REGIONAL INEQUALITY AND CONSUMERS' DEMANDS: AN EMPIRICAL ANALYSIS ON THE RELATIONSHIP BETWEEN THE CORRELATION OF VARIATION AND THE INCOME ELASTICITY OF DEMAND IN CONTEMPORARY CHINA

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I. Chapter One: Introduction

In the early spring of 2008, Christian Dior announced plans to launch its own brand of mobile devices costing nearly \$5000 USD per item. It wasn't so unusual that a European fashion house was releasing a mobile device product; others like Armani, Gabbana, and Prada had released their own. What was unusual about the launch, at least to those unfamiliar with the luxury goods market, was that Dior would be targeting China and Russia by releasing their sleek, trendy mobile devices in these countries first, before launching the line in Europe or the Americas. According to The Economist, while Europe is the largest market for luxury goods right now, within ten years Chinese sales will account for over a quarter and possibly a third of consumption of the world's luxury goods.¹

Just how fast is China's economy growing? I wrote this section about the luxury goods

market in China for a paper in a class I took the fall of 2008. In just a year and a half, I stumble upon a newspaper article stating that China already accounts for **27.5 percent** of the global luxury goods market (Chang 2010). It didn't take Chinese consumers ten years or five years to become the second largest market for luxury goods in the world It took them under two years. Even in an economic downturn, China released figures in the spring of 2010 announcing that China had a 10% GDP growth rate in the first quarter of 2010. In 1978, China's GDP was 3645 RMB. By 2007 it was 249,529 RMB (Daily 2010). Clearly in just thirty years, China's economy has experienced phenomenal growth and transformation .

However, when I studied abroad in the fall of 2009, I saw no Channel sunglasses or Christian Dior mobile phones. Instead, I saw a country of disparity. Along with economic successes have come developmental disasters. China's Gini coefficient, a measurement for how equally distributed income is in society has been increasing since the late 1980s (United Nations Development Program 2009). Increasing gaps between urban and rural areas and varying provinces have been increasing as well. A farmer in Guizhou earns a fraction of what a resident

¹ This is a section from a paper written for INST 310- Contemporary China in the fall of 2009. "Consumerism and Stratification in Post-Reform China"

in Shanghai would make. Life expectancy in Shanghai is 78, but it is only 65 years in some of the poorest provinces in China (Tao 2010). These two starkly contrasting situations present a burning question, how has China's fast-paced economic growth in the past 30 years brought about such a disparaging gap in development amongst differing groups across China?

A. Why Is Regional Inequality Important

Inequality is by no means a new topic in the discussion of China. Totaling an area of 9,596,961 square kilometers, China is the fourth largest country in the world (CIA n.d.). Due to its massive size, China has had a history of inequality based on variations in geographical conditions, resource endowments, sectoral distribution of economic activity, socioeconomic development (Shaoguang and Angang 1999) Varying groups have been marginalized in the trajectory of China's history. When examining the issue of inequality in contemporary China (post-1979), uneven progress in regional development is demonstrated by both the growing disparities between urban and rural areas and among regions (United Nations Development Program 2005)

Literature has identified an oscillatory pattern of inequality, particularly economic inequality, using measurements such as per capita GDP, consumption expenditure, income, and output (Fan 1997). This pattern identifies three peaks of inequality in the past 60 years, which correlate with the Great Famine of the late 1950s, the Cultural Revolution of the late 1960s and 1970s, and the late 1990s which is characterized as a "period of openness and global integration" (Kanbur and Zhang 2005) Quantitative analyses of inequality in China have used measurements such as the coefficient of variation (CV), Gini coefficient, Theil index, entropy index, and dissimilarity index (Fan 1997). Others have constructed more complex frameworks that not only analyze inequality in China, but also try to provide specific findings that point to the source of these inequalities (Kanbur and Zhang 2005) Although these studies have used various methods and variables to measures inequality, the overall conclusions put forth findings that regional inequality has experienced widening gaps in the post-reform era.

The objective of this thesis is to answer four questions. What is the current situation of inequality via the consumption of durable goods in China? What are the consumers' demands for these goods? What is the relationship between this inequality and the consumers' demands? In what region does inequality have the largest impact on consumers' demands for goods? This thesis will examine regional inequality by using coefficient of variation as my independent variable. The dependent variable for this thesis will be the income elasticity of demand to measure consumers' demand for goods. The hypothesis of this thesis is that there is a positive relationship between the coefficient of variation and the consumer's income elasticity of demand. This means that as inequality in consumption increases, consumers' demand will become more sensitive to changes in income.

B. Structure of Thesis

This thesis will be divided into two broad sections. The first section provides a background on regional inequality over the past sixty years concerning the divide between urban and rural society and the divide amongst regions. The second section is an empirical analysis in three parts. The first part examines regional inequality in five different durable consumer goods by measuring the coefficient of variation (CV). These goods include: color tv sets, motorcycles, cameras, refrigerators, and washing machines. This part will examine whether there has been increasing or decreasing inequality in the consumption of these goods between 1995 and 2007 by comparing the consumption inequality at a national level and between regions of East, Central, and West China in urban and rural areas of China. The second part will examine consumer's

demands for these goods over the same time period by looking at the income demand of elasticity. In this section, we will find how sensitive the Chinese buyer's quantity demanded is in terms of change in his or her income. Finally, the third section will use a regression analysis to examine the relationship between the two variables to determine how influential inequality is on consumers' demands on these goods. By examining both overall inequality in consumption and the attitudes of consumers towards certain goods, the goal of this thesis is to present data concerning how inequality is effecting the establishment of contemporary Chinese consumers' demands.

II. Chapter Two: Understanding Regional Inequality via Consumerism

"China's industry is focused in the coastal provinces...seventy percent is located in the coast while only thirty percent is located in the inland provinces. Historically, this fact has created an unfair situation...this must be reformed."²

Mao Zedong, "Ten Cardinal Relations" (lun shida guanxi) May 4, 1956

Half a century ago, Mao Zedong recognized the divide that existed between regions in China proclaiming that the separation of the coastal and inland provinces had created an unacceptable situation of inequality. While there are some scholars who point to the positive effects of the decreasing inequality due to Maoist redistributive policies from 1949-1978 (Fan 1997), there are other scholars who look at the socialist era as the source of today's divide amongst rural and urban societies (Naughton 2007). There are others who view the 1978 economic reforms that led to a market transition economy and Deng Xiaoping's sayings like "To get rich is glorious," were the driving forces behind the perceived increasing gap between the rich and the poor in China (Fan 1997). Even today, the Chinese government's regional development policy is shifting. In 2005, the Chinese government passed the Eleventh Five-Year Plan that was geared toward building a "harmonious socialist society." In so many words, its aims are to decrease the inequality experienced amongst regions and disadvantaged groups in China (Fan, China's Eleventh Five-Year Plan (2006-2010): From "Getting Rich First" to "Common Prosperity" 2006).

Literature on regional inequality has identified both regional inequality between urban and rural societies and inequality amongst varying regions in China. Most of this literature focuses on the regional development policies adopted by the Chinese government and the outcome of these policies in terms of inequality (Fan, Uneven Development and Beyond:

² Author's translation of original text

Regional Development Theory in Post-Mao China 1997). There is literature that has tried to find ways to quantitatively measure the factors and policies behind inequality in China (K.-Y. Tsui 2007) (K.-Y. Tsui 1991), while other literature has focused on the philosophies and theories that led to the implementation of these development policies in the first place (Fan, Uneven Development and Beyond: Regional Development Theory in Post-Mao China 1997). The range of this literature has varied from very short spans dealing with post-reform era data, to long spans that deal with data from the late 1950's until the mid 1990's (Kanbur and Zhang 2005), and the most recent data includes analysis up until 2006 (Fan and Sun, Regional Inequality in China, 1978-2006 2008). While the measurements and methods used to analyze this situation have varied, the literature clearly establishes the existence of regional inequality between urban and rural areas and amongst varying regions in China. This chapter will look at these two forms of regional inequality: the urban-rural divide and the divide amongst regions. In each section, there will be a brief overview of certain policies identified in the literature as having influenced the growing disparities between urban and rural areas and amongst regions. In the section on the urban-rural divide, an analysis of contemporary income inequality will provide a deeper understanding of a pertinent effect of this growing inequality. In the section on regional inequality, a look at per capita GDP amongst regions will show that there has been an oscillatory pattern of GDP growth that is closely correlated to the implementation of development policies (Fan and Sun, Regional Inequality in China, 1978-2006 2008). This brief overview is far from extensive; however, an introduction to regional inequality will provide a better base for understanding how the empirical results of this thesis's analysis fit into the field of Chinese regional inequality literature.

A. Urban- Rural Divide

Before the economic reforms of 1978 (*gaige kaifang*), every Chinese citizen had a connection to the socialist state based on the "vertical relationship" of citizen-government (Davis 2000). In a state-run economy, individuals are dependent on the government for the allocation and distribution of goods (Nee 1989). The institutions through which these goods were distributed were implemented differently in the urban and rural areas of China. In urban China, governmental structures like the "work unit" or the *danwei* were used to express state control over individuals and create a situation where privilege and benefits were received based on the individual's "work unit." In the cities, almost all urban workers were part of these "work units". A *danwei* could be anything from a factory, a store, a school, or a government office. They served social, political, and economic functions that made workers and their families "totally dependent upon their work units" for "material resources and career chances" (Xie and Xiaogang 2008). Eventually, the work unit structure was the "building block" to the privileged urban worker class society (Naughton 2007).

The rural situation was quite different from urban life before the economic reforms. Individuals were stripped of their private property rights and collectives were established to maintain the newly organized farmlands. The countryside was never fully integrated into a hierarchical system like the cities were through the work units. Because of this, ultimately the residents in rural China never came to enjoy the same benefits and lifestyle that those in the cities had (Naughton 2007).

What about in contemporary society? Has there been a persistence in this inequality between urban and rural societies? By examining income inequality, one can see that there is only a widening gap between the urban and rural areas.

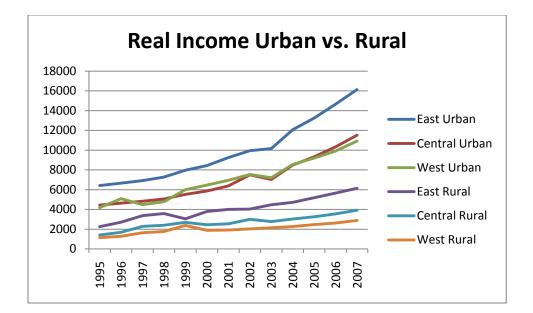


Figure 1 Real Income for Urban and Rural Residents, 1996-2007, Source: China Statistical Yearbook, 2007

As evidenced by the figure above, the income of those living in the urban areas of Eastern China has continually maintained a significantly higher real disposable income than the other regions. All urban areas have higher levels of income than the rural regions. While it does seem that income is increasing in all regions, what are future projections for income distribution in the urban and rural regions in China? In the best and worst case scenarios, there is a thickening in the bottom portion of income and in the upper portion of the income, according to *The Rise of the Chinese Consumer: Theory and Evidence*. This indicates that regardless of GDP growth rate and inflation, there will continue to be a divide between the haves and the have-not's in China's urban and rural regions (Garner 2005).

B. Regional Inequality

When examining regional inequality in China, where, what, and how are the three questions one must answer. As stated before, China is a large country and the division of its regions can have a major impact on the results. Literature on regional inequality has identified six different ways to group the regions of China (Shaoguang and Angang 1999). China can be

split into two units: coastal and interior. The coastal regions include the provinces of Beijing, Liaoning, Tianjin, Hebei, Shandong, Jiangsu, Shanghai, Zhejiang, Fujian, Guangdong, and Guangxi. The interior regions include all other provinces. China can also be divided into three units: east, central, and west. Many studies that link the role of regional development policy and the increase in regional inequality use these three regions because they were defined by the Seventh Five-Year Plan (1986-1990) (Songqing 2006). The next two use geographic features as the determining factor in dividing China. China can be divided into seven units: far west, north hinterland, south hinterland, central core, north coast, east coast, south coast. China's regions can also be defined by nine units: Manchuria, Yungui, the upper Yangzi, the middle Yangzi, Gan Yangzi, lower Yangzi, Lingnan, Southeast coast, and Northeast coast. China is also divided into thirty-one provinces, four of which are municipalities that operate at a provincial level. Finally, the sixth grouping includes all 2,143 county-level administrative units.

What have others examined when looking at regional inequality in China and how have they measured it? The most commonly used variable is per capita gross domestic product (Fan and Sun, Regional Inequality in China, 1978-2006 2008). This variable is calculated by adding rural consumption, urban consumption, government consumption, gross capital formation and net export (K.-Y. Tsui 2007). However, regional inequality cannot be fully understood by examining just one variable. Regional inequality in China can be examined by looking at a multitude of variables; however, these variables can fall into three categories: resource endowment, economic structure, and human well-being. Resource endowment includes geographic conditions, ethnic makeup, capita, labor force, and infrastructure. Economic structure refers to the structure of production such as agriculture, industry, or service; the structure of employment; the structure of ownership; and the degree of openness. Finally, human

well-being is a broad encompassing subject that includes, but is not limited to: urbanization, disposable income, consumption expenditure, access to information, poverty, education, technological capabilities, and health (Shaoguang and Angang 1999). How have others examined regional inequality in China? The most common method of examining inequality is by looking at the coefficient of variation (CV), the Gini coefficient, or the Theil Index.

