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摘 要

改革开放以来,中国经济持续快速增长,从2010年开始就已经成为世界第二大经济体,2018年中国的GDP已超过了90万亿元,居民收入、生活水平和幸福指数也在不断提高。但与此同时,在市场经济改革过程中,中国也同样存在着多数国家在经济发展中遇到的普遍问题,其中表现最为突出的就是贫富差距越来越大。不少机构和学者测得中国的基尼系数已经超过了国际警戒线,为未来的健康可持续发展埋下了一定的隐患。中国的收入差距体现在多个层面,主要有:个体之间收入差距、区域之间收入差距、行业之间收入差距和城乡之间收入差距,其中最为突出的就是城乡收入差距。中国城乡收入差距的形成及扩大对当前中国社会经济发展产生了诸多不利影响,过大的城乡收入差距亟待缩小。建设和谐社会、全面建成小康社会、实现中华民族伟大复兴中国梦是中国经济社会发展的重要目标,尽管政府以及社会公众在党中央的领导下,积极向着这些目标努力和奋斗,如近年来以习近平同志为核心的党中央以及各地地方政府都非常重视农村贫困问题,制定了“精准扶贫”“乡村振兴”等战略,但是由于历史、制度和现实等各方面因素的影响,在中国实现共同富裕、构建和谐社会的进程中,面临着许多障碍,尤其是收入差距过大引致的种种矛盾和冲突,导致我国经济发展过程中其现实情况可能会偏离预期的目标。

城乡差距在中华人民共和国成立之前就已存在。中华人民共和国成立初期面对复杂的国际环境,当时中央政府选择了优先发展重工业的战略,并通过一系列制度设计达到将农村剩余转向城市的目的,这是中国最初城乡差距形成的根源。伴随着中国经济的快速发展,其背后的一些深层次问题也逐渐暴露出来,其中不断扩大的城乡收入差距越来越成为社会各界高度关注的问题。改革开放以后,中国城乡收入差距在市场经济改革过程中“效率优先兼顾公平”精神的指导下以及城市化发展战略影响下逐渐演变,但是总体来

说中国当前城乡收入差距还与理想水平偏离较远。根据相关数据对中国城乡收入差距进行测算,中国城乡居民收入比在1978年为2.57,1984年缩小到1.8左右,但2009年持续扩大到3.3的最高值,2013年之前一直维持在3.0以上,此后开始逐年下降到2018年的2.69。

城乡收入差距过大,已经成为中国经济发展中的主要障碍,也是社会矛盾不断激化的根源,因此受到社会各界的高度关注。而找出中国城乡收入差距的主要成因,对于政府科学制定缩小城乡收入差距的政策具有重要作用。关于城乡收入差距的研究在学术界也是一个热点问题,学者们从不同层面对导致城乡收入差距的主要原因和影响因素进行了定性和定量的研究,并试图提出一些有效可行的措施来缩小城乡收入差距。关于城乡收入差距形成的原因,学者们一致认为主要是制度因素,其中城市偏向性的社会经济政策以及扭曲的商品和生产要素市场是最为主要的原因。

1978年推行改革开放政策以来,中国实行财政分权改革,主要表现为在农村实行家庭联产承包责任制、逐步放开私营经济的发展、对国有企业放权让利以及财税体制的分权改革等社会经济多个领域,但是其中财税体制的分权改革影响最为深远。由于财税体制实行分权改革,地方政府在财政支出上具有非常大的自主权,在地方政府具有独立利益的情况下,地方政府将会把更多财政资金用于最能满足其自身利益的地方。中国在财政领域实行分权的同时在政治领域却是加强集权,上级政府对下级政府官员具有绝对的任免权,在以经济增长为主要考核指标的情况下,地方政府官员为了满足自身利益以及晋升的要求,往往会更倾向于将财政资金用于经济领域,与此同时,财政资源在农村和城市之间的分配也更倾向于城市,出现了城市偏向性的财政政策。一方面,农村居民比城市居民负担更重,导致其实际收入不断减少;另一方面,由于在基础教育、医疗卫生和社会保障等基本公共服务方面农民无法享受到与城市居民同等的待遇,而这些基本公共服务的差异导致农村居民在人力资本积累上也落后于城市,导致城乡之间居民人力资本的差异进而带来收入差距的进一步扩大。

