

An Analysis of the Widening Gap between the Rich and the Poor in the Pearl River Delta

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Abstract: The issue of the gap between the rich and the poor is inevitable and necessary in the current economic and social development of our country. This paper mainly introduces the current situation of the gap between the rich and the poor in Pearl River Delta, the expansion of the gap between the rich and the poor and its causes, the policy suggestions for narrowing the gap between the rich and the poor in the Pearl River Delta, and the prevention of the excessive concentration of income distribution.

1. Pearl River Delta

As far as the Keeny Coefficient of urban and rural residents' income in the Pearl River Delta region is concerned, the Keeny coefficient was 0.38 in 2010, which is an internationally recognized reasonable range. Since 2011, the Keeny coefficient of household income has shown an upward trend, ranging from 0.40 to 0.43, as shown in Table 1. From 2010 to 2015, the Keeny coefficient increased slightly, and from 2016 to 2019, the Keeny coefficient stabilized at 0.42 [1-2].

Table 1 Keeny's Coefficient of income of urban and rural residents in Pearl River Delta region in recent years

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1997	740.10	25.3	1997	740.10	25.3	1997	740.10	25.3	1997	740.10
2003	2210.85	26.8	2003	2210.85	26.8	2003	2210.85	26.8	2003	2210.85
2008	4555.53	35.6	2008	4555.53	35.6	2008	4555.53	35.6	2008	4555.53
2013	6262.26	26.1	2013	6262.26	26.1	2013	6262.26	26.1	2013	6262.26
2018	8026.97	24.2	2018	8026.97	24.2	2018	8026.97	24.2	2018	8026.97
2019	8057.89	26.3	2019	8057.89	26.3	2019	8057.89	26.3	2019	8057.89

There are already signs and trends of widening income disparities in Pearl River Delta. From the table of the variation of the average salary of the workers in the Pearl River Delta region, we can know that in 1997, the standard deviation of the Pearl River Delta region was 740.1 yuan, and by 2018, the standard deviation of the Pearl River Delta region has increased to 8026.97 yuan. Well, we can know that from 1997 to 2019, the absolute dispersion of the average wages of the workers in the Pearl River Delta region will be bigger and bigger, including the gap will be bigger and bigger.

1.1 The Industry Gap

Table 2 Average annual remuneration of urban employees in Pearl River Delta region in recent years.

Unit: Yuan						
Projects Agriculture	2014	2015	2016	2017	2018	2019
forestry, animal husbandry and fishery	9894	10120	11113	11857	12905	14469
Mining	17642	24010	26705	31631	36224	41176
Manufacturing	17356	18518	20349	22547	25249	27578
Production and supply of electricity, gas, and water	31477	34029	37480	44382	48868	54496
Construction Industry	15524	17322	19491	20867	22917	25509

Transportation, warehousing, and postal services	29039	32369	34656	37774	42613	45631
Information Transmission, computer services, and software industry	45150	48535	52641	57805	61210	61118
Wholesale and retail	21280	24172	26655	28013	32093	34418
Accommodation and catering industry	16423	17659	18693	19369	20944	22542
Financial Services	37024	42644	53079	66906	78781	84721
Real Estate	24049	25173	26380	28959	32450	34240
Leasing and business services	26947	24745	27023	30373	34755	38192
Scientific Research, technical services and Geological Survey	38121	40834	46668	52330	58143	61896
Water, environment and public facilities management	17649	19192	20299	23316	26081	28360
Household Services and other services	19635	19916	22512	24172	26982	27343
Education	22302	24228	26359	31396	34306	38205
Health, social security, and social welfare	28038	30507	33188	37788	42314	46609
Culture, sports, and entertainment	29918	32829	35485	38155	40962	44252
Public Administration and Social Organization	29109	32898	34975	39796	44661	49837

The wage gap is the main industry gap in Pearl River Delta. As the economy has grown, average wages have risen in all industries. Differences in the level of industrial development lead to differences in the wages of industrial workers. In recent years, agriculture has been a major industry of low demand. Information Industry, finance and other non-agricultural industries, as a rising sun, have developed rapidly, bringing huge economic benefits and becoming one of the highest income groups in the world [3-4]. In particular, some highly patentable industries have been the first wage, because they are generally monopoly industries, their gap is even greater.