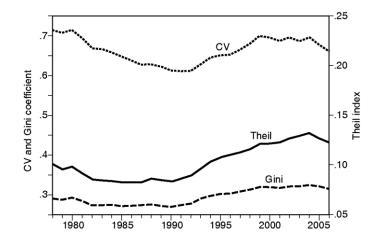


Figure 2 Inequality in GDP, (1978-2006)

What have been the results of these inequality studies? Although they have implemented a variety of testing measures and have used different indicators, overall researchers have identified that regional inequality decreased throughout the 1980s, experienced increasing inequality at great speeds until the middle of the 1990s, and inequality has begun falling again since 2000 (Fan and Sun, Regional Inequality in China, 1978-2006 2008). The eastern region of China also experienced rapid growth during the 1980s, while the other two regions lagged behind (Fan, China's Eleventh Five-Year Plan (2006-2010): From "Getting Rich First" to "Common Prosperity", 2006).

C. Conclusions

This thesis is written out of a desire to fill a gap in the literature on the widening disparities in regional inequality concerning the consumption of durable goods. While other studies have focused on variables such as income, per capita GDP, consumption expenditure, and

output to characterize inequality, none have examined the issue of regional inequality in the consumption of durable goods. Instead, the literature simply notes the existence of this type of inequality as a byproduct of inequality displayed in consumption expenditure or income. The main purpose of these studies have been to show the relationship between over-arching structures, such as regional development policies, and the growth in regional inequality. In this thesis, one of the goals is to establish the pervasiveness of inequality concerning the consumption of durable goods in contemporary China.

A focus on regional inequality, in terms of consumerism, provides the opportunity for one to examine to what influence does the presence of regional inequality have on the establishment of consumers' demands. The experience of inequality by the individual is measured not by GDP or output, but by what one consumes (i.e. mobile phones, color tv sets, computers, etc.) and one's attitude towards the goods consumed. Thus, a study of variance in goods consumed and the demand for these goods is needed in the discussion of regional inequality in China.

III. Chapter Three: Regional Inequality and Consumers' Demands: An Empirical Analysis

A. Introduction

The goal of this empirical analysis is to examine the relationship between the existence and pervasiveness of regional inequality via the consumption of durable goods and contemporary Chinese consumers' demands for these durable goods. The thesis will examine regional inequality and its impact on consumers' demands towards these goods at a national level and at a regional level in both urban and rural areas of China. The empirical analysis considers five durable consumer goods: color TV sets, refrigerators, motorcycles, cameras, and washing machines. This thesis will make use of the coefficient of variation, how equally distributed the goods are, as the measurement of inequality. This thesis will make use of the income elasticity of demand as the measurement of the sensitivity of the quantity demanded of our five goods to the changes in income experienced by the Chinese consumer. The empirical analysis includes data for the years from 1995 to 2007. This thesis looks to determine four pieces of information. What is the current situation of inequality via the consumption of durable goods in China? What are the consumers' demands for these goods? What is the relationship between this inequality and the consumers' demands? In what region does inequality have the largest impact on consumers' demands for goods?

The next sections of this introduction will answer the following three issues: what regions will be examined; what indicators will be used for inequality and consumers' demands; and what are the measurements for inequality and consumers' demands. A section about the data sources follows. The second section of this chapter contains the empirical analysis of this thesis.

1. What regions will be examined?

As stated before, China is a large country and how one goes about dividing it into regions to study is just as important as the results found after the analysis. Literature on regional inequality has identified six different ways to group the regions of China (Shaoguang and Angang 1999). Many studies that link the role of regional development policy and the increase in regional inequality use a regional model that divides China into three regions because they were defined by the Seventh Five-Year Plan (1986-1990) (Songqing 2006). An examination of China's three different regions (east, central, and west) in comparison to the national level will be important in order to examine the results with other literature on regional inequality. The division of provinces is defined in the map below.



Figure 3, Regional Division of China, Source: (Fan & Sun, 2008)

Official data on consumption of durable goods and income is separated into urban and rural households and the least aggregated set of data is at a provincial level. For this thesis, the data for each province was grouped based on region and then the mean was calculated for each region's consumption and per capita real income levels. There is no weighting of the consumption of durable goods or real per capita income in order to avoid skewing of the data (Horn 1993). In other words, when calculating the mean for each region's consumption, each province is treated equally and all carry the same weight.

2. What indicators will be used for inequality and consumers' demands?

What inequalities should be measured? There are two reasons behind the five durable consumer goods chosen (color tv sets, refrigerators, motorcycles, cameras, and washing machine). First, inequality analyses in the past have examined per capita GDP, overall consumption expenditures, income, and output of various regions, but none have examined what is actually being consumed across provinces (Fan and Sun 2008). As stated in the introduction, inequality is not viewed by the populace in terms of per capita GDP or output, but instead by what one person has compared to what those around him or her have. Secondly, the data for these five goods is available for all regions for both urban and rural China for the time period between 1995 and 2007. ³ The availability of data for these five goods provides a much broader picture of consumption than an analysis that only uses one good. It should be noted that while the inclusion of commodity goods (i.e. vegetables, grain, meat, etc.) would make this analysis more thorough, there is only data available for urban consumption of these goods by province and the data is not complete for all years of this time-series analysis. Consumers' demands will

³ The data for Chongqing is not available for 1995 or 1996 because it didn't become a provincial level municipality until 1997. Originally it was included in the data for Sichuan province. Additionally, data for Tibet is missing for years in 1995, 1997, and 1998 for some goods (National Bureau of Statistics of China n.d.).

be measured using the five durable goods and the real income of the buyers' based on region. The details will be further discussed in the next section on the methods for measurement.

3. What are the measurements for inequality and consumers' demands?

This thesis makes use of the coefficient of variation to analyze our independent variable, regional inequality in consumption. We make use of the income elasticity of demand to analyze our dependent variable, consumers' demands for goods. Finally, we use a regression analysis to analyze the relationship between the independent and dependent variables.

a) Coefficient of Variation

The coefficient of variation (CV) is a common equation used to measure inequality (Hale n.d.). The coefficient of variation is in short the standard deviation (SD) of the data set per year divided by the mean of that data set (Ben-Horim and Levy 1981). The standard deviation is given by the equation:

$$SD = \left[\frac{\Sigma(x_i - x)^2}{n}\right]^{1/2}$$

Equation 1, Standard Deviation, (Shaoguang & Angang, 1999)

where *i*th is the region (*i*=1,2,3...n), x_i is the consumption of the good of the *i*th region, and x is the mean consumption of the good.

Then the coefficient of variation is given by the equation:

$$CV = SD/x$$

Equation 2, Coefficient of Variation, Source (Ben-Horim & Levy, 1981)

When looking at the coefficient of variation, we are basically examining the distribution of goods. Data that is more dispersed will have a higher coefficient of variation. Data that is bunched around the mean will have a lower coefficient of variation. The coefficient of variation can be any number from zero to infinity. Thus, the closer to zero the coefficient of variation is the more equally goods are distributed. Or one could say that inequality is less in a region with a coefficient of variation closer to zero (Ben-Horim and Levy 1981).

b) Income Elasticity of Demand

Imagine that the executive of an expanding supermarket chain in China is deciding which types of meat and how much of each type he needs to carry in his stores. When considering the idea of a market which is potentially 4.5 times the size of the US, his job as a supplier to this consumer base takes on a global perspective. Some experts expect the meat consumption market to "contribute to up to 50% of global meat consumption growth in the coming decade" (Liu 2009). A host of questions fill his mind as he contemplates how to handle this new and exciting market. What will the Chinese consumer want to eat? How much will they pay for these goods? What factors will affect how much of these goods will be consumed? Tyson China has identified the need for a major poultry supplier for this ever growing meat market in China. They are scheduled to produce up to 100 million birds every year by 2010, causing an expected increase in its annual revenue up to US\$500 million from the current US\$15 million. This drastic increase in production is due to the transformation of Chinese consumer's palate because of the fast-paced economic growth China has experienced in the past 30 years. When determining the supermarkets' supply of meats, the executive finds that market research has indicated that as incomes increase in China, consumers prefer shopping in supermarkets as opposed to the traditional outdoor "wet markets" where most shoppers have characteristically bought their daily food stuffs (Liu 2009). This is good news for the supermarket chain and executive. However, as executive of an expanding supermarket chain in China, he needs to know how much of an impact these increasing incomes will have on the consumption of goods in his stores. In other words, he needs to understand how sensitive consumption is to changes in income (Hall and Lieberman 2010).

Elasticity is a general concept that can be used to measure the *sensitivity* of any one variable to another. Economists use different types of elasticities to make predictions and to recommend policy changes. In this analysis, the thesis makes use of the *income elasticity of demand*, which measures the sensitivity of quantity demanded of a good to the buyers' incomes (Hall and Lieberman 2010). What exactly does *sensitivity* mean and how can *sensitivity* of two variables be measured?

Sensitivity means that as one variable increases, to what extent does the second variable increase. Economists have identified that *sensitivity* can be measured by comparing the *percentage change* in one variable with the *percentage change* in another variable. This elasticity measurement tells us the percentage change in one variable caused by a 1 percent change in the other. For this analysis of *income elasticity of demand*, this means that the elasticity calculation will show with a 1 percent change in income, what will be the percentage change in quantity demanded for a good. When calculating this elasticity figure, this analysis will be comparing the percentage change in quantity demanded to the percentage change in income. As shown in the equation below, "the *income elasticity of demand* (E_{γ}) for a good is the percentage change in quantity demanded divided by the percentage change in income, with all other influences on demand- including the price of the good- remaining constant" (Hall & Lieberman, 2010):

$$E_{Y} = \frac{\% \text{ Change in Quantity Demanded}}{\% \text{ Change in Income}}$$

Equation 3, Income Elasticity of Demand, Source (Hall & Lieberman, 2010)

When calculating percentage change in the two variables, the midpoint formula is used. The midpoint formula is "the change in the variable divided by the average of the old and new values," (Hall & Lieberman, 2010). For example, for the percentage change in quantity demanded, the change between the new and the old values of quantity demanded is calculated and is divided by the average of the old and new values (Hall and Lieberman 2010).

% Change in Quantity Demanded =
$$\frac{(Q_1 - Q_0)}{\left[\frac{(Q_1 - Q_0)}{2}\right]}$$

Equation 4, Percent Change in Quantity Demanded, Source (Hall & Lieberman, 2010)

The term in the numerator is the change in quantity demanded; the term in the denominator is the average of the two values. The percentage change in income is found in the same manner. Once the percentage change for both values is found, then one is able to calculate the income elasticity of demand by dividing the percentage change in quantity demanded by the percentage change in income (Hall and Lieberman 2010).

Going back to the example of chicken consumption in China, data shows that the average per capita real income of urban buyers increased a percentage change by 9% in 2007, from 9,917 to 10,921 RMB. As a result, the quantity demanded increased from 8.3 kg to 9.6 kg per person, or 14% (National Bureau of Statistics of China n.d.). So using the formula from Equation 3, one can find that the income elasticity of demand would be 14%/9%= 1.5. Thus the income elasticity of demand for chicken consumption in 2007 in China would be 1.5. Or, in other words, a 1 percent change in income causes a 1.5% percent change in quantity demanded of chicken.

In the example of income elasticity, the sign of the elasticity matters. When income elasticity is positive, people want more of a good as their income rises. These goods are called normal goods. When income elasticity is negative, as peoples' incomes rise, they will want less of a good. These goods are called inferior goods. Thus, chicken would be identified as a normal good in China. Other examples of normal goods would be housing, automobiles, and health club memberships. An example of inferior goods would be regular-grade ground chuck. While it is a

cheap source of protein, its quality is not as high as a meat like sirloin. Thus, with higher incomes, people would prefer to purchase ground sirloin as opposed to ground chuck. This shows that with increasing incomes, ground chuck would decrease in consumption (Hall and Lieberman 2010).

Economist use elasticity and income growth predictions to predict global demand for goods. One example is the demand for oil. Economists know that in less-developed countries, the income elasticity of demand for oil will be two times larger as the income elasticity of demand in developed countries. Thus, income elasticity can be used to help predict future demand and prices for goods, like oil, on the global market (Hall and Lieberman 2010).

I would like to note that in my thesis, the calculations for income elasticity are missing an important component. Income elasticity of demand can only be calculated when all other market factors of demand- including price- are held constant (Hall and Lieberman 2010). Because accurate calculation of income elasticity of demand includes this aspect, it must be noted that my process of calculation of income elasticity of demand omits this step of the process. This is because this step is beyond my technical abilities as an undergraduate student. However, it should be noted that after calculating the income elasticity for the five goods across all regions in China, the income elasticity usually does fall within the expected range for such goods and the current stage of economic development in China. The average of the income elasticity of demand for the years from 1995 to 2007 is used when comparing trends in order to smooth the extreme variation experienced by some goods. For a look at what the trends for income elasticity in China are, see Appendix 1.

c) Regression Analysis

A regression analysis is a statistical technique that is "used to describe relationships among variables," (Dielman, 1991). In a least squares regression analysis, one examines the

relationship between two variables. These two variables are the *y* variable (the dependent variable) and the *x* variable (the independent variable). The ultimate goal of a regression analysis is to determine to what extent the independent variable influences the dependent variable (Dielman 1991). To determine this final result, one needs to look at three issues: how well does the regression "fit" the data, how statistically "significant" is the data, and what is the "influence" of the independent variable on the dependent variable.

