



NORTH-HOLLAND

Available online at www.sciencedirect.com

SCIENCE @ DIRECT®

China Economic Review 16 (2005) 189–204

**China
Economic
Review**

Spatial inequality in education and health care in China

Xiaobo ZHANG^{a,c,*}, Ravi KANBUR^b

^a*International Food Policy Research Institute, 2033 K Street, N.W., Washington, DC 20006, USA*

^b*Cornell University, USA*

^c*Wang Yanan Institute for Studies in Economics, Xiamen University, China*

Received 3 February 2004; accepted 22 February 2005

Abstract

While increasing income inequality in China has been commented on and studied extensively, relatively little analysis is available on inequality in other dimensions of human development. Using data from different sources, this paper presents some basic facts on the evolution of spatial inequalities in education and healthcare in China over the long run. In the era of economic reforms, as the foundations of education and healthcare provision have changed, so has the distribution of illiteracy and infant mortality. Across provinces and within provinces, between rural and urban areas and within rural and urban areas, social inequalities have increased substantially since the reforms began.

© 2005 Elsevier Inc. All rights reserved.

JEL classification: D63; O15; O18

Keywords: Illiteracy; Infant mortality rate; Spatial inequality in China; Polarization

1. Introduction

Since the start of the reforms in 1978, China has experienced unprecedented economic growth, which has led to spectacular reductions in income poverty (Fan, Zhang, & Zhang, 2002; World Bank, 2000). However, this growth has been accompanied by dramatic increases in inequality, especially in the 1990s. In recent years, the policy debate in China

* Corresponding author. Tel.: +1 202 862 8149; fax: +1 202 467 4439.

E-mail addresses: x.zhang@cgiar.org (X. Zhang), sk145@cornell.edu (R. Kanbur).

has begun to reflect strong concern with this increasing inequality (CASS, 2005; UNDP, 2000). Growing disparities along different dimensions (rural–urban, inland–coastal, etc.) are cited as reasons for growing social unrest, not to mention the fact the poverty reduction would have been even more spectacular had the growth not been accompanied by sharp increase in inequality. Most of the literature on inequality in China is about income inequality (Aaberge & Li, 1997; Chen & Martin, 1996; Démurger et al., 2002; Hussain, Lanjouw, & Stern, 1994; Kanbur & Zhang, 1999, 2005; Khan, Riskin, & Zhao, 1993; Lyons, 1991; Tsui, 1991; Yang, 1999). Relatively little analysis is available on inequality in other dimensions of human development. For example, West and Wong (1995) discuss fiscal decentralization and increasing regional disparities in education and health status. However, their study focuses on only rural areas in two provinces, Shandong and Guangdong. The China Human Development Report, 1999 (UNDP, 2000) highlights the negative impact of fiscal decentralization on education and health. Although it presents a human development index at the province level in 1997, it does not quantify the change in social inequality over time. This paper is a contribution to the attempts at filling this gap in our knowledge. Using data from different sources, it presents a picture of the long-term evolution of spatial inequalities in education and healthcare in China.

There are several reasons to worry about high social inequality. First, people live in a social setting and do care about their relative positions in a society. High social inequality is often in relation to low happiness. Second, large social inequality often leads to more crimes and social instability, which in turn contribute negatively to investment environment and economic growth. Third, the increasing gap of social development will reduce the trickle-down effect of economic growth on poverty reduction. For example, it is hard for an illiterate person to share the boat of rapid economic development. All in all, social inequality is equally important as income inequality.

The paper is arranged as follows. Section 2 provides an institutional and historical review of social welfare provision in rural areas and cities. Section 3 describes the spatial distribution of education and health development, respectively, using national level data that go back to the pre-reform period. Section 4 concludes, and an Appendix provides a description of the data used in the analysis.

2. Institutional changes in education and healthcare provision

Until the 1980s, China's distributional policies manifested a strong urban bias (Lin, Cai, & Li, 1996).¹ The rationing system introduced in the 1950s enabled urban residents to have access to food, housing, education, and healthcare at much lower prices. Almost all urban residents in the working age group had guaranteed jobs in the state or collectively owned firms. Because these jobs were permanent, the so-called "iron rice bowl", urban unemployment was virtually nonexistent. These jobs also provided urban residents with

¹ This bias still exists today, but in different forms (for example, government invests more in urban than in rural areas; universities post higher admission scores for rural students; and there are still visible and invisible restrictions on migration from rural to urban areas).

Download English Version:

<https://daneshyari.com/en/article/9547380>

Download Persian Version:

<https://daneshyari.com/article/9547380>

[Daneshyari.com](https://daneshyari.com)