中国式财政分权背景下,地方政府拥有了更多财政自主权。地方政府也是一个独立的利益主体,在财政和政治激励作用下,导致地方政府财政行为在城乡之间进行选择的时候更多地偏向于城市地区,形成了城市偏向性的财政制度,对城乡居民收入产生直接和间接的影响,最终导致城乡收入差距的不断扩大。因此,研究中国式财政分权背景下地方政府财政支出对城乡收入

差距的影响具有非常重要的现实意义。鉴于此,本书基于中国式财政分权的背景,研究分权体制下地方政府行为选择的现实逻辑,通过实证研究发现地方政府财政支出对城乡收入差距产生了现实影响,并试图提出有效可行的政策建议,这便是本书选题的背景和缘由。本书研究可以理顺中国地方财政支出与城乡收入差距之间的理论逻辑关系和现实影响,具有重要的理论意义和现实意义。从理论意义来看,一是从理论角度分析了中国式财政分权、地方政府行为、地方财政支出之间的逻辑关系,剖析了中国地方财政支出偏向的内在原因;二是从理论角度分析了中国地方财政支出对城乡收入差距产生影响的内在机理。从现实意义来看,一是从时间和空间两个层面对中国城乡居民收入差距及其变动趋势进行了实证测度,更全面地揭示了中国城乡收入差距的本质;二是对中国地方财政支出偏向性进行了现实描述与实证考察,并深入地分析了原因,有利于发现和理解中国地方财政支出的现状及其存在的主要问题;三是对中国地方财政支出及其偏向性对城乡收入差距的现实影响进行了实证分析,明确了中国地方财政支出与城乡收入差距之间的现实关系和产生影响的机制;四是结合中国目前地方财政支出的现实情况,结合缩小城乡收入差距的现实需要,对中国地方财政支出改革的总体思路、基本路径和具体措施进行了系统的分析,并提出了具体的对策建议。

本书研究的核心问题是“城乡收入差距有多大”“地方财政支出对城乡收入差距产生影响的内在机理”“地方财政支出对城乡收入差距的影响程度”“中国地方财政支出的改革方向与具体措施”。基于研究要解决的主要问题,本书研究的主要内容如下:

第1章 导论。首先,对本书选题的背景、理论和现实意义进行了阐述和说明;其次,对与本书研究相关的国内外文献进行了系统的梳理和总结,在吸取已有研究成果的基础上结合本书的研究目的,确立本书研究的逻辑体系和基本结构;最后,阐述了本书研究的具体内容,并介绍了本书的主要研究方法。

第2章 城乡居民收入差距与财政支出的基本理论。为了研究的需要,本章对与本书研究问题相关的核心概念和理论进行了系统的梳理和深入的阐述,奠定了本书研究所需的基本理论根基。首先,在对与城乡收入差距相关的概念进行界定的基础上,阐述了与城乡收入差距相关的核心理论,并介绍了城乡收入差距的测度指标和方法。其次,对与地方财政支出相关的概念进行了界定,并且阐述了与财政支出相关的基本理论。最后,阐述了财政支出对城乡居民收入分配产生影响的基本理论,并分析了地方财政支出对城乡

居民收入差距产生影响的相关理论。

第3章 中国城乡收入差距测度及其形成原因。首先,对中国城乡居民的收入来源构成进行了现实分析,并探讨了城乡居民收入与国民收入分配的关系;其次,对城乡收入差距总体状况和变化趋势进行了测算和分析,还从空间角度和结构角度对中国城乡收入差距进行了系统的测算;最后,对导致中国城乡收入差距的产生及其扩大的主要原因进行了分析,主要包括理论解释、现实因素分析和制度分析。