The first step in analyzing a regression analysis is examining how well the regression "fits" the data. There are three ways to measure how well the regression "fits" the data. One statistic that provides this measure is the *coefficient of determination*, and is denoted as R^2 . In trying to determine the fit of the regression, one is looking to find what proportion of the total variation has been explained. The result of R^2 is the proportion of variation in *y* explained by the regression. R^2 will be between 0 and 1. The closer to 1 the value of R^2 is, the better the "fit" of the regression to the data (Dielman 1991).

The second statistic that provides this measurement is the *correlation coefficient*. This statistic is the square root of R^2 , in other words R. This statistic will assure the linear dependence between the two variables, X and Y, by giving a value between +1 and -1. While it does not provide the slope of the line, it does show the strength and direction of the relationship between two variables. The closer to absolute one R is, the stronger the relationship. If R is positive, then the relationship between the two variables is positive- meaning as X increases. If R is negative, then the relationship between the two variables is inverse- meaning as X increases, Y decreases (Dielman 1991).

The third statistic that measures how well the regression "fits" the data is the *F statistic*. Without getting too technical, there are two components of the F statistic, MSR or the mean

square due to the regression and the MSE or the mean square due to error. To calculate F, one divides MSR by MSE. If the regression line fits the data well, then MSR should be large relative to MSE. In other words, the larger the F statistic, the more useful the independent variable is in explaining the variation in the dependent variable. The smaller the F statistic, we find that the regression does not "fit" the data very well (Dielman 1991).

The second step in analyzing a regression analysis is determining how statistically "significant" the regression is. One can look at two statistics that provide this information: the *t* statistic, and *p value*. Without going into the inner-workings of how *t* statistic works, it will suffice to say that the *t* statistic is the regression coefficient (of the independent variable) divided by its standard error. ⁴ A large *t* statistic demonstrates that the coefficient was estimated with a fair amount of accuracy. What is a large *t* statistic? A *t* statistic with a value higher than 2 dictates the independent variable has a significant impact on the independent variable.

The second statistic that can determine the significance of the relationship between the two variables is the *p value*. The *p value* measures the probability that a random sampling would return a difference in the results found in the regression analysis. The value of the statistic ranges from zero to one. Obviously, a smaller *p value* is desired in order to say the results are statistically significant. What is a *p value* really saying? If a regression has a *p value* of .06, this implies that in a random sampling from identical populations, 94% of experiments would lead to a smaller difference than what was observed in the regression and 6% of experiments would lead to a larger difference than what was observed. In order to determine statistical significance in our analysis, we will say that a *p value* less than 0.05 is **significant** in describing the relationship between the dependent and independent variable; a *p value* less than 0.01 is **very significant** in

⁴ This regression coefficient is different from the *correlation coefficient* we discussed earlier. We will be discussing this regression coefficient later on in this section.

describing the relationship between the dependent and independent variable; and a *p* value less than 0.001 is **extremely significant** in describing the relationship between the dependent and independent variable (Dielman 1991).

The final step in analyzing a regression analysis is examining the regression coefficient. As mentioned earlier, the regression coefficient is also related to the *t* statistic. The regression coefficient is "the slope of the regression line," (Dielman, 1991). It represents the impact of the independent variable on the dependent variable. In other words, when the independent variable increases by one unit, the dependent variable will increase by the number the regression coefficient provides (Dielman 1991).

To review, in the analysis, the thesis will be examining R2, R, and the F statistic to find how well the regression "fits" with the data. The *t* statistic and the p value will be used to examine the significance of the relationship between the two variables. Finally, by looking at the regression coefficient once can determine the influence of the independent variable (inequality) on the dependent variable (income elasticity) (Dielman 1991).

4. Data

This thesis makes use of data found in the *China Statistical Yearbooks* from the years 1996 to 2007, particularly the urban and rural household surveys. These yearbooks are produced annually by the National Bureau of Statistics of China (NBS) and cover issues such as national accounts, population, people's livelihood, etc. (National Bureau of Statistics of China n.d.) This thesis uses aggregated data for both urban and rural data sets that pertain to the provinces of mainland China.

Issues have been raised on the validity of Chinese national statistics (Fang, Wailes and Cramer 1998) The issues concerning the data used in this thesis include population data and the

choice of official deflators for variables like income. It is recognized that Chinese data on population is problematic. Data varies from sources even produced by the state. The primary source of population data is the annual National Sample Surveys on Population Changes which is produced by NBS. This data is published in the annual volumes of the *China Statistical Yearbook* and the provincial level statistical yearbooks. Another source includes the censuses and inter-census sample surveys. The issue arises from the differing values from the censuses and the yearbooks (Fan and Sun 2008). The other issue is the failure of this data to take into account the reality of interprovincial population mobility (Tsui 2007). Since the use of both yearbook and census sources "may result in abrupt breaks in the population data series," this thesis, like previous studies on regional inequality, makes use of yearbook sources as the standard source (Fan and Sun 2008).

The second issue deals with how to calculate real income. To examine how others deal with the issue of real versus nominal variables, one can look at two widely accepted methods implemented in two different analyses of GDP. One method involves using the official implicit GDP deflators published showing the average annual growth rate of real GDP (Fan and Sun 2008). While this is an acceptable method in calculation of real income, another analysis uses price indices to deflate the expenditure components of GDP (Keidel 2001) (Tsui 2007). We implement this method using the consumer price indices by region to calculate real per capita income.

B. Empirical Analysis

1. **Overview**

Before beginning the empirical section, a brief overview of what we will be examining is important so as to avoid confusion. Firstly, we will be analyzing the coefficient of variation to understand how equally distributed the five goods are at a national level and regional level in

both urban and rural China. This section will answer our first question posed at the introduction of this chapter: what is the current situation of inequality via the consumption of durable goods in China. Secondly, we will be analyzing the income elasticity of demand to understand how sensitive the demand for these five goods is in relation to changes in income. This section will answer our second question: what are the consumers' demands for these goods. Finally, we will analyze a regression analysis to interpret the strength of the relationship between the coefficient of variation and the income elasticity of demand. In this last section, we will be able to answer our last two questions: what is the relationship between this inequality and the consumers' demands; and in what region does inequality have the largest impact on consumers' demands for goods.

2. Independent Variable: Regional Inequality in Consumption

When deciding on what was the best method to analyze inequality, one should look at what the methods were used to analyze regional inequality in China by previous studies. The Theil Index and Gini coefficient were both popular methods (Fan and Sun 2008). Lesser used methods included the coefficient of variation, entropy index, and dissimilarity index (Hale n.d.). This thesis uses the coefficient of variation for several reasons. It is relatively easily calculated compared to other measures of inequality. As mentioned in the section explaining coefficient of variation, it is the standard deviation divided by the mean (Ben-Horim & Levy, 1981). The result can be any value between zero and infinity. The closer to zero, the more equally distributed the goods are. The disadvantage to using this measure is that there is no standard that clearly defines a range for an acceptable value for a situation. Thus, the comparison of inequality when using coefficient of variation is a relative comparison to other variables (Hale). By using five goods, the thesis is able able to provide a clearer picture of the current status of

inequality via the consumption of durable goods in contemporary China by comparing the goods' coefficient of variations to each other.

First, the findings are reported following an explanation of the process leading up to these results. The findings indicate that rural China has experienced a decrease in the coefficient of variation from 1996 to 2007. In other words, these five goods have become more equally distributed in this time period in rural China. Urban China has seen a slight increase in inequality over this same time period. It appears that inequality trends were clustered not by what region one lived in, but whether one lived in a rural or urban area. It also appears that, on the whole, goods are less equally distributed in rural areas of China as opposed to the urban areas.

After collecting the data for consumption of the five durable goods for the years between 1995 and 2007 for every 100 households in urban and rural China for all thirty-one provinces, the data was separated based on region and the mean, standard deviation and the coefficient of variation was calculated for a total of eight trend lines: national urban, east urban, central urban, west urban, national rural, east rural, central rural, and west rural. The data for east, central, and west regions in urban and rural areas was calculated by the author, and the data is not weighted by any measure to avoid skewing. This is discussed more fully in the introduction to the empirical analysis section. The data for the national consumption figures is officially released data from the State Statistical Bureau. Once, the eight trend lines were found for the five goods, the average annual growth rate and the trends over time were examined. On the next page is a table showing the average annual growth rate for the years between 1996 and 2007. This figure is examined first in order to understand what the general movement of inequality in the distribution of these five goods has been in the time series.

	Average Annual Growth % (1996-2007)		
Durable Good	Regions	URBAN	RURAL
	National	4.422124702	-9.814652591
Color TV Sets	East	4.016287734	-7.382496507
COIOT TV SELS	Central	15.36699155	-15.82124415
	West	11.81954683	-10.99016813
	National	-8.063147979	-7.259335949
Refrigerators	East	-4.504644032	-5.302285046
Reingerators	Central	-13.71279228	-0.860317645
	West	-2.594221168	3.617870079
	National	0.067301337	-7.80202395
Motorcycles	East	0.221599125	-5.44086449
wotorcycles	Central	-1.797377898	-6.24116446
	West	4.774005066	-3.339083226
	National	-1.038031619	-2.004611812
Cameras	East	-1.826791685	-2.231949859
Cameras	Central	-3.428201296	2.394932569
	West	0.600210644	-0.310687795
	National	12.9664818	-5.498577635
Washing	East	16.71482544	-3.53928115
Machines	Central	-2.570156902	-4.43538997
	West	13.46672735	-4.315798845

 Table 1, Average Annual Growth Rate of Coefficient of Variation, Source (National Bureau of Statistics of China)

The table above shows the average annual percentage growth rate for the time period between 1996 and 2007 for all five goods across the three regions and nationally for both urban and rural China. When examining the average annual percentage growth rate of the coefficient of variation for the years between 1996 and 2007, the data indicates that in urban China, three goods were less equally distributed over time. In other words, these three goods saw overall increases in inequality. These goods include color TVs, motorcycles, and washing machines. In all regions and nationally, color TV sets were increasingly less equally distributed. Nationally and in all regions except central China, motorcycles and washing machines were increasingly less equally distributed. The western region was the only region that saw the distribution of cameras becomes more equally distributed over time. In rural China, all regions experienced some degree of decrease in the unequal distribution of all goods, except for refrigerators in the western region and cameras in the central region. In other words, there was a decrease in inequality across all regions and in all goods in rural China. The variable that experienced the largest increase in annual average growth rate was washing machines in eastern urban China with a growth rate of 16.71%, while the variable that experienced the largest decrease in annual average growth rate was color TV sets in central rural China with a growth rate of -15.82%. What do these growth rates mean? It appears that inequality has decreased in rural China, while urban China experienced a slight increase in the unequal distribution of goods.

Next, a graph is on the next page that charts the coefficient of variation for color TV sets in urban and rural China, across all regions. This example is representative of the overall trends occurring between 1996 and 2007 in China. For a broader picture of coefficient of variation for each good, please see the Appendix.

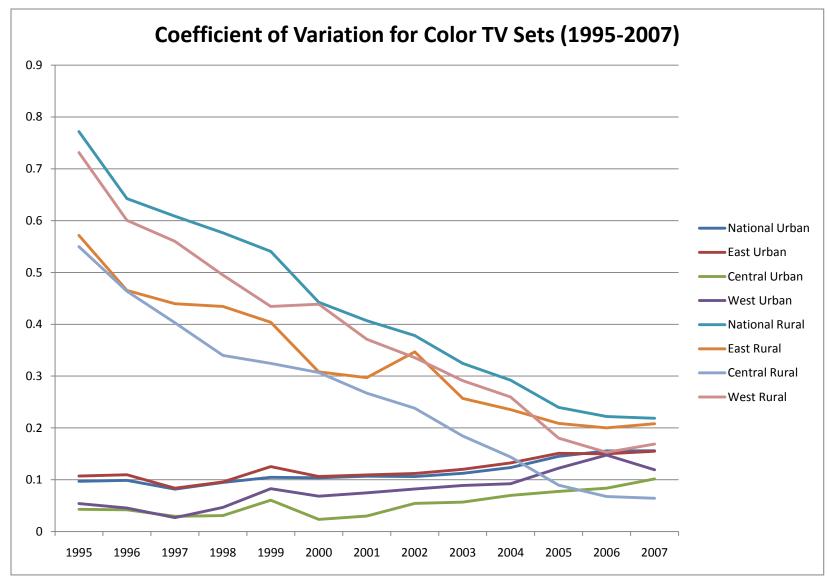


Figure 4, Correlation of Variation for Color TV Sets (1995-2007), Source Author's Calculations

The graph on the previous page has eight trend lines for the years between 1995 and 2007 for the distribution of color TV sets: National urban, East urban, Central urban, West urban, National rural, East rural, Central rural, and West rural. This graph is representative of what is happening, to some extent, with each of the five goods being analyzed. As one can see, the coefficient of variation in rural China is decreasing over time while it is increasing slightly in urban China. This reinforces what was observed in the average annual percentage growth rate in the previous section. On the whole, inequality decreased in rural China while it increased in urban China. Overall, there is clustering based on whether one is located in urban or rural China, as opposed to what region one belongs to. One can also observe that national and east trend lines for both urban and rural China, the levels of inequality are still overall higher in rural China as opposed to urban China, except for the central rural region. Once can see a convergence of both urban and rural trends in the graph above as well.

