ecological environmental quality, overburdened traffic system and infrastructure.

### 1.2.4 The upgrading of industrial structure is restrained

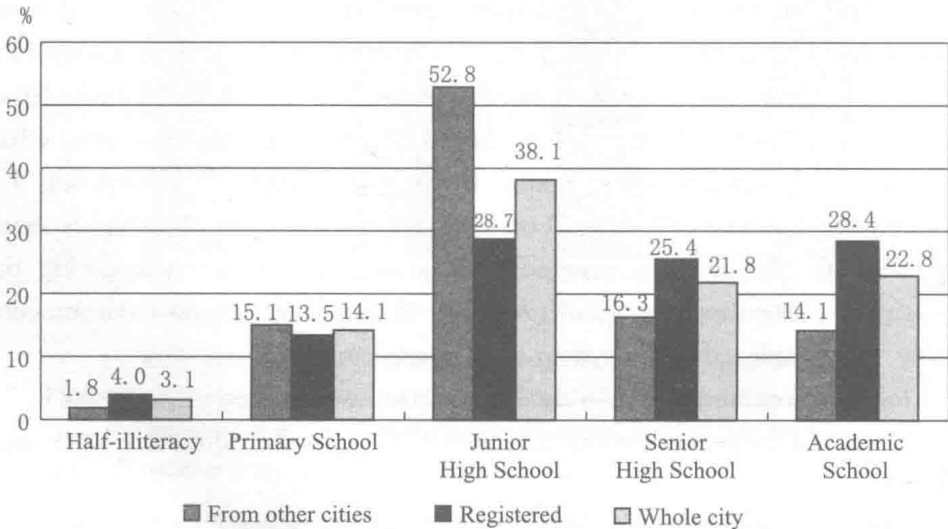
Floating permanent resident population is of lower education level with

<sup>1</sup> Deng H. N. and Dong Z. G., Heavy Burden of Population in Such Metropolis as Beijing and Shanghai: Experts Suggest Scale Control [In Chinese], *Outlook*, February 12, 2010.

<sup>2</sup> Luo J., *Actual Population Has Reached 24.334 Million in Shanghai with Floating Population of 9.823 Million, Increased by 183% Compared with that 12 Years Ago* [In Chinese], <http://sh.eastday.com/m/20120830/ula6823115.html>, August 30, 2012.

junior high school degree or below accounting for nearly 70%, which is far below the education level of registered population, causing low population quality in entire Shanghai. The population with college degree every 100,000 people is 10,000 less than that in Beijing, which is also less than that in Nanjing and Wuhan. The talent advantages of Shanghai are not superior any more, to which must be attached great importance by Shanghai. See Figure 4 for comparison of education level among floating population, registered population and permanent resident population in Shanghai.

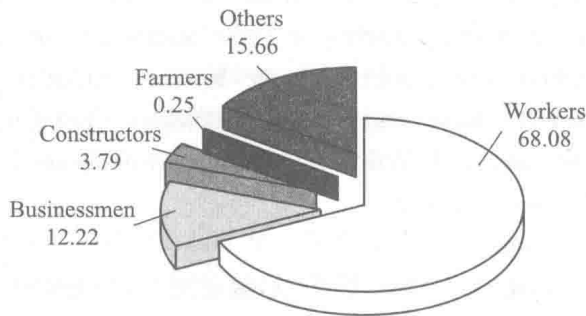
Particularly, the floating employed population is mainly engaged in low-end industries, which tends to settle down for a long period, greatly challenging the industrial structure in Shanghai. According to data from the “the sixth national census”, the floating employed population was 6.498 million in Shanghai, which outnumbered the registered employed population(5.722 million), accounting for 53.2% of employed population in the whole municipality. Limited to education level and labor skills, they are mainly employed in “manufacturing industry” (41.3%), “wholesale and retail industry”(18.4%) and “construction industry” (8.9%). Based on our survey in Minhang District, there was 1.27 million of floating permanent residents in this district in 2012. Among the floating employed population, migrant workers are in the majority, occupying 68%, followed by businessmen(12%), constructors(4%) and farmers(0.25%). Therein, businessmen are mainly in four towns with more sophisticated urbanization development,



**Figure 4 Cultural Composition Comparison among Floating Population, Registered Population and Permanent Resident Population in Shanghai in 2010**

Source: Population census data of Shanghai City in 2010.

namely: Qibao (24.41%), Meilong (16.07%), Shenzhuang (10.64%) and Huacao (9.74%). The number of businessmen in these four towns occupies 61% of total number of businessmen in Minhang District. According to survey carried out by industry and commerce department in this district, those engaged in various markets, small logistic enterprises, small workshops and other low-end commerce and trade service industries accounts for higher percentage of businessmen. There were 19,046 businessmen in various markets of this district, who employed informal migrants most of the time and a large proportion of whom relocated the family to Shanghai and had two and even three children.