第4章 中国地方财政支出偏向性及其成因。首先,基于预算内财政支出和预算外财政支出两个层面对中国地方财政支出的偏向性进行了描述;其次,利用相关数据对中国地方财政支出的偏向性进行了现实考察,验证了中国地方财政支出偏向性的存在并对其偏向程度进行了数量刻画;最后,对中国地方财政支出偏向性的形成原因进行了政治和经济的分析,阐明了导致中国地方财政支出偏向的深层次原因。

第5章 财政分权、地方财政支出与城乡收入差距关系的理论分析。首先,对财政分权理论与实践进行了理论回顾和中国经验阐述,并分析了中国式财政分权对地方政府行为产生影响的机制;其次,从理论角度分析了中国地方财政支出对城乡居民收入分配的影响,主要是从初次分配和再分配两个环节的影响系统阐述它们之间的关系;最后,深入地探讨了中国地方财政支出对城乡收入差距产生影响的内在机理。

第6章 地方财政支出对城乡收入差距影响的实证分析。本章的实证分析是对前面理论和现实分析结论的实证检验。本章主要是在前面理论分析和现实描述的基础上,利用我国省级动态面板数据以及相应的计量方法,对我国地方财政支出与城乡收入差距之间的关系进行实证分析。实证研究中主要是就地方财政支出规模以及支农支出、教育支出、卫生支出和社会保障支出四个对城乡收入差距产生重要影响的项目,分别进行了动态计量分析,以发现我国地方财政支出规模以及不同项目与城乡收入差距之间的关系,并对相关实证研究结果进行了阐释。

第7章 研究结论与对策建议。首先,在本书前面的理论、现实和实证分析及测度的基础上,对我国地方财政支出与城乡收入差距之间的关系、影响程度以及形成的具体结论进行梳理和总结。然后,基于本书研究结论,结合我国现实情况,对我国目前应该如何完善财政支出政策以便缩小城乡收入差距进行系统的分析,并提出了合理可行的政策建议。

本书从理论、现实和实证角度对中国地方财政支出与城乡收入差距的关系进行了深入系统的研究并得出如下基本结论：一是通过对中国城乡收入差距的测度，发现中国城乡收入差距总体上呈现不断扩大的趋势，并且东、中、西部地区存在较大的差异，其中经济越发达地区城乡收入差距越小，经济越落后地区城乡收入差距越大，西部地区是中国城乡收入差距最大的贡献者。但我们发现中国城乡收入差距随着社会经济发展而趋于缩小，特别是落后地区的城乡收入差距在中央扶贫政策和农业政策的支持下，有缩小的趋势。二是现实考察了中国地方财政支出现状，发现中国地方财政支出普遍存在偏向性，主要表现为经济性偏向和城市性偏向，而且预算内和预算外支出都存在偏向性，预算外支出的偏向性更加明显。三是通过对中国地方财政支出与城乡收入差距的关系的理论分析，解释了中国地方财政支出对城乡收入差距产生影响的内在机理。财政分权体制对地方政府行为产生了扭曲性激励，导致了地方财政支出的偏向性，财政支出的偏向性对城乡居民的初次分配和再分配产生影响，从而导致了城乡居民的收入差距。不同的财政支出项目对城乡居民不同来源收入产生的影响不同。四是实证检验了中国城乡收入差距对地方财政支出的现实影响，研究结论表明中国地方财政支出扩大了城乡收入差距，并且通过不同财政支出项目的城市偏向性对城乡收入差距的影响实证研究，得出城市性偏向的财政支出对城乡收入差距产生了扩大作用，并且影响程度较大。