What do these trends indicate for the future of inequality in China? Clearly there have been pressures decreasing the unequal distribution of goods in rural China. Defining these pressures is beyond the scope of this thesis; however, in Chapter Two, there is a discussion on the forces that have affected other inequalities such as per capita GDP and income in the past two decades. These forces could possibly explain, in part, the gradual decrease in the coefficient of variation in rural China. Also referenced in Chapter Two is the rising income inequality experienced in urban China. This trend is reflected in the analysis. In any case, should these trends continue, there is a possibility that a convergence across all goods will occur, much like the convergence experienced in color TV sets.

3. Dependent Variable: Consumers' Demands

In the section explaining the concept of elasticity, the example of chicken consumption in supermarkets by increasingly wealthy Chinese consumers is used to demonstrate the importance of understanding how *sensitive* quantity demanded of a good is to changes in income. It was identified that income was the primary determinant in these consumers' decision to shop in a cleaner, more modern environment (Liu, 2009). However, one needs to understand to what extent these changing incomes would impact the consumption of chicken in the stores of the expanding supermarket chain across China. The analysis makes use of the concept of *elasticity* because it can examine the impact of changing incomes on the quantity demanded for goods in China.

As mentioned earlier, income elasticity of demand is simply the percentage change in quantity demanded divided by the percentage change in income. The income elasticity of demand shows that with a 1 percent change in income, the quantity demanded will change by the calculated elasticity. When elasticity of a good is positive, this indicates that it is a normal good. This means that as income increases, the quantity demanded for this good will also increase. When elasticity of a good is negative, this indicates that it is an inferior good. This means that as income increases, the quantity demanded for this good will also increase. When elasticity of a good is negative, this indicates that it is an inferior good. This means that as income increases, the quantity demanded for this good will also increase (Hall & Lieberman, 2010). In Chapter Two, it was identified that income has steadily increased for all regions in both urban and rural China. With this knowledge, one can examine what goods and regions will be future potential markets should incomes continue on their upward trajectory.

First, the findings of the analysis are shown. In the following sections, an explanation for how these findings were obtained is clearly articulated. The findings indicate that there will be an increasing demand for the five consumer durable goods in rural China should incomes

continue to increase and all other factors-including price- remain constant. This is particularly true for the western rural region of China.

This analysis uses the data on consumption collected in the section for coefficient of variation and the real income for both urban and rural households from 1995 to 2007. In the same manner as the coefficient of variation, the provinces were grouped based on region and the mean for each year for each region was calculated. The national total is also part of the analysis, in order to have one trend line, for each urban and rural China, that contains official data published by the State Statistical Bureau. After real income was found, the income elasticity for each region was calculated. Once the income elasticity of demand was found, the average income elasticity of demand for each good in every region in both urban and rural China for the years between 1996 and 2007 and the trends over time were both analyzed. On the next page, the table is showing the average income elasticity of demand. The figure is examined first in order to understand the general trend of income elasticity across all goods.

		Average Income Elastici	ty of Demand
Durable Good	Regions	URBAN	RURAL
	National	0.5995467	3.026312531
Color TV Sets	East	0.754056382	1.185281081
Color TV Sets	Central	0.45161572	1.219986694
	West	0.020414684	1.829357313
	National	0.48806507	2.318791283
Defrigerators	East	0.343967267	0.81196331
Refrigerators	Central	0.526628012	2.173767133
	West	0.096361781	2.445017112
	National	2.303631418	3.685844072
Matarovalac	East	2.330439931	2.026423605
Motorcycles	Central	1.833659408	1.644013695
	West	0.438257338	2.748040354
	National	0.536872201	1.97916655
Comoros	East	0.693361633	0.383783351
Cameras	Central	0.28962588	0.768668914
	West	-0.045406939	0.790308706
	National	0.085168859	1.640180924
Washing Mashinas	East	0.17077176	-0.467409687
Washing Machines	Central	0.031340812	0.855683654
	West	0.01773677	1.196715657

Table 2, Average Income Elasticity of Demand (199)	96-2007), Source: Author's Calculations
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The table above shows the average income elasticity for the time period between 1996 and 2007 for all five goods across our three regions and nationally for both urban and rural china. When examining the income elasticity of demand, it is obvious that the divide between rural and urban China is dramatic. In rural China, there is consistently higher income elasticities than in urban China. This means that in rural China, the quantity demanded by buyers of these goods is more sensitive to changes in income than in urban China. Higher income elasticity of demand is indicative of developing economies that are experiencing rapid industrialization. However, one can also use income elasticity to target certain regions as future potential markets for these costly durable goods. It appears that if incomes continue to increase, the rural areas of China will be a very profitable market. Right now, the region with the usually highest income elasticity of demand, aside from the national trend, is the western rural area. Clearly, one can see that there will be a possibility of greater desire to consume these goods as incomes rise in regions with particularly high elasticity right now.

Next, the graph charting the income elasticity for color TV sets in urban and rural China, across all regions is on the following page. There are several factors that should be pointed out in the trends occurring between 1996 and 2007, and this good is fairly representative of the overall trends occurring for this time. If a further understanding of the trends is needed, please refer to the Appendix.

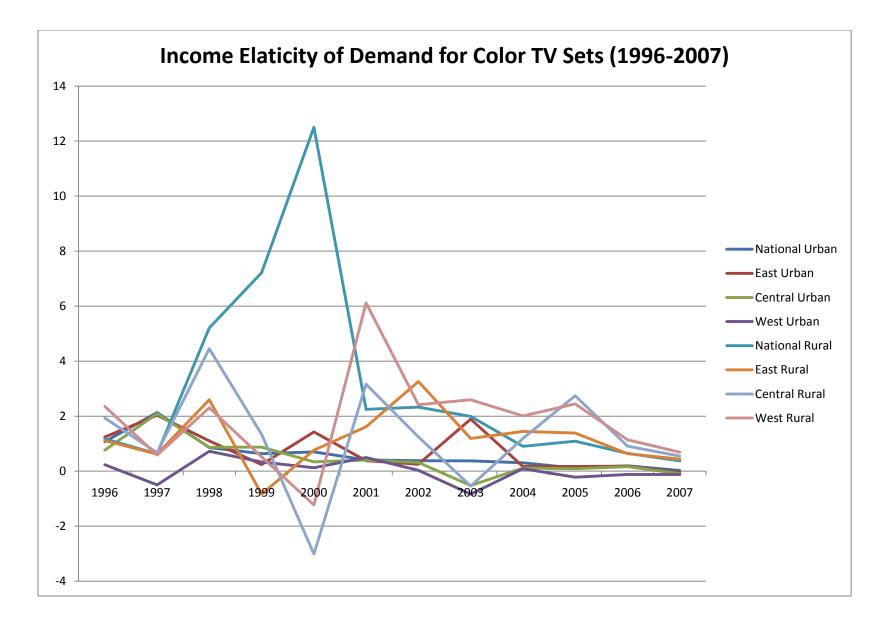


Figure 5, Income Elasticity of Demand for Color TV Sets (1996-2007), Source: Authors Caluculations

The graph above has eight trend lines for the years between 1996 and 2007, similar to the graph dealing with the coefficient of variation in the previous section. As one can see, there is large variation in the years of 2000, 2002, 2003, and 2005. While these extremities do not make for a smooth analysis over time, it is important to direct attention to the final year in the series, 2007. As one can see, there is once again clustering, not based upon region, but on the urban and rural divide. This trend has been demonstrated in both the independent and dependent variables.

What does this trend indicate for the future income elasticity of demand amongst these goods? Should incomes continue to increase, the most dynamic markets will be found in rural China, particularly in the western region. The divide between the urban and rural areas will persist though. This is because, if one looks back at the section on income distribution in Chapter Two, one can see that the gap between the urban and rural income is just too large. While a closing gap would bring income elasticity down and cause rural consumers to perform at the same level as urban consumers, this situation is unlikely based on current trends and data.

4. **Regression Analysis**

As stated earlier, a regression analysis is a statistical technique that is used to describe relationships among variables (Horn, 1993). This thesis's analysis is a least squares regression analysis that analyzes the relationship between the coefficient of variation and the income elasticity of demand. In the section on regression analysis, there were three steps to determining the relationship between the independent and dependent variables: how well does the regression "fit" the data, how statistically "significant" is the data, and what is the "influence" the independent variable has on the dependent variable. The table following is the regression analysis with each piece of data necessary to decipher the impact that the independent variable has on the dependent variable.

			COEFFI	CIENTS		
Variables	All	Urban	Rural	East	Central	West

2.69***

(6.338)

20

0.691

40.176

0.83

0.07

20

(0.09)

0.000

0.02

0.008

0.09

10

0.001

0.03

0.009

(0.094)

3.60**

(4.252)

10

0.693

0.83

18.083

1.93

10

0.254

0.50

2.727

(1.651)

1.52**

(3.629)

40

0.257

0.51

13.169

Table 3, Ordinary Least Squares Regression Analysis, Source: Author's Calculations

Note: t-statistics are in parentheses

***p<0.001, **p<0.01, *p<0.05 (two-tailed tests)

Confidence Interval: 95%

Coefficient of Variation

Ν

R2

R

F statistics

In this table, the coefficient of variation, the measurement for inequality, is the independent variable (x). The coefficients reflect the influence of the independent variable on the dependent variable (y), or income elasticity. Each model represents a selected regional inequality this thesis set out to study. "All" includes all regions (National, East, Central, and West) for both urban and rural China. "Urban" includes all urban regions. "Rural" includes all rural regions. "East" includes both urban and rural areas of the Eastern region in China. "Central" includes both urban and rural areas of the Central region in China. "West" includes both urban and rural areas of the Central region in China. "West" includes both urban and rural areas of the total population. Simply put, the confidence interval presents the degree of certainty in the regression. For this regression analysis, the mean coefficient of variation and the mean income elasticity of demand for each good in each reach region for the years from 1996 to 2007 was used as the testing sample. The Appendix contains the table with all data used in the regression analysis.

The first step is to determine the "fit" of the regression analysis. The first statistical measurement to help determine the "fit" is the *coefficient of determination*, also known as R^2 . The closer to 1 the value of R^2 is, the better the "fit" of the regression to the data. Looking at the table above, one can point out two R^2 s that demonstrate that there is a good "fit" between the dependent and independent variables. They are from the Urban and West models. R^2 also tells to what extent the independent variable can explain the change in the dependent variable. In this analysis, one can see that in the Urban model, 69.1% of the change in income elasticity can be explained by the coefficient of variation. In the West model, 69.3% of the change in income elasticity for R^2 (Dielman, 1991).

The second statistical measurement is the *correlation of coefficient*, also known as R. R is a value between +1 and -1 that shows the strength and direction of the relationship between the two variables. Once again, looking at the table above, one can see that the Urban and West models have the strongest relationships. It also shows that there is a positive relationship between the two variables- meaning as the independent variable increases, the dependent variable also increases (Dielman, 1991).

The third statistical measurement that demonstrates the "fitness" of the regression is the F statistic. A relatively large F statistic indicates how well the independent variable explains the dependent variable. The highest F statistic is for the Urban model with 40.176. With three out of three of the "fitness" indicators, the Urban model must be examined more closely. The second highest F statistic is for the West model with 18.083. Although not as high as the Urban model, this F statistic still demonstrates the pertinence of this model in the analysis (Dielman, 1991).

The second step involves determining how statistically "significant" the models are, once it has been determined that the regression "fits" the data. One can examine the *t* statistic and the *p* values to determine whether the regressions are statistically significant. First, one can look at the *t* statistic. A *t* statistic that is higher than 2 is desired in the analysis. The Urban model has a *t* stat of 6.338, extremely high. The West model has a *t* stat of 4.252, also demonstrating its significance. Now, one can examine the *p* value, which indicates the probability of whether a random sampling of the same population would turn out similar results. The lower the *p* value, the more significant the relationship is. Although the *p* values are not in the table above, the regression coefficients with statistically significant *p* value (technically extremely significant with three asterisks) comes from the Urban model, while two *p* values have been identified as very significant (two asterisks), the West and All models. Now it is clear that both the Urban and the West models are statistically significant, and the regression "fits" the data (Dielman, 1991).

The final step in analyzing the regression analysis is examining the regression coefficients. The regression coefficient is the slope of the regression line and it represents the impact of the independent variable on the dependent variable. One could also say that, when the independent variable changes by one unit, the dependent variable will change by the amount of the regression coefficient. The regression coefficient will tell the impact that inequality has on the income elasticity. This analysis will examine only the statistically significant models whose regressions "fit" the data. This includes the Urban and West models (Ben-Horim & Levy, 1981).