1.2 The Gap between Urban and Rural Areas Is Mainly from the Gap within Cities and Towns

The gap between the highest and weakest families in the disposable income is in the cities, and according to reliable data sources, the Pearl River Delta has expanded to 48,410.79 yuan per family since 2012, rising to the end of 2019. Although the absolute gap between the highest and lowest ever increases slightly in the per capita disposable income of households, the GAP", but does not have the big advantage. The main reason is the rapid growth in the incomes of low-income groups. Yet the income gap between cities remains wide. The second is the internal gap between the rural areas [5]. According to reliable data sources, the difference between the maximum net income and the minimum income of rural households in Pearl River Delta has been about 8,000 yuan since 2012, and maintained the slight upward trend of the highest in 2019, reaching 11,427 yuan. The class difference of the rural residents in the Pearl River Delta region is stable. Since 2012, the proportion of households with the highest and lowest net incomes in rural areas has fluctuated around 5.5 and has remained relatively stable. This shows that the income gap between the rural classes in Guangdong persists and the absolute gap widens.

2. The widening of the gap between the rich and the poor and its causes

2.1 The natural and geographical conditions of the Pearl River Delta.

the East Wing, the West Wing and the northern mountainous areas are different due to the great inherent differences in regional resources and the unbalanced economic development among the regions. Among the four major economic zones, the Pearl River Delta Has Superior Geographical Conditions and obvious advantages: first, its geographical location, close to Hong Kong and Macao, its natural ports and foreign trade. The second is the benefit of popularity. It's one of the largest deep-sea countries in the country. Third, there is a strong complementarity between Hong Kong and Macao, with close development, rich natural and human resources, and rapid economic development, which has attracted a large number of cheap labour and led to economic expansion on the mainland as well as globally, created a vast consumer market [6]. Due to the rapid development and high level of economic treatment of the Pearl River Delta Economic Zone, it has attracted a large number of qualified personnel and managers from the mainland, thus forming its unique technical and technological advantages.

2.2 Industrial and industrial differences lead to inequitable distribution with social progress and economic development, the role and status of different sectors in the economy.

resulting in different economic benefits and different incomes in different sectors. Statistics from previous years show that the contribution of the agricultural sector to the national economy is less than that of other sectors and is gradually decreasing. Moreover, these industries product added value is relatively low, the social demand is not stable. The current financial and information industry, with its high value-added products, is a rapidly expanding community industry that requires a large number of products. The workers in these industries are relatively well-paid, that is, relatively well-off. 3. Lack of effective distributional capacity some taxes have been slashed. For example, some plutocrats mix their personal income with the cost of production and management; residents are less aware of taxes, the level of taxes is low, and so on. As a result, people's income data are wrong, incomplete, untimely and opaque. That is to say, in fact, the higher income level of the community, their personal income tax is actually very little, why? Because in the existing tax system, the loss of personal income tax is very serious.

3. Policy Recommendations for narrowing the gap between the rich and the poor in the Pearl River Delta

3.1 The soul of the market economy is the operation of capital.

which inevitably leads to the problem of getting rich before getting rich, and getting rich before getting rich. First of all, we must do the following three work: First, protection. We must protect the interests, big or small, derived from honest and lawful investment and operation. Laws and regulations in this area seem to be well established and attention should now be paid to the effective prevention of possible harm from equalitarianism. We must understand that without the large amount of private investment after the reform and opening-up, there would be no today's economic prosperity and improvement of living standards, the most fundamental reason is here. The second is to strike. We must resolutely and severely crack down on all kinds of illegal and immoral investment and operation, the contents of a lot, not repeated here. In fact, the vast majority of people do not hate the rich, but hate the unjust rich, including all kinds of unfair investment operations and their profit-making behavior. Third, encourage. The masses of the middle and lower classes should be encouraged to dare to invest in their own businesses and, through various supportive policies, they should be encouraged to go from poor to rich and from Kotomi to rich (which has nothing to do with widening the gap between the rich and the poor) , so much for mass entrepreneurship and mass innovation.