通过本书研究得出的结论，笔者认为通过完善地方财政支出机制来缩小城乡收入差距具有重要的现实意义。基于中国地方财政支出对城乡收入差距的影响机理和现实影响，再结合中国当前地方财政支出存在的现实问题，笔者对中国地方财政支出改革提出了系统的建议。笔者认为，中国地方财政支出改革需要明确思路，并对改革进行宏观层面和微观层面的制度改进。改革建议如下：一是要明确中国地方财政支出改革的总体思路，应该从体制变革和具体财政支出结构调整两个层面进行思考，才能真正改变中国地方财政支出结构的失衡，提升城乡居民收入分配的公平性，缩小城乡收入差距。一方面，通过政府治理理念和政治体制变革以及财政体制改革，来改变当前分权体制对地方政府行为产生的扭曲性激励，改变当前中国地方财政支出偏向的现实缺陷；另一方面，需要对地方财政支出规模和结构进行改革，主要包括建立地方财政支出规模合理增长机制、财政支出结构动态调整机制、财政支出效率评价机制和问责制度，通过这些举措来保证财政资金的分配和使用效

率。二是对中国地方财政支出改革提出了具体的建议,主要包括建立地方财政支出规模的合理增长机制、公共资源均衡分配机制、财政支出在不同项目之间的合理分配、不同项目在城乡之间的合理分配等方面的具体措施。三是对中国地方财政支出如何提升效率提出了建议,并对财政支出在资金分配和资金使用方面提出了具体建议。

综上所述,通过本书的研究,我们希望对中国地方财政支出与城乡收入差距之间的关系进行系统分析,在明确中国城乡收入差距现状和地方财政支出现状的基础上,探索中国地方财政支出对城乡收入差距的影响机理与现实传导机制,为中国地方财政支出的改革和缩小城乡收入差距提供理论和现实指导。由于受到各种因素的影响,本书的研究无论是理论研究还是实证研究都存在一定的缺陷,但本书研究的不足正是笔者后续研究的方向,同时衷心希望得到同行专家、学者和读者的批评指正。

关键词: 财政分权;地方财政支出;偏向性;城乡收入差距

Abstract

In 2018, China's GDP exceeded 90 trillion yuan. Since 2010, China has become the second largest economy in the world. But at the same time, in the process of market economy development, China also has some common problems, the most prominent one of which is the ever-growing gap between the rich and the poor. A number of institutions and scholars claimed that the income gap in China in terms of Gini coefficient has gone beyond the international safety range and will be harmful to the health of the future sustainable development. China's income gap is reflected in numerous aspects: the income gap between individuals, the income gap between regions, the income gap between industries and the income gap between rural and urban areas. Among all of which the most prominent and urgent one is the income gap between urban and rural areas. The formation of China's income gap between urban and rural areas has also produced many negative effects, hence the excessive income gap between urban and rural areas needs to be eased. The realization of Chinese Dream—building a harmonious society, building a well-off society in an all-round way and realizing the great rejuvenation of the Chinese nation—is an important goal of China's economic and social development. The Chinese government and the public have been striving hard toward these goals under the leadership of the CPC central committee. In recent years, with Xi Jinping playing the core role in the leadership of the CPC central committee, local governments at all levels have attached great importance to the rural poverty problem, formulated the “poverty alleviation” precisely and put forward the “rural revitalization strategy”, but due to historical and institutional factors, the implementation of common prosperity in China, the process of building a harmonious society, is faced with many obstacles. Especially the various contradictions and conflicts caused by the

large income gap lead to the reality that may deviate from the expected goal in the process of China's economic development.

China's urban-rural gap has existed since the founding of the People's Republic of China. Faced with the complicated international environment after the founding of new China, the central government adopted the strategy of giving priority to the development of heavy industry and achieved the goal of transferring rural surplus to cities through a series of systematic designs, which formed the root of the urban-rural gap in China at the beginning. With the rapid development of China's economy, some deep-seated problems are gradually exposed, among which the widening income gap between urban and rural areas has become a matter of great concern to all sectors of society. After the reform and opening up, the gap between urban and rural areas in China has gradually evolved under the guidance of the spirit of "giving priority to efficiency and fairness" in the reform of market economy and the strategy of urbanization. However, overall, China's current urban-rural income gap is still far from the ideal level. According to the calculation of the income gap between urban and rural areas in China, the income ratio of urban and rural residents in China was 2.57 in 1978, narrowed to about 1.8 in 1984, but then continued to rise to the highest point of 3.3 in 2009, maintained above 3.0 until 2013, and then began to decline to 2.69 in 2018.