In the Urban model, when the correlation of variation increases by one, then a 2.69 percentage increase occurs in income elasticity. Thus one can say with 95% certainty that 69.1% of the 2.69 percentage increase in the sensitivity of income elasticity in urban China can be explained by an increase of 1 in the correlation of variation. In the West model, when the correlation of variation increases by one, then a 3.60 percentage increase occurs in income elasticity. Thus one can say with 95% certainty that 69.3% of the 3.60 percentage increase in the sensitivity of income elasticity in Western China can be explained by an increase of 1 in the correlation of variation.

What do these results mean? The results demonstrate that inequality has a higher impact on buyer's income elasticity in urban China than in rural China. They also show that inequality has a higher impact on buyer's income elasticity in Western China than in any other region across China. However, when looking at all regional inequality, regardless of whether it is the divide between the urban and rural areas or the divide amongst the regions, inequality has the highest impact on buyer's income elasticity in urban China because it is the most statistically significant model out of all six. Thus, the regression analysis shows that the divide between urban and rural regions of China has a greater influence on consumers' demands than the divide amongst regions.

IV. Summary and Conclusions

The objective of this thesis was to determine the influence of regional inequality on contemporary Chinese consumers' demands, in particular the pattern of income elasticity of demand. This thesis examined the impact of regional inequality on the income elasticity of demand experienced between consumers in the urban and rural areas of China, and it examined this impact of regional inequality experienced amongst consumers in East, Central, and West regions of China. There were five goods to analyze: color tv sets, refrigerators, motorcycles, cameras, and washing machines. The coefficient of variation, how equally distributed the goods are, was the measurement of inequality. The income elasticity of demand as the measurement of the sensitivity of the quantity demanded of our five goods to the changes in income experienced by the Chinese consumer. The analysis includes data for the years from 1995 to 2007. The analysis began with four main questions. What is the current situation of inequality via the consumption of durable goods in China? What are the consumers' demands for these goods? What is the relationship between this inequality and the consumers' demands? In what region does inequality have the largest impact on consumers' demands for goods?

We have made several findings in the analysis of both the independent and dependent variable, in addition to the analysis of the impact of inequality on contemporary Chinese consumers' demands. In terms of inequality, there are four findings. Rural China has experienced a decrease in the coefficient of variation from 1996 to 2007. In other words, these five goods have become more equally distributed in this time period. Urban China has seen a slight increase in inequality over this same time period. It appears that inequality was defined not by what region one lived in, but whether one lived in a rural or urban area. It also appears that, on the whole, goods are less equally distributed in rural areas of China as opposed to the urban areas. In terms of income elasticity of demand, we have found that there will be an

increasing demand for goods in rural China, should incomes continue to increase. This is particularly true for the rural areas in the western region.

Finally, in terms of analyzing the influence that inequality has on the income elasticity of demand, there are three findings. The most statistically significant relationship between the independent and dependent variables is found in urban China. In all urban areas of the three regions, the regression shows that as the coefficient of variation increases by one, then a positive 2.6 percent change of income elasticity will occur. A lesser statistically significant relationship was found in the West region of China. In all regressions, it was found that there is a positive relationship between coefficient of variation and income elasticity of demand. This means that as goods become less equally distributed, then the buyer's demand for these five goods will become more sensitive to changes in their income. The results find that when looking at all regional inequality, regardless of whether it is the divide between the urban and rural areas or the divide amongst the regions, inequality has the highest impact on buyer's income elasticity in urban China because it is the most statistically significant model out of all six. Thus, the regression analysis shows that the divide between urban and rural regions of China more accurately defines regional inequality in contemporary China than the divide amongst regions.

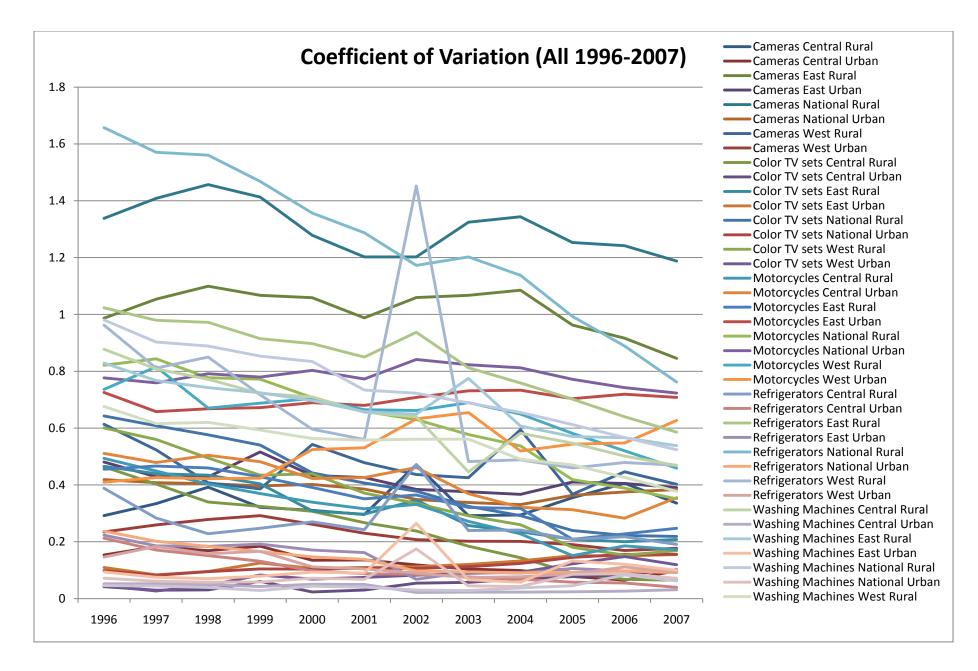
How do these findings play apart in the larger picture of regional inequality literature concerning China. As mentioned in Chapter Two, when regional inequality was analyzed using GDP, there was a falling off on the last two years. The rural trends followed this national trend of GDP. The fact that inequality has a larger impact in urban China than in other region of China is indicative of the increasing inequality that urban China is experiencing in certain goods. The analysis could possibly be pointing out that inequality will actually persist and increase in the future in urban China.

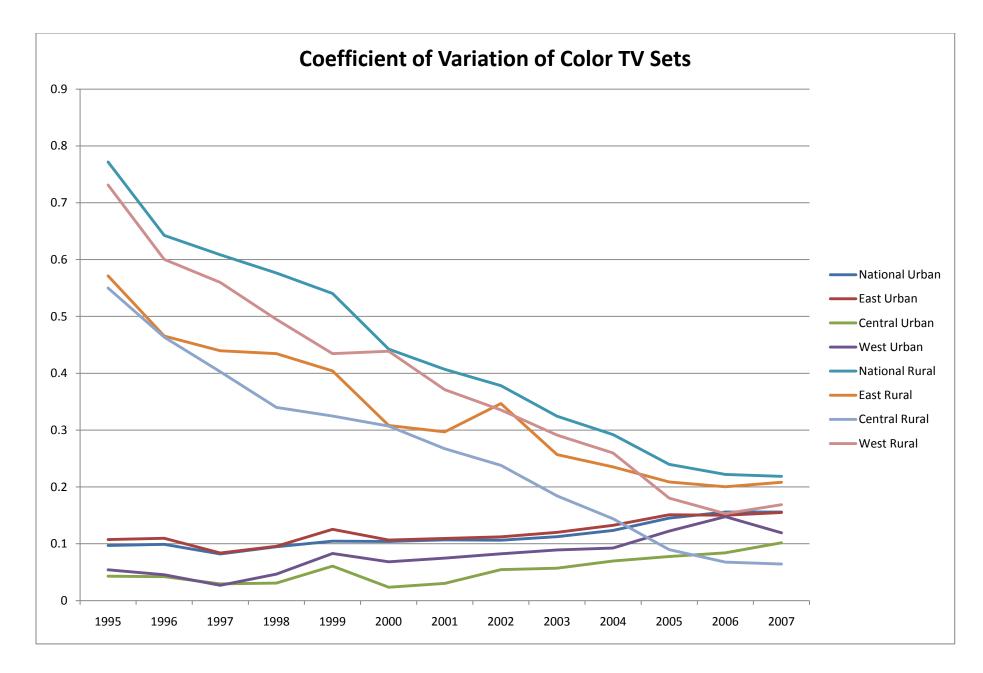
However, there is more work needed to done in the field of regional inequality. A wider range of goods would make this a more effective analysis, including major consumer goods like meat, grain, eggs, etc. There is also a need to examine why consumption patterns are behaving the way they are. The sociology behind how and why consumers' consume what they consume in China's new and fast-paced economy would make for very interesting research.

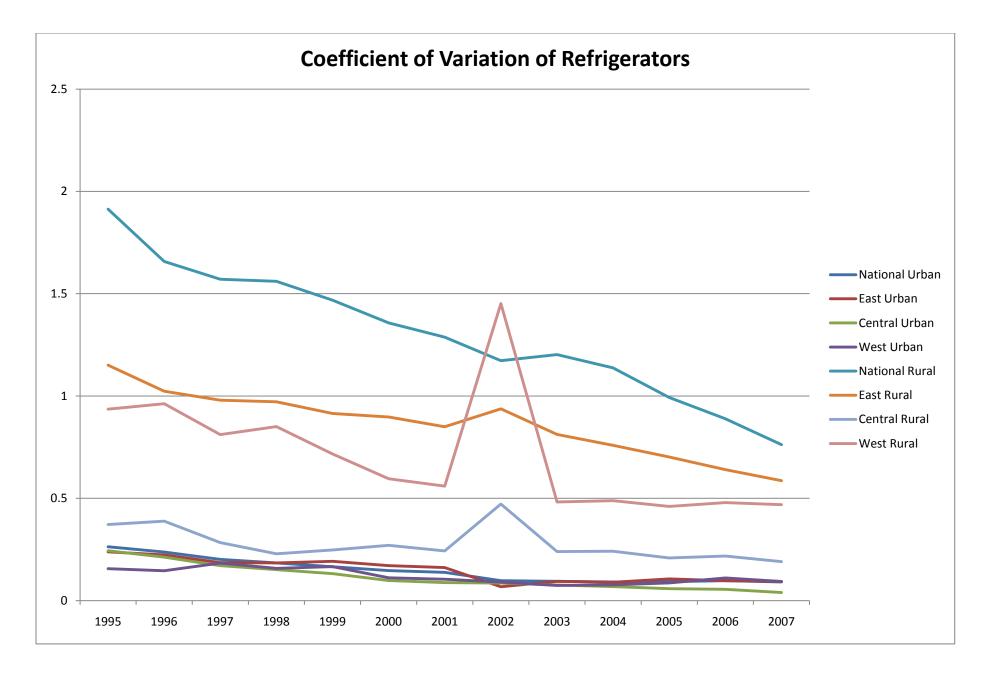
Overall, the four questions that were laid out in the beginning of the thesis have been answered. The hypothesis was found to be correct. And the findings are statistically significant. The issue of regional inequality should be examined more along the lines of differences in urban and rural China than in regions. Ultimately, the goal of this empirical analysis has been met which was to show that regional inequality does have an impact on the demands of consumers