Industrial modernization and industrial modernization must be accelerated in order to reverse the downward trend in incomes in some sectors. Adjustment of industrial structure and rational distribution of effective resources the difference of industrial income reflects the irrational distribution of industrial resources to a certain extent. For example, agriculture is the foundation of the national economy and has low incomes, mainly because of too much agriculture and too little

value added by human resources and their products, while the majority of smallholder farmers are still produced by them. On the contrary, the financial and information industry with high industrial income is an emerging industry with a wide market, high added value and limited investment in people and Resources.

3.2 it is necessary to speed up the adjustment of industrial structure and realize industrial optimization.

Rational allocation of resources to make full use of economic potential. First, speed up the elimination of backward production and management methods to achieve large-scale, intensive economic development. As for agriculture, for example, the production patterns of the past small economies of agricultural land must be changed, the circulation of agricultural land accelerated, the realization of Mechanised agriculture, large-scale actions to improve the yield of land and the economic efficiency of agricultural products. Second, speed up the transfer of labor. First of all, there are quite a few migrant workers in my Pearl River Delta Economic Zone who are engaged in agricultural production. The skills and incomes of the migrant workers they employ are relatively low, contributing to household poverty. We will accelerate the training, transfer and mobility of rural surplus labor and make full use of the potential value of rural surplus labor. Third, we should give appropriate support to the development of low-income industries such as agriculture. Develop policies that are realistic and goal-oriented. The reasonable arrangement of a certain proportion and a certain amount of supporting funds. The emphasis is on nurturing talent in the relevant industries. Increase investment in science and technology, high tech value added and market competitiveness.

To break up monopoly, establish a fair, reasonable and orderly market environment, clear up and abolish the restrictive regulations made by local authorities that affect the formation of a unified market, and accelerate the liberalization of competitive links in monopoly industries. China will launch a pilot market access negative list system, and formally implement a nationwide unified market access negative list system starting from 2019. To organize and implement the Fair Competition Review System to prevent the exclusion and restriction of market competition from its source. We will improve competition policy, improve market competition rules, and strengthen anti-monopoly and Unfair competition enforcement. Strengthen the price check, optimize the market environment, improve the market rules in the field of operators' independent pricing. 3. Standardize and improve the distribution system the first is to standardize the wage system. On the one hand, wages in the labour market must be respected. The wages of enterprises must be established and adjusted in accordance with the needs of the market. On the other hand, market wages and the value of labor force are very different, through administrative means to support appropriate intervention. The minimum wage is fixed in order to prevent excessive concentration of income distribution, thereby increasing the gap between the rich and the poor. Second, according to the tax collection and management methods of developed countries, reform and improve the tax system. Strengthening tax supervision to prevent the widening of income gap. Implement strict personal income tax statements, improve confidence in collection and management of the provincial system and build a special bank settlement system for personal income tax, as well as strengthen collection and management of personal income tax; A gradual increase in interest rates could be envisaged.

4. Conclusion

Consideration could also be given to increasing the square contingent income tax, timely and the Income Tax Act, strengthening public administration capacity, fraud, tax evasion and tax avoidance, all enterprises and institutions should increase the transparency of income tax, establish a system and resolutely crack down on illegal underground income, public order, and protect legitimate income distribution. Avoid concentration and polarization among ethnic minorities. Third, improve the social security system. First, a relatively complete social security system should be established in both urban and rural areas as soon as possible. In view of the current situation, the laid-off workers in the cities and the increase in the surplus labor force in rural areas, positive and effective

measures were being taken to guarantee them a minimum standard of living and to prevent its political consequences from widening the gap between rich and poor countries resulting from poverty.

Second, a multi-level social security system covering the entire population should be established step by step. Increase pension spending, especially in rural areas. At the same time, a scientific health insurance system has been established to improve access to rural health services, including the training of medical personnel and the improvement of health conditions. We will gradually expand the coverage of unemployment insurance, establish a sound macroeconomic unemployment control system and gradually establish a regional unemployment insurance system covering both urban and rural areas. Third, expand the scope of social security. The beneficiaries of social security include not only workers in state-owned enterprises and collective enterprises, but also workers in private enterprises, workers in foreign-invested enterprises in China, independent urban businessmen and self-employed persons.

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