**Figure 5 Employment Structure of Floating Population in Minhang District in 2012**

Source: 2012 floating population statistical table provided by Bureau of Population Census in Minhang District.

## 2. Main Bottleneck Problems Confronted for Controlling Fast Growth of Floating Population

Over the years, Shanghai has taken some measures to control the fast growth of floating population, but hasn't achieved obvious effect in general. The cause can be traced to conceptual problems and bigger system and mechanism bottleneck problems confronted with during control, resulting in that some aspects that shouldn't be controlled is under strict control, such as talent introduction; and some that should be controlled is out of control, such as parts of floating population without residence permit and job. Especially in the aspects of "house-oriented, industry-oriented, enterprise-oriented and resident permit-oriented control" measures taken to control floating population, there are a series of policy and system problems needed to be addressed or broke through.

### 2.1 With improper population management system, joint efforts from all walks of life are still far behind

On the basis of summarizing the floating population management practice

over the years, Shanghai has set up a comprehensive municipal population management and service leadership team in 2008, whose office was located at municipal public security bureau with 25 member units. Such adjustment did not help to rationalize the management system and public security bureau actually was unable to take the lead to bear general duties and conduct responsibility assessment for relevant departments. There are many departments participating in management of floating population, but their work is in shortage of coordination even with problems evaded and policy implementation is not in place. For example, with respect to the management of such premises as small market, cybercafé, hair salon, foot massage center, bath center and game room gathering a large number of floating population, numerous departments like public security bureau, industry and commerce administration, health, food and drug supervision, population and family planning bureaus are involved. This is why no departments are willing to manage and shift responsibilities mutually.

## 2.2 Insufficient implementation of “house-oriented control” policy without enthusiasm for implementation at basic level

Strengthening rental-house management for floating population is an effective way to control floating population. Yet at present, there are two bottleneck problems mainly faced during “house-oriented control”:

### 2.2.1 Relevant policies are not in place and meticulous

A series of detailed rules for house rental are specified in *Implementation Measures for Residential House Rental Management in Shanghai* issued in July, 2011, but there are still a lot of political “blind spots” and some regulations are not concrete and in shortage of rigidity. For example, policies of farmers housing rental at rural-urban continuum are not concrete; plant rental of “changing buildings for non-residential use into residential buildings” is not explicitly stipulated; though it was specified that illegal and dangerous buildings shouldn’t be rented, the per capital rented area should not be less than 5m<sup>2</sup> and buildings constructed by partitioning should not be rented, the regulation is quite difficult to be implemented since interests of lessors are concerned during implementation; though many departments like public security, urban management, health, quality and technology supervision, civil affairs, population and family planning bureaus, their concrete responsibilities are not definite. There are still in shortage of powerful policy and regulation basis now for farmers housing rental management and cracking down on downtown group-renting.



### 2.2.2 The enthusiasm at basic level for “house-oriented control” is low

Specific policy measures are required to be carried out by departments at basic level, but they didn't show much enthusiasm for “house-oriented control”. For example, in respect of farmers housing rental problems, every farmer family at rural-urban continuum has house rented basically and a substantial number of their houses are illegal or dangerous houses, but local town government and village committee all generally take an evasive and even indulgent attitude towards the rectification problems covering many aspects, both because of self-interest of local rural cadres and unclear requirements of higher authorities together with insufficient financial compensation. Specific to rectification of group-renting houses, it is not explicitly stipulated in the current policies and regulations that the specific department shall be responsible for concrete implementation. Most basic community units shirk responsibilities or ostensibly deal with it by taking such excuses as “insufficient staff, support and basis”.

## 2.3 Districts and counties are in shortage of response measures for “industry-oriented control” and relatively weak in promotion efforts

Adjustment of industrial structure is a fundamental and positive measure to control the fast growth of floating population and accomplish optimization of population structure. Seen from the conditions in recent years, the control of floating population doesn't work very well, facing the following three bottleneck problems:

### 2.3.1 Districts and counties are not tough enough in adjustment of industry structure

Several years ago, each district and county in suburban areas introduced a substantial number of processing and assembling projects of so-called high-tech industry; these projects are of large output scale, belonging to land occupation, labor utilization and energy consumption projects, which make little contributions to the local tax and employment as a matter of fact. In case of adjusting these projects, these districts and counties would witness a slowdown in economic growth, and even be under great pressure of negative growth and employment pressure after floating employed population lose their jobs and run into social security problems. Although senior leaders tolerate and accept the slowing growth in Shanghai, the thinking pattern of GDP can't be changed within a shorter period and districts and counties would take wait-and-see attitude towards adjustment of industry structure before introducing new better projects unless the whole municipality makes firm determination.