Excessive income gap between urban and rural areas has become a major obstacle to China's economic development and a source of increasingly intensified social contradictions. Therefore, people from all walks of life pay close attention to it, and finding out the main causes of the income gap between urban and rural areas in China plays an important role in the government's scientific formulation of policies to alleviate the income gap between urban and rural areas. The research on the income gap between urban and rural areas is also a hot issue in academic circles. Scholars have conducted qualitative and quantitative researches on the main causes and influencing factors of the income gap between urban and rural areas from different levels, and tried to put forward some effective and feasible measures to alleviate the income gap between urban and rural areas. The formation of urban and rural income gap has become the most concerned issue in academic circles. Scholars agree that the formation of urban and rural income gap is mainly caused

by institutional factors, among which urban biased social and economic policies and distorted commodity and production factor markets are the most important causes.

Since the reform and opening-up policy was carried out in 1978, China's decentralization reform, mainly showed in the rural household contract responsibility system, has gradually let go of the development of private economy. Decentralization reform, the separation of the fiscal and taxation system of state-owned enterprises, and other reforms took place in other social and economic fields, but the influence of the separation of the fiscal and taxation system reform is the most profound. Due to the decentralization reform of the fiscal and tax system, local governments have gained great autonomy in fiscal expenditures. When local governments have independent interests, they will use more fiscal funds to meet their own needs. With fiscal power being decentralized, the political power maintained centralized at the same time: the central government still has the absolute power of appointing and removing officials at local governments. Regarding economic growth as the main evaluation index of the performances, the local government officials, out of their own interests and requirements of promotion, tend to be more inclined to use fiscal funds for economy. Consequently, the financial resources allocation between rural and urban is more inclined to cities, leading to the urban bias in fiscal policy. On the one hand, rural residents are relatively more heavily burdened than urban residents, leading to their actual income decreases. On the other hand, in public services such as basic education, health care and social security, because farmers are unable to enjoy the same national treatment as urban residents, the basic public-service enjoyment of rural residents also lags behind those of the urban residents on human capital accumulation, leading to human capital differences between urban and rural residents, which eggs on the further widening income gap.

Chinese local governments have more financial autonomy under the separation of fiscal powers, the interests of the local government is an independent subject in the role of financial and political incentives, leading to the fact that urban areas are more likely to be favored in local government financial behavior. This caused direct or indirect influences on the income of urban and rural residents and eventually led to the expansion of urban and rural income gap. Therefore, it is of great

practical significance to study the influence of local government fiscal expenditure on the urban-rural income gap under Chinese decentralization reform. In view of this, based on the background of Chinese-style decentralization, this book studies the practical logic of local government behavior choice under the decentralization system. Through empirical research, it finds out the practical impact of local government fiscal expenditure on the urban-rural income gap, and tries to put forward effective policy-making suggestions. This is the background and inspiration of this book. The study of this book can straighten out the theoretical and logical relationship and practical influence between China's local fiscal expenditure and the urban-rural income gap, which has important theoretical and practical significance. From the perspective of theoretical significance, firstly, it analyzes the logical relationship between Chinese decentralization - local government behavior - local fiscal expenditure from the theoretical perspective, and analyzes the internal causes of Chinese local fiscal expenditure bias. The second is the theoretical analysis of China's local fiscal expenditure on the income gap between urban and rural internal mechanism. From the perspective of practical significance, the first is to empirically measure the income gap between urban and rural residents in China and its changing trend from two dimensions of time and space, revealing the essence of the income gap between urban and rural residents in China in a more comprehensive way. The second is to describe the bias of local fiscal expenditure in China, make an empirical investigation and thoroughly analyze the reasons, which is helpful to discovering and understanding the current situation and main problems of local government fiscal expenditures in China. Thirdly, the book makes an empirical analysis of the real impact of Chinese local fiscal expenditure and its bias on urban-rural income gap, and clarifies the real relationship between Chinese local fiscal expenditure and urban-rural income gap and the mechanism of its impact. Fourth, combined with the current situation of China's local fiscal expenditure and the need to narrow the income gap between urban and rural areas, this book systematically analyzes the general idea, basic path and specific measures of China's local fiscal expenditure reform, and puts forward specific countermeasures and suggestions.