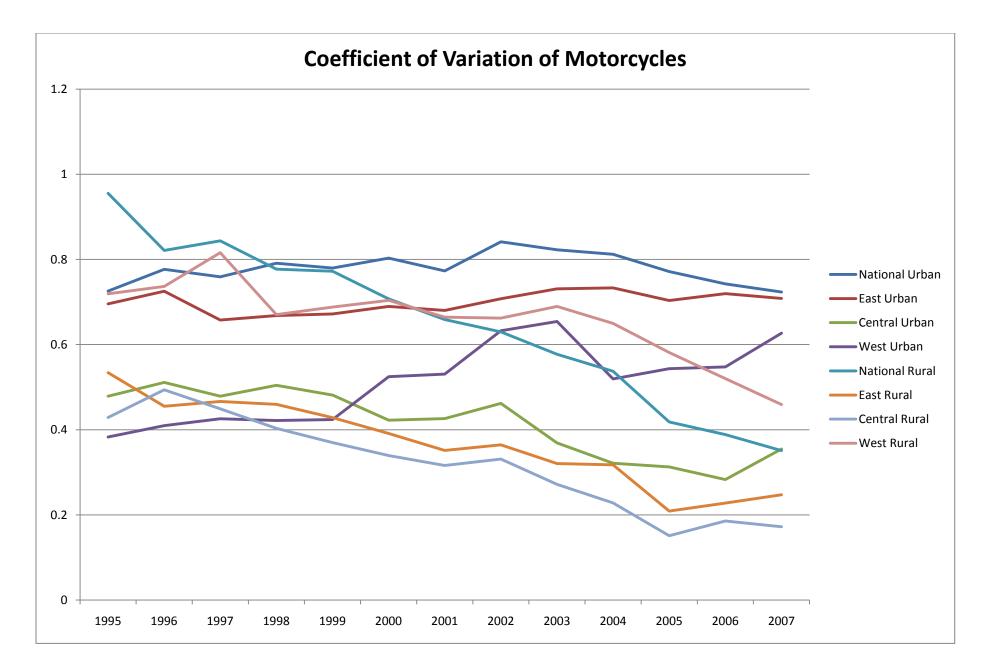
V. Appendices

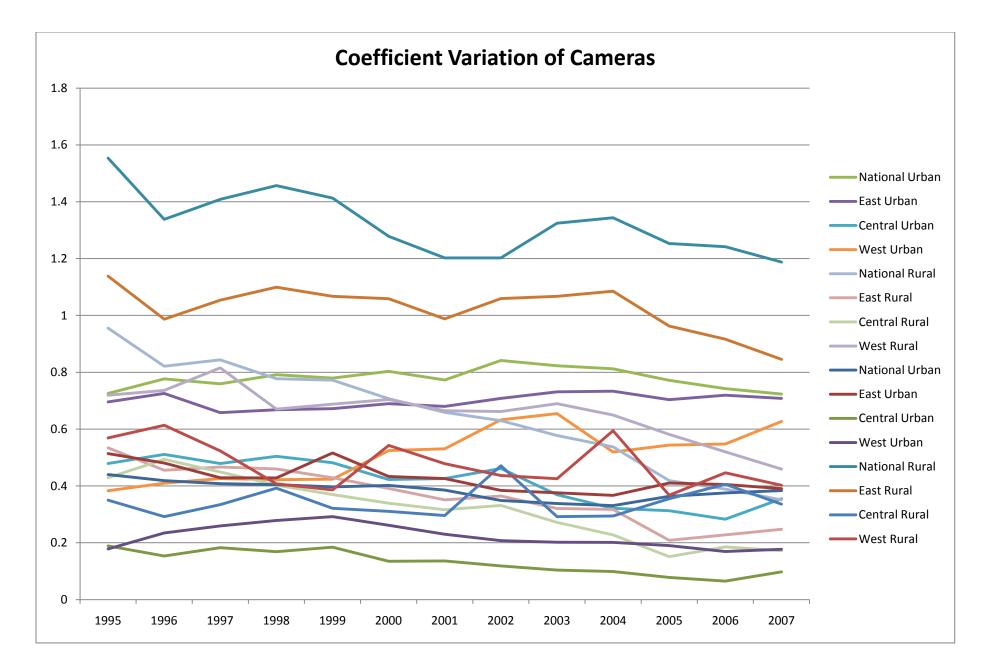
A. Coefficient of Variation

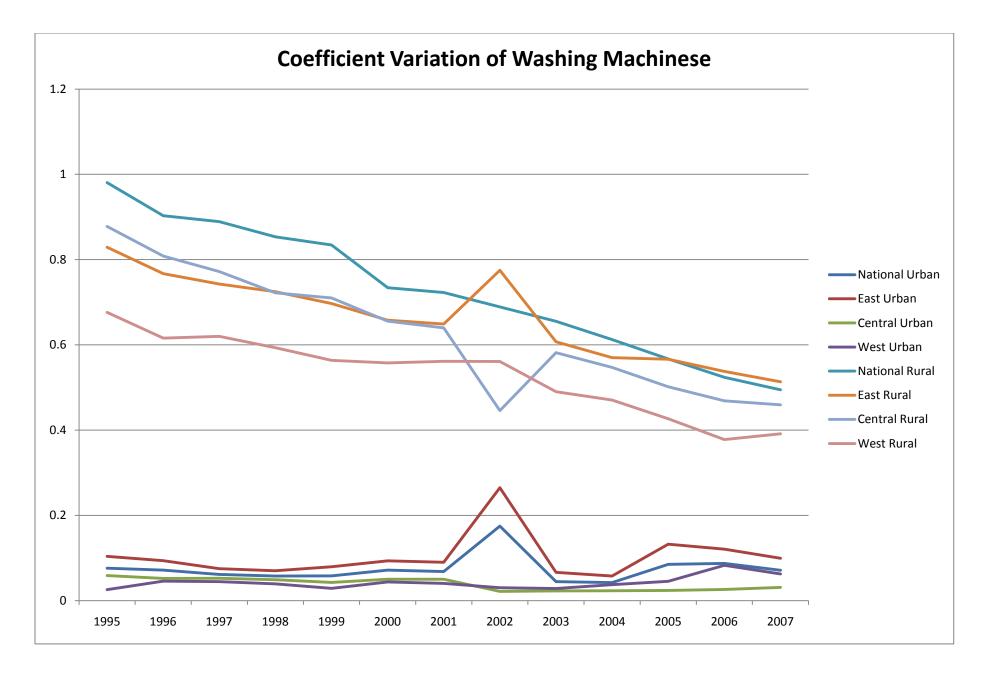




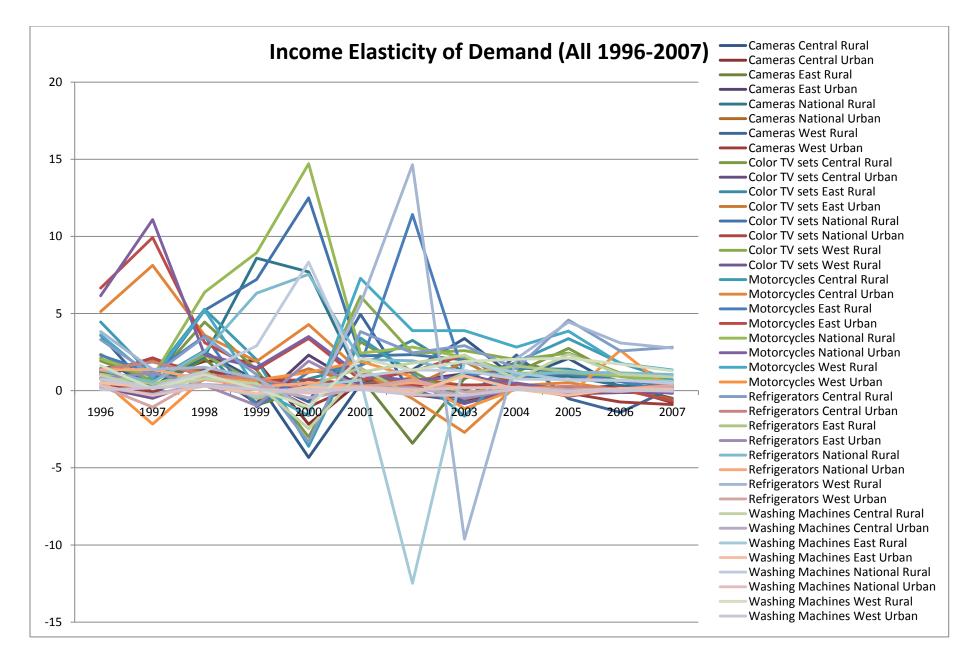


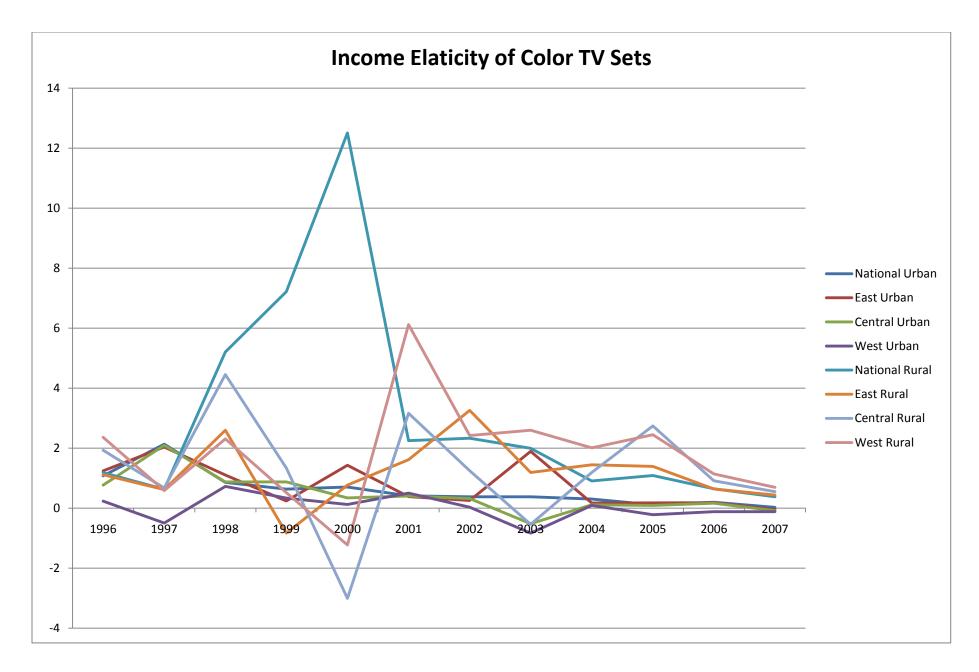


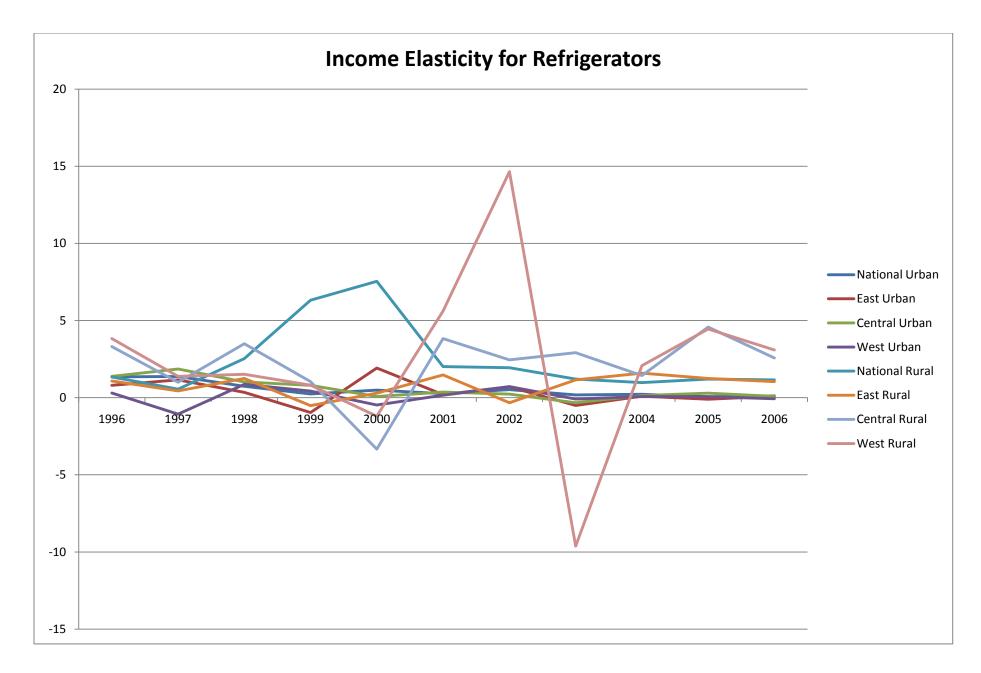


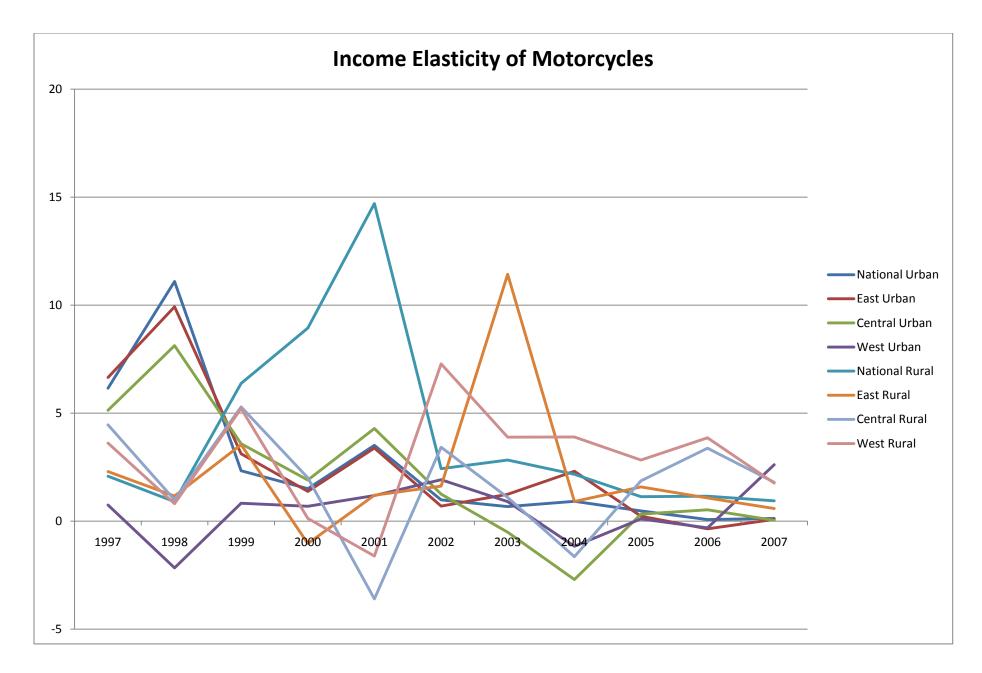


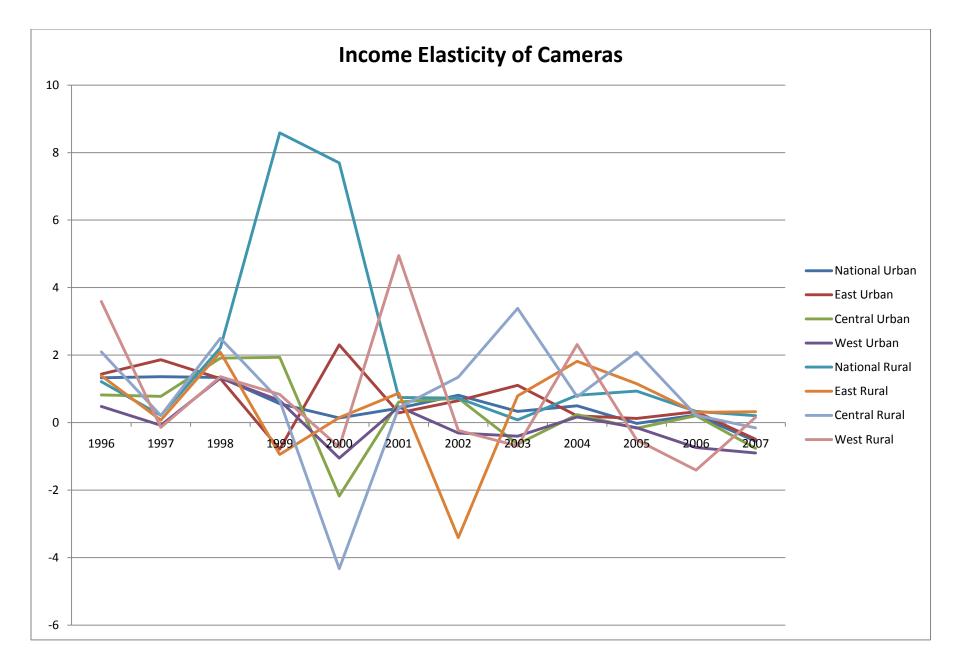
B. Income Elasticity of Demand

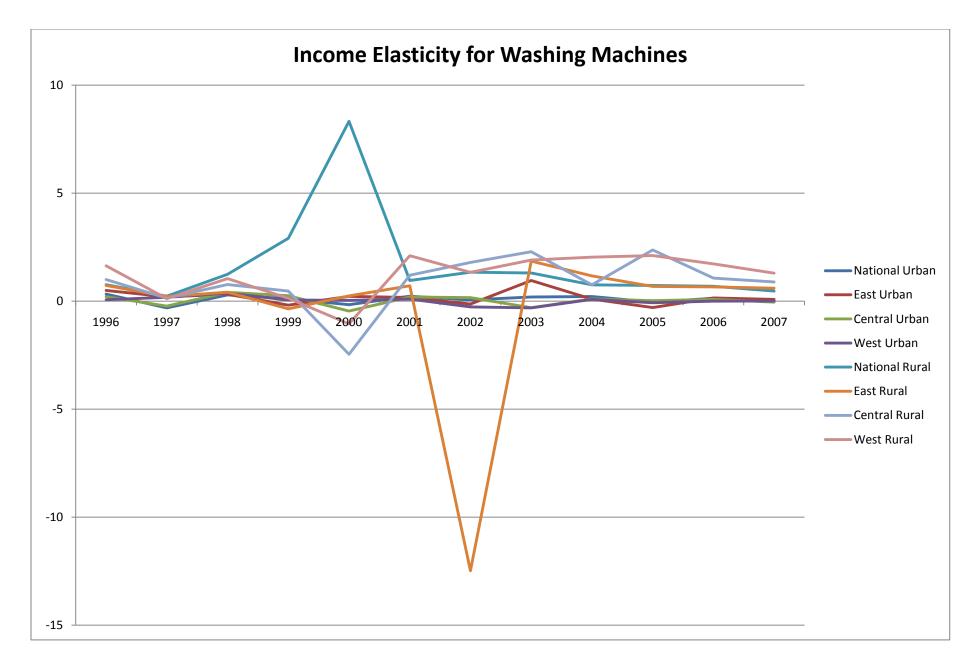












C. Regression Analysis

Good	Region	Income Elasticity	Coefficient of Variation
	National Urban	0.536872201	0.384218856
	East Urban	0.693361633	0.427693576
	Central Urban	0.28962588	0.131656688
6	West Urban	-0.045406939	0.221633333
Cameras	National Rural	1.97916655	1.323347707
	East Rural	0.383783351	1.025342997
	Central Rural	0.768668914	0.342217062
	West Rural	0.790308706	0.476257728
	National Urban	0.5995467	0.114416814
	East Urban	0.754056382	0.119899772
	Central Urban	0.45161572	0.054155501
Color TV Cot	West Urban	0.020414684	0.080925901
Color TV Set	National Rural	3.026312531	0.435712659
	East Rural	1.185281081	0.336619178
	Central Rural	1.219986694	0.264877898
	West Rural	1.829357313	0.386136747
	National Urban	2.303631418	0.778603657
	East Urban	2.330439931	0.699397295
	Central Urban	1.833659408	0.415803058
Matavavalaa	West Urban	0.438257338	0.511071261
Motorcycles	National Rural	3.685844072	0.649083891
	East Rural	2.026423605	0.367123162
	Central Rural	1.644013695	0.318433073
	West Rural	2.748040354	0.658467726
	National Urban	0.48806507	0.146184518
	East Urban	0.343967267	0.146458125
	Central Urban	0.526628012	0.113743982
Defeisensten	West Urban	0.096361781	0.119847937
Refrigerators	National Rural	2.318791283	1.305438839
	East Rural	0.81196331	0.863275858
	Central Rural	2.173767133	0.277095951
	West Rural	2.445017112	0.712571786
	National Urban	0.085168859	0.074560007
	East Urban	0.17077176	0.103557313
	Central Urban	0.031340812	0.038698877
Maching Machines	West Urban	0.01773677	0.042636427
Washing Machines	National Rural	1.640180924	0.746969429
	East Rural	-0.467409687	0.6769011
	Central Rural	0.855683654	0.644161521
	West Rural	1.196715657	0.542786356

SUMMARY OUTPUT

Model: ALL

Regression Statistics					
Multiple R	0.50730606				
R Square	0.257359438				
Adjusted R Square	0.237816266				
Standard Error	0.867352991				
Observations	40				

					Significance	-		
	df	SS	MS	F	F	_		
Regression	1	9.906877473	9.906877	13.16876	0.000834655			
Residual	38	28.58744601	0.752301					
Total	39	38.49432348						
						_		
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
					-		-	
Intercept	0.456238751	0.225472593	2.023478	0.050099	0.000206647	0.91268415	0.000206647	0.91268415
Inequality	1.521166757	0.419183626	3.628879	0.000835	0.672573877	2.369759637	0.672573877	2.369759637

SUMMARY	Model:
OUTPUT	URBAN

Regression Statistics					
Multiple R	0.831020058				
R Square	0.690594337				
Adjusted R Square	0.673405133				
Standard Error	0.410449816				
Observations	20				

ANOVA

					Significance			
	df	SS	MS	F	F			
			6.76842139	40.176052				
Regression	1	6.768421396	6	1	5.67721E-06			
			0.16846905					
