

# Research on Social Security and the Gap between the Rich and the Poor

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**Abstract:** The interaction between urban-rural income gap and wealth gap in China has widened the gap between urban and rural areas. And the social security system should have alleviated poverty and narrowed the gap between urban and rural areas. However, the "dual" social security system in China is not in line with the current economic restructuring and the "three-element" population structure. The rural social security system lacks or makes the gap between urban and rural areas rich and poor get bigger. Only by establishing the appropriate social security system for each of the "three-yuan" population in China can the current problems be solved. Therefore, improving the social security system is an effective way to reduce the gap between urban and rural areas in China.

## 1. Introduction

The impact of China's social security system on poverty has distinctive "Chinese characteristics," and the "dual" social security system has had a different impact on the urban poor and rural poor. At present, the elderly, laid-off workers and seriously ill families are the major components of the urban poor in our country. Due to the relatively perfect urban social security system, the pension insurance system, the medical insurance system, the "two guarantees" measures, the "three safeguard lines" The implementation of the system of minimum living allowance has alleviated the poverty of urban poor people to a certain extent. Due to the imperfect personal income tax system in our country, there is no "poverty trap" in the cities and towns. Due to the loopholes in the management of the social security system and the employment system, many laid-off workers are unemployed and enjoying social security benefits. In fact, Employment has been achieved in many flexible ways and the "unemployment trap" does not exist. Therefore, the implementation of China's urban social security system has brought more positive effect, with fewer negative effects. The social security system in our country lessens the poverty of urban residents to a certain extent and alleviates the gap between rich and poor among urban residents. However, in rural areas, due to the lack of an official social security system, the poverty problem of rural residents lacks channels for alleviating poverty. Set aside regionalism, in essence, the gap between urban and rural poor is manifested as the gap between rich and poor residents. The "duality" nature of China's social security system has not only failed to ease the gap between rich and poor in urban and rural areas, but has worsened the gap between rich and poor urban and rural areas [1].

## 2. Reasons for Increasing Gap between Urban and Rural Areas in China

The so-called natural and historical causes refer to the factors contributing to the gap between urban and rural areas in China that are caused by natural conditions and historical facts that are not transferred from the will of the people. Mainly include: the relative shortage of natural resources possession, small-scale production led to inefficient agricultural production, over-expansion of rural surplus labor force and a serious shortage of rural human capital investment. Natural and historical causes are the basic reasons for the gap between urban and rural areas in China. They are formed in the process of long-term development of nature and society, and are natural and historic.

The quantity and quality of natural resources in various countries all have different degrees of difference, which have different impacts on the national economy and people's living standard in each country. In our country, the relative insufficiency of natural resources, especially the relative

shortage of agricultural land resources and the uneven distribution of cultivated land have caused the slow growth of peasants' income, which makes it difficult for the urban-rural gap between rich and poor to be effectively reversed in a short period of time. In vast rural areas, peasants basically rely on farming as their main business. The relative lack of agricultural land, resulting in "rely on to eat," the rural areas is difficult to obtain higher income. At the same time, the uneven distribution of cultivated land resources has caused land scarcity in many areas where farmers simply can not get out of poverty and rely on land resources alone. In addition, the per capita possession of other natural resources other than land resources is also very small and unevenly distributed. This makes it very unlikely that farmers will rely on other natural resources to increase their incomes, resulting in a single source of income for most rural residents. The income of urban residents is not affected by the relative scarcity of natural resources. In addition to income from labor, urban residents also have income from factors of production, but their dependence on natural resources such as land resources, water resources and mineral resources is not significant. Rural residents should have occupied relatively more natural resources in order to keep their incomes in line with urban residents. However, the reality is that the urban and rural residents in our country have relatively inadequate possession of natural resources, which makes it difficult for rural residents to grow their income while urban residents are not greatly affected by the natural resource possession, thus widening the income gap between urban and rural residents. Therefore, the relative insufficiency of natural resources occupies an important reason for the gap between urban and rural areas in our country [2].

In our country, the relative insufficiency of natural resources and the serious absence of secondary and tertiary industries in rural areas lead to excessive surplus labor force among rural residents. In addition, the relatively limited ability of cities to absorb labor force has aggravated the over-expansion of surplus rural labor force. Classical economic theory has long pointed out: In the case of unskilled laborers, land and capital equipment are scarce, the rent, profit rate and interest rate of land will be very high, the real wage rate should drop, and the gap between the rich and the poor will naturally be drawn accordingly Big. In our country, the land is owned by the public and the peasants have the right to use the land. Excessive expansion of rural surplus labor in addition to possession of a small part of the land, but also have their own not skilled secondary industry and tertiary labor. But farmers do not own other scarce resources and factors of production. Therefore, excessive expansion of surplus labor will inevitably lead to widespread poverty among a large number of rural residents. This kind of relative ordinary poverty has greatly reduced the possibility of rural surplus labor relying on land to increase income, making it hard for rural residents to increase their per capita income. The excessive expansion of rural surplus labor aggravated the expansion of the gap between urban and rural areas in China [3].

A considerable part of the many factors contributing to the widening gap between urban and rural areas is due to the current under-built system and the imperfect existing policies. The institutional and policy causes of the urban-rural gap between rich and poor have a considerable impact on the emergence and worsening of the urban-rural gap between rich and poor. The institutional and policy causes of the gap between rich and poor in urban and rural areas are mainly manifested as: the dual economic structure of urban and rural areas to the balanced development of urban and rural economy, unreasonable fiscal and taxation system on the balanced development of urban and rural economy, the current education system is not reasonable, rural social security system Unsound, the objective role of the distribution policy and the rural market is still underdeveloped.