The key issues studied in this book are: "seriousness of the income gap between urban and rural areas", "the inner working mechanism of relationship between

tween local financial expenditure and the urban-rural income gap”, “the influence degree of the local fiscal expenditure on the income gap between urban and rural areas”, “the reform direction and measures of China’s local fiscal expenditure”. Based on the research to solve the main problems, the main content of the book to study are as follows:

Chapter 1 is the general introduction. Firstly, the background, theoretical and practical significance of this book are expounded and explained. Secondly, it systematically combs and summarizes the domestic and foreign literatures relating to the study of this book. On the basis of absorbing the existing research results and combining with the research purpose of this book, it establishes the logic system and basic structure of the study of this book. At last, the author expounds the research content of this book and introduces the main research methods.

Chapter 2 talks about the income gap between urban and rural residents and the basic theory of fiscal expenditure. In order to meet the research needs, this chapter systematically combs and elaborates the core concepts and theories related to the research problems of this book, laying the basic theoretical foundation for the research of this book. First, on the basis of defining the concepts related to urban and rural income gap, the core theories related to urban and rural income gap are expounded, and the measurement indexes and methods of urban and rural income gap are introduced. Secondly, the concept related to local fiscal expenditure is defined, and the basic theory related to fiscal expenditure is expounded. Finally, this paper expounds the basic theory of the influence of fiscal expenditure on the income distribution among urban and rural residents, and analyzes the relevant theories of the influence of local fiscal expenditure on the income gap between urban and rural residents.

Chapter 3 is about the measurement of urban and rural income gap in China and the reasons for its formation. Firstly, the income sources of urban and rural residents in China are analyzed and the relationship between urban and rural residents’ income and national income distribution is discussed. Secondly, the overall situation and the changing trend of urban and rural income gap are calculated and analyzed, and the urban and rural income gap in China is calculated systematically from the perspectives of space and structure. Finally, the

paper analyzes the main reasons of the income gap between urban and rural areas in China, including theoretical explanation, practical factor analysis and institutional analysis.

Chapter 4 focuses heavily on Chinese local fiscal expenditure bias and its causes. Firstly, the bias of local fiscal expenditure in China is described based on the two levels of budgetary and extra-budgetary fiscal expenditures. Secondly, the paper makes a realistic investigation of the bias of Chinese local fiscal expenditure by using relevant data, verifying the existence of the bias of Chinese local fiscal expenditure and depicting its degree quantitatively. Finally, the political and economic analysis of the causes of the formation of the local fiscal expenditure bias in China is discussed comprehensively and thoroughly.

Chapter 5 is the theoretical analysis of the relationships among fiscal decentralization, local fiscal expenditure and urban-rural income gap. Firstly, this chapter reviews the theory and practice of fiscal decentralization, elaborates on China's experience and analyzes the mechanism of the impact of fiscal decentralization on local government behavior. Secondly, it studies the influence of Chinese local fiscal expenditure on the income distribution of urban and rural residents from a theoretical perspective. Finally, it discusses the inner mechanism of the influence of local fiscal expenditure on the income gap between urban and rural areas.

Chapter 6 is the empirical analysis of the impact of local fiscal expenditure on the urban-rural income gap, reexamining the previous theoretical and practical analysis conclusions. Based on the previous theoretical analysis and realistic description, this chapter makes an empirical analysis of the relationship between the local fiscal expenditure and the income gap between urban and rural areas by using the provincial dynamic panel data and corresponding measurement methods. Empirical study mainly focuses on local fiscal expenditure scale, agriculture-supporting expenditure, education expenditure, expenditure on health and social security spending, studying the impact on the income gap between urban and rural areas to identify the size of the local fiscal expenditure in China as well as different projects and the income gap between urban and rural areas, and explaining the related empirical research results.