Residual	18	3.032442929	2					
Total	19	9.800864325						
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
			-				-	
			0.27047572	0.7898712	-	0.24870965	0.32221077	0.24870965
Intercept	-0.036750559	0.135873778	7	3	0.322210775	6	5	6
				5.67721E-		3.57892303		3.57892303
Inequality	2.687976297	0.424074155	6.33845818	06	1.79702956	5	1.79702956	5

SUMMARY	Model:
OUTPUT	RURAL
Regressio	on Statistics

Multiple R	0.021099869
R Square	0.000445204
	-
Adjusted R Square	0.055085617
Standard Error	1.010701095
Observations	20

					Significance
	df	SS	MS	F	F
			0.00818975		
Regression	1	0.008189755	5	0.00801725	0.92964226
			1.02151670		
Residual	18	18.38730067	4		
Total	19	18.39549042			

		Standard						
	Coefficients	Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
			3.10022574	0.00617626		2.63802808		2.63802808
Intercept	1.572438032	0.50720114	7	8	0.50684798	3	0.50684798	3
							-	
			0.08953909		-	1.61034781	1.47869600	1.61034781
Inequality	0.065825907	0.735163838	8	0.92964226	1.478696001	4	1	4

SUMMARY OUTPUT

Model: EAST

Regression Statistics				
	0.03330660			
Multiple R	8			
R Square	0.00110933			
	-			
	0.12375200			
Adjusted R Square	4			
	0.89298581			
Standard Error	3			
Observations	10			

				Significance
df	SS	MS	F	F
		0.00708470	0.00888449	
1	0.007084708	8	7	0.927222566
		0.79742366		
8	6.379389295	2		
9	6.386474003			
	1	1 0.007084708 8 6.379389295	0.00708470 1 0.007084708 8 0.79742366 8 6.379389295 2	0.00708470 0.00888449 1 0.007084708 8 7 0.79742366 8 6.379389295 2

							Lower	
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	95.0%	Upper 95.0%
			1.50381658	0.17103805			-	
Intercept	0.78209839	0.520075651	7	5	-0.41719821	1.98139499	0.41719821	1.98139499
			0.09425760	0.92722256		2.19936244	-	2.19936244
Inequality	0.08636835	0.916301089	9	6	-2.02662575	9	2.02662575	9

SUMMARY OUTPUT		Model: CENTRAL
Regression St	tatistics	•
	0.50419533	
Multiple R	2	
	0.25421293	
R Square	3	
Adjusted R Square	0.16098955	
	0.65297755	
Standard Error	4	
Observations	10	

					Significance
	df	SS	MS	F	F
			1.16270432	2.72692240	
Regression	1	1.162704321	1	8	0.137274067
			0.42637968		
Residual	8	3.41103749	6		
Total	9	4.573741811			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
							-	
	0.47706105		1.29737450	0.23066214	-	1.32500801	0.37088590	1.32500801
Intercept	7	0.367712681	3	6	0.370885905	8	5	8
							-	
	1.93182678			0.13727406	-	4.62951574	0.76586217	4.62951574
Inequality	7	1.169854348	1.65133958	7	0.765862174	9	4	9

SUMMARY

OUTPUT Model: WEST

Regression St	atistics
	0.83264098
Multiple R	4
	0.69329100
R Square	8
	0.65495238
Adjusted R Square	4
	0.62048658
Standard Error	9
Observations	10

					Significance
	df	SS	MS	F	F
			6.96215751	18.0833565	
Regression	1	6.962157512	2	8	0.002789838
			0.38500360		
Residual	8	3.080028856	7		
Total	9	10.04218637			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
	-		-				-	
	0.39751453		1.06444907	0.31819560	-	0.46365410	1.25868317	0.46365410
Intercept	7	0.37344627	8	1	1.258683179	4	9	4
	3.60094379		4.25245300	0.00278983		5.55364997	1.64823761	5.55364997
Inequality	1	0.846792142	8	8	1.648237612	1	2	1