In urban and rural dual economic structure, urban and rural areas, one country or two policies. The state maintains the dual economic structure through planning and strict account control, that is, the household registration management system segmented by urban and rural areas serves as a support for the dual economic structure of urban and rural areas. Through various means, the government has restricted the movement and free flow of population between urban and rural areas and sought to create the conditions for the development of cities and industries. At the same time, the government also ensures that urban workers have higher treatment in terms of employment,

wages and social security through administrative measures. This system has seriously hampered the transfer of rural surplus labor to the cities and cracked down on their enthusiasm for going to cities for work. In recent years, the government has tried to reform the unreasonable household registration system, encouraged the transfer of rural surplus labor force to cities, and opened up a new road for rural residents to increase their incomes. However, migrant workers in urban areas have different treatment with medical staff, insurance, wages and children's education. These are not only inconsistent with the objective requirements of the market economy, but also not conducive to improving the urban-rural differences. All these facts show that the unreasonable urban-rural dual economic structure still exists in our country and is hard to get rid of in a short time. The dual economic structure in urban and rural areas limits the free flow of capital, technology and labor in the urban and rural areas, inhibits the development of rural economy, seriously affects the incomes of rural residents and widens the gap between urban and rural areas [3].

### **3. Measures to Narrow the Gap between the Rich and the Poor in Urban and Rural Areas of China**

Under the current market economy conditions, the administrative management system should be gradually established to adapt to the market economy and the government should continuously promote the transformation of government functions in order to reduce the burden on peasants. Market economy takes the market as the guideline of resource allocation and the competition mechanism as the mode of economic operation. The government should be in the position of public service provider and provide good service and guarantee for the effective operation of market economy. Changing government functions is an important measure to narrow the gap between urban and rural areas. By establishing a service-oriented, clean and efficient government, we must strive to make the government a provider of public goods, reduce the burden on peasants and improve the efficiency and quality of public service, so as to constantly improve the government's service to rural areas. To establish a clean government so that the government does not take a sharp line with the people, especially the grassroots-level government organizations and their staff members set up in rural areas should be self-serving and clean and honest. The establishment of a clean government requires the government not to charge illegal fees in any form or to increase the unnecessary burden on the administrative counterparts in the performance of government functions and the provision of public services. Establish an efficient government and enable the government to perform its administrative duties with high speed and efficiency [4]. In particular, the rural grass-roots governments should timely and effectively provide relevant service information and solve all aspects of peasants so as to provide peasants with efficient and convenient services. To establish an efficient government demands that the government strictly abide by laws and administrative regulations in making administrative actions and providing public services, and must not violate proper handling procedures and continuously improve its efficiency and service quality.

Over the years, as the management of the rural market is not in place, causing chaos in the rural market, the peasants' operating activities are greatly restricted. Only by providing farmers with good market management services and ensuring the peasants' business activities can be carried out in an orderly manner can the peasants continuously improve the operating income level and increase their incomes. We must continue to standardize the management of the rural market and improve the management level of the rural market. Through various channels, we can maintain the management order in the rural market and provide operators with ample management space. At the same time, it is necessary to constantly improve the hardware facilities in the rural market, provide a good business environment for rural managers and gradually reduce the closure of rural markets due to the weather. To strengthen the level of tax administration in the rural market, while ensuring the tax revenue of the country, we should make use of tax leverage to comprehensively regulate the rural market. The regulation and control of the rural market is a two-way regulation and control process. It not only needs to improve the market environment and business order, but also continuously raise the rural consumption level so as to ensure the healthy and sustainable development of the rural market. Through various measures, we should vigorously expand the rural market and raise

peasants' consumption awareness and consumption level. In response to the economic development and the needs of peasants' production and life, the government should timely introduce new measures and new measures to stimulate rural consumer demand [5].

As a very important system of the state, taxation system plays an irreplaceable role in regulating income distribution. At present, China's tax system still needs to be further perfected in order to meet the objective needs of economic development. Mainly to further improve the personal income tax law, to adjust the personal income distribution gap, to avoid high income due to high income brought about by the income gap is too large; and gradually explore the establishment of property tax, estate tax and gift tax system, the small members of the community Property gap. By perfecting the tax system, we will gradually narrow the gap between urban and rural areas in China.

The social security system is of great significance to the development of society. A good society should have a sound social security system. At present, there is still a gap between the social security of urban and rural residents in our country and the relative rights and interests of rural residents can not be effectively guaranteed. We must continuously improve the social security system in rural areas, safeguard the rights of rural residents, prevent the rural residents from living difficulties caused by the lack of social security, and constantly narrow the gap between urban and rural areas.

#### **4. Conclusions**

With the continuous advance of the historical process of building a socialist harmonious society in our country, the issue of the gap between urban and rural areas needs to be resolved in order to reflect the fairness and harmony of the society. Based on the definition of the gap between urban and rural areas, this paper analyzes the gap between urban and rural areas from the perspective of income and property. It points out that the gap between urban and rural areas is large and the rural population is in a weak state. On this basis, the causes of urban-rural gap between rich and poor are analyzed in detail, and the influences of natural and historical factors, institutional and policy factors on the generation and expansion of urban-rural gap between rich and poor are analyzed in depth. And put forward a targeted solution to the problem. With a view to providing a reference for the settlement of the gap between urban and rural areas in China, we can contribute to the realization of social justice.

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