Chapter 7 covers the research conclusions and countermeasures. First of all,

on the basis of theoretical, practical and empirical analysis and measurement in the preceding parts of this book, the author combs and summarizes the specific conclusions on the relationship between local fiscal expenditure and urban-rural income gap in China and the formation of the influence degree. Then, based on the research conclusion of this book and the actual situation of our country, this chapter systematically analyzes how to improve the fiscal expenditure policy in order to narrow the income gap between urban and rural areas, and puts forward reasonable and feasible policy-making suggestions.

This book conducts an in-depth and systematic study on the relationship between local fiscal expenditure and urban and rural income gap in China from the perspectives of theory, reality and demonstration, and the following basic conclusions are drawn through our research: First, through the measurement of the urban-rural income gap in China, China's overall trend of widening income gap between urban and rural areas and differences between eastern, central and western regions are clearly made out. The smaller the income gap between urban and rural areas is, the more developed economy in this area is; the more backward the area's economy develops, the greater income gap between urban and rural areas produces. The western region is the biggest contributor to China's urban-rural income gap, but it is also found that China, especially in underdeveloped regions, will tend to narrow the income gap between urban and rural areas along with the social and economic development, with the help of poverty-alleviation and agriculture-supporting policies established and enforced. Second, the present situation of China's local fiscal expenditure is investigated and it is found that there is a general bias of China's local fiscal expenditure, mainly manifested as economic bias and urban bias, and there is a bias of both budgetary and extra-budgetary expenditures, but the bias of extra-budgetary expenditure is more obvious. Third, through the theoretical analysis of the relationship between China's local fiscal expenditure and the income gap between urban and rural areas, this study explains the internal mechanism of the impact of China's local fiscal expenditure on the income gap between urban and rural areas. Fiscal decentralization system of local government behavior has distorted incentives, resulting in the bias of local fiscal expenditure, financial expenditure of the bias through the impact of urban and rural residents in primary

distribution and redistribution. It also leads to the residents' income gap between urban and rural areas, but different fiscal expenditure projects have different influence on different sources of income of urban and rural residents. Fourth, the empirical test of China's urban and rural income gap and its influence on the reality of local fiscal expenditure indicates that the local fiscal expenditures expanded the income gap between urban and rural areas in China, and through the different projects of fiscal expenditure of urban bias of empirical research on the influence of income gap between urban and rural areas, it is concluded that urban bias of fiscal expenditure has expanded the role on the income gap between urban and rural areas, and the degree of influence is bigger.

Through the study of conclusions, we believe that the local fiscal expenditure narrowing the income gap between urban and rural areas has important practical significance. Based on working out the influencing mechanism of local fiscal expenditure on the income gap between urban and rural areas, combining China's practical problems existing in the current local fiscal expenditure, we put forward the reforming scheme of local fiscal expenditure. We believe that the reform of local fiscal expenditure in China requires clear thinking and institutional improvement at both macro and micro levels. The corresponding suggestions are as follows: First, we should clarify the general idea of China's local fiscal expenditure reform, and we should think from the two aspects of institutional reform and specific fiscal expenditure structure adjustment, so as to truly change the imbalance of China's local fiscal expenditure structure, improve the fairness of income distribution of urban and rural residents, and narrow the income gap between urban and rural areas. On one hand, through the reform of government governance concept, political system and fiscal system, we can change the distorted incentives, generated by the current decentralization system, of local government behaviors and change the practical defects of current Chinese local fiscal expenditure bias. On the other hand, we need to reform the scale and structure of local fiscal expenditure, including the establishment of a mechanism for reasonable growth of local fiscal expenditure, a mechanism for dynamic adjustment of fiscal expenditure structure, an evaluation mechanism for fiscal expenditure efficiency and an accountability system, so as to ensure the efficiency of fiscal fund allocation and use. Second, specific suggestions are put