	1				Urban Di	sposable In	come Per P	rovince						
Region	Province							Year						
Region	FIOVILLE	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
	Beijing	6235	7332	7813.2	8472	9182.8	10350	11578	12464	13883	15638	17653	19978	21989
	Fujian	4507	5172.9	6143.6	6485.6	6859.8	7432.3	8313.1	9189.4	9999.5	11175	12321	13753	15506
	Guangdong	7438.7	8157.8	8561.7	8839.7	9125.9	9761.6	10415	11137	12380	13628	14770	16016	17699
	Guangxi	4791.9	5033.3	5110.3	5412.2	5619.5	5834.4	6665.7	7315.3	7785	8690	9286.7	9898.8	12200
	Hainan	4770.4	4926.4	4849.9	4852.9	5338.3	5358.3	5838.8	6822.7	7259.3	7735.8	8123.9	9395.1	10997
East	Hebei	3921.4	4442.8	4958.7	5084.6	5365	5661.2	5984.8	6679.7	7239.1	7951.3	9107.1	10305	11690
Last	Jiangsu	4634.4	5185.8	5765.2	6017.9	6538.2	6800.2	7375.1	6335.6	9262.5	10482	12319	14084	16378
	Liaoning	3706.5	4207.2	4518.1	4617.2	4898.6	5357.8	5797	6051	7240.6	8007.6	9107.6	10370	12300
	Shandong	4264.1	4890.3	5190.8	5380.1	5809	6490	7101.1	7614.4	8399.9	9437.8	10745	12192	14265
	Shanghai	7191.8	8178.5	8438.9	8773.1	10932	11718	12883	13250	14867	16683	18645	20668	23623
	Tianjin	4929.5	5967.7	6608.4	7110.5	7649.8	8140.5	8958.7	9337.6	10313	11467	12639	14283	16357
	Zhejiang	6221.4	6955.8	7358.7	7836.8	8428	9279.2	10465	11716	13180	14546	16294	18265	20574
	Average	5217.7	5870.9	6276.5	6573.6	7145.5	7681.9	8448	8992.7	10151	11287	12584	14101	1613 <mark>2</mark>
	Anhui	3795.4	4512.8	4599.3	4770.5	5064.6	5293.6	5668.8	6032.4	6778	7511.4	8470.7	9771.1	11474
	Heilongjiang	3375.2	3768.3	4090.7	4268.5	4595.1	4912.9	5425.9	6100.6	6678.9	7470.7	8272.5	9182.3	10245
	Henan	3299.5	3755.4	4093.6	4219.4	4532.4	4766.3	5267.4	6245.4	6926.1	7704.9	8668	9810.3	11477
	Hubei	4028.6	4364	4673.2	4826.4	5212.8	5524.5	5856	6788.5	7322	8022.8	8785.9	9802.7	11486
Central	Hunan	4699.2	5052.1	5209.7	5434.3	5815.4	6218.7	6780.6	6958.6	7674.2	8617.5	9524	10505	12294
	Inner Mongolia	2863	3431.8	3944.7	4353	4770.5	5129.1	5535.9	8177.6	7012.9	8123	9136.8	10358	12378
	Jiangxi	3376.5	3780.2	4071.3	4251.4	4720.6	5103.6	5506	6260.2	6901.4	7559.6	8619.7	9551.1	11452
	Jilin	3174.8	3805.5	4190.6	4206.6	4480	4810	5340.5	6524.5	7005.2	7840.6	8690.6	9775.1	11286
	Shanxi	3306	3702.7	3989.9	4098.7	4342.6	4724.1	5391.1	6234.4	7005	7902.9	8913.9	10028	11565
	Average	3546.5	4019.2	4318.1	4492.1	4837.1	5164.7	5641.3	6591.3	7033.8	7861.5	8786.9	9864.8	11517
	Chongqing			5322.7	5466.6	5896	6276	6721.1	7238	8093.7	9221	10243	11570	12591
	Gansu	3152.5	3353.9	3592.4	4009.6	4475.2	4916.3	5382.9	6151.4	6657.2	7376.7	8086.8	8920.6	10012
	Guizhou	3931.5	4221.2	4441.9	4565.4	4934	5122.2	5451.9	5944.1	6569.2	7322.1	8151.1	9116.6	10678
	Ningxia	3382.8	3612.1	3836.5	4112.4	4472.9	4912.4	5544.2	6067.4	6530.5	7217.9	8093.6	9177.3	10859
West	Qinghai	3319.9	3834.2	3999.4	4240.1	4703.4	5170	5853.7	6170.5	6745.3	7319.7	8057.9	9000.4	10276
VV CSC	Shaanxi	3309.7	3809.6	4001.3	4220.2	4654.1	5124.2	5483.7	6330.8	6806.4	7492.5	8272	9267.7	10763
	Sichuan	4002.9	4482.7	4763.3	5127.1	5477.9	5894.3	6360.5	6610.8	7041.9	7709.9	8386	9350.1	11098
	Tibet		6556.3			6908.7	7426.3	7869.2	8079.1	8765.5	9106.1	9431.2	8941.1	11131
	Xinjiang	4163.4	4649.9	4844.7	5000.8	5319.8	5644.9	6395	6899.6	7173.5	7503.4	7990.2	8871.3	10313
	Yunnan	4085.1	4978	5558.3	6042.8	6178.7	6324.6	6797.7	7240.6	7643.6	8870.9	9265.9	10070	11496
	Average	3668.5	4388.7	4484.5	4753.9	5302.1	5681.1	6186	6673.2	7202.7	7914	8597.8	9428.5	10922
Na	tional Average	4283	4838.9	5160.3	5425.1	5854	6280	6859.6	7702.8	8472.2	9421.6	10493	11759	13786

D. Real Income for Urban and Rural China

					Rural	Net Incom	e Per Provi	ince						
Destau	Duraniana							Year						
Region	Province	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
	Beijing	2400.7	3223.7	3661.7	3952.3	4226.6	4604.6	5025.5	5398.5	5601.6	6170.3	7346.3	8275.5	9439.6
	Fujian	1577.7	2048.6	2785.7	2946.4	3091.4	3230.5	3380.7	3538.8	3733.9	4089.4	4450.4	4834.8	5467.1
	Guangdong	2181.5	2699.2	3467.7	3527.1	3628.9	3654.5	3769.8	3911.9	4054.6	4365.9	4690.5	5079.8	5624
	Guangxi	1107	1446.1	1875.3	1971.9	2048.3	1864.5	1944.3	2012.6	2094.5	2305.2	2494.7	2770.5	3224.1
	Hainan	1304.5	1519.7	1916.9	2018.3	2087.5	2182.3	2226.5	2423.2	2588.1	2817.6	3004	3255.5	3791.4
East	Hebei	1107.3	1668.7	2286	2405.3	2441.5	2478.9	2603.6	2685.2	2853.4	3171.1	3481.6	3801.8	4293.4
Last	Jiangsu	1831.5	2456.9	3269.9	3376.8	2129.5	3595.1	3784.7	2306.5	4239.3	4753.9	5276.3	5813.2	6561
	Liaoning	1423.5	1756.5	2301.5	2579.8	1754.2	2355.6	2557.9	2086	2934.4	3307.1	3690.2	4090.4	4773.4
	Shandong	1319.7	1715.1	2292.1	2452.8	5409.1	2659.2	2804.5	2947.7	3150.5	3507.4	3930.5	4368.3	4985.3
	Shanghai	3436.6	4245.6	5277	5406.9	1772.6	5596.4	5870.9	6223.6	6653.9	7066.3	8247.8	9138.7	10145
	Tianjin	1835.7	2406.4	3243.7	3395.7	1309.5	3622.4	3947.7	4278.7	4566	5019.5	5579.9	6227.9	7010.1
	Zhejiang	2224.6	2966.2	3684.2	3814.6	2002.9	4253.7	4582.3	4940.4	5389	5944.1	6660	7334.8	8265.2
	Average	1812.5	2346.1	3005.1	3154	2658.5	3341.5	3541.5	3562.7	3988.3	4376.5	4904.3	5415.9	6131.6
	Anhui	973.2	1302.8	1808.8	1863.1	1900.3	1934.6	2020	2117.6	2127.5	2499.3	2641	2969.1	3556.3
	Heilongjiang	1393.6	1766.3	2308.3	2253.1	2165.9	2148.2	2280.3	2405.2	2508.9	3005.2	3221.3	3552.4	4132.3
	Henan	909.81	1232	1733.9	1864.1	1948.4	1985.8	2097.9	2215.7	2235.7	2553.2	2870.6	3261	3851.6
	Hubei	1172.7	1511.2	2102.2	2172.2	2217.1	2268.6	2352.2	2444.1	2566.8	2890	3099.2	3419.4	3997.5
Central	Hunan	1155	1425.2	2037.1	2064.9	2127.5	2197.2	2299.5	2397.9	2532.9	2837.8	3117.7	3389.6	3904.2
	Inner Mongolia	969.91	1208.4	1780.2	1981.5	3495.2	2038.2	1973.4	3979.8	2267.7	2606.4	2988.9	3341.9	3953.1
	Jiangxi	1218.2	1537.4	2107.3	2048	2260.6	2135.3	2231.6	2301	2457.5	2786.8	3128.9	3459.5	4044.7
	Jilin	1271.6	1609.6	2186.3	2383.6	2501	2022.5	2182.2	2751.3	2530.4	2999.6	3264	3641.1	4191.3
	Shanxi	884.2	1208.3	1738.3	1858.6	1843.5	1905.6	1956	2149.8	2299.2	2589.6	2890.7	3180.9	3665.7
	Average	1105.4	1422.3	1978	2054.3	2273.3	2070.7	2154.8	2529.2	2391.8	2752	3024.7	3357.2	3921.8
	Chongqing			1643.2	1720.5	1736.6	1892.4	1971.2	2097.6	2214.6	2510.4	2809.3	2873.8	3509.3
	Gansu	723.73	880.34	1185.1	1393.1	1357.3	1428.7	1508.6	1590.3	1673.1	1852.2	1979.9	2134.1	2328.9
	Guizhou	786.84	1086.6	1298.5	1334.5	1363.1	1374.2	1411.7	1489.9	1564.7	1721.6	1877	1984.6	2374
	Ningxia	866.97	998.75	1512.5	1721.2	1466.7	1724.3	1823.1	1917.4	2043.3	2320.1	2508.9	2760.1	3180.8
West	Qinghai	869.34	1029.8	1320.6	1424.8	1455.9	1490.5	1557.3	1668.9	1794.1	1957.7	2151.5	2358.4	2683.8
	Shaanxi	804.84	962.89	1273.3	1405.6	2549.6	1443.9	1490.8	1596.3	1675.7	1866.5	2052.6	2260.2	2644.7
	Sichuan	946.33	1158.3	1680.7	1789.2	3411.1	1903.6	1987	2107.6	2229.9	2518.9	2802.8	3002.4	3546.7
	Tibet	975.95	1200.3	1194.5	1231.5	1473.2	1330.8	1404	1462.3	1690.8	1861.3	2077.9	2435	2788.2
	Xinjiang	946.82	1136.5	1504.4	1600.1	1437.6	1618.1	1710.4	1863.3	2106.2	2244.9	2482.2	2737.3	3183
	Yunnan	802.95	1011	1375.5	1387.3	3948.4	1478.6	1533.7	1608.6	1697.1	1864.2	2041.8	2250.5	2634.1
	Average	858.2	1051.6	1398.8	1500.8	2019.9	1568.5	1639.8	1740.2	1868.9	2071.8	2278.4	2479.6	2887.3
Na	tional Average	1221	1577.7	2090.1	2162	2210.3	2253.4	2366.4	2475.6	2622.2	2936.4	3254.9	3587	4140.4

			0	wnership c	of Color TV	Set Per 10	0 Urban H	ouseholds	by Region					
Pogion	Province							Year						
Region	Province	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
	Beijing	113.6	119.2	123.8	133.2	141.4	145.5	148.9	148.43	146.99	150.61	152.81	155.3	146.99
	Fujian	90.36	93.95	109.44	112.12	115.42	128.07	131.41	136.92	147.35	158.42	164.49	169.37	166.91
	Guangdong	104.97	112.51	119.13	123.21	130.34	135.58	139.65	149.29	152.52	154.69	155.26	160.07	154.2
	Guangxi	78.17	83.84	98.63	104.39	109.71	114.76	120	124.48	126.84	138.1	140.39	138.42	139.66
	Hainan	90.1	92.9	101.4	103.5	106.42	108.83	115.5	116.19	117.86	118.51	117.32	124.22	123.24
East	Hebei	92.56	95.48	100.11	103.73	107.96	112.09	116.09	121.24	125.22	127.23	124.34	126.73	126.32
Lasi	Jiangsu	85.22	87.97	101.11	105.23	100.18	124.45	128.04	136.01	142.52	145.41	153.19	157.98	161.13
	Liaoning	90.5	93.63	98.21	104.25	110.95	114.3	117.26	118.39	121.57	122.29	122.07	123.54	121.74
	Shandong	90.55	95.17	100.67	106.2	144.2	115.32	116.87	115.85	119.6	119.59	118.3	120.4	122.2
	Shanghai	108.6	112.6	118.6	128.2	106.25	147	153.6	157.78	167.6	177.5	176.7	178.66	183.41
	Tianjin	101.8	107.4	110.6	121.2	119	132	134	126.27	134.53	136.47	136.27	135.87	134.75
	Zhejiang	95.76	100.97	111.01	121.47	104.91	139.17	150.01	149.77	159.39	163.14	178.62	181.02	182.89
	Average	95.183	99.635	107.73	113.89	116.4	126.42	130.94	133.39	138.5	142.66	144.98	147.63	146.95
	Anhui	79.77	82.76	90.92	93.61	99.08	111.47	116.79	120.58	124.17	127.66	132.42	133.96	140.93
	Heilongjiang	82.9	86.4	91.23	94.61	99.44	102.48	105.61	107.63	110.44	112.98	112.36	114.62	111.34
	Henan	84.01	84.59	95.84	98.14	101.85	108.02	112.14	119.47	124.19	125.21	124.62	127.19	126.9
	Hubei	84.9	87.29	93.96	99.12	103.8	109.34	115.09	126.08	128.34	131.69	131.71	135.79	134.97
Central	Hunan	86.8	90.2	95.14	99.92	106.68	109.35	112.61	120.03	124.82	129.55	129.23	129.6	125.64
	Inner Mongolia	84.22	84.94	93.34	100.11	113.48	106.66	111.06	109.89	113.97	110.53	113.34	113.35	108.73
	Jiangxi	75.51	79.49	91.53	95.17	99.17	106.01	108.39	123.83	130.37	135.35	139.31	143.96	144.05
	Jilin	85.49	89.16	92.46	94.55	109.04	107.34	110.15	115.75	120.41	124.89	126.59	128.86	125.82
	Shanxi	86.23	90.38	99.54	101.88	116.26	107.17	110.23	111.62	114.4	116.24	113.69	114.99	113.07
	Average	83.314	86.134	93.773	97.457	105.42	107.54	111.34	117.21	121.23	123.79	124.81	126.92	125.72
	Chongqing	-		107	116.67	120.67	132	138.67	142.17	150.67	153.33	155.33	164.33	153.43
	Gansu	90.48	95.04	99.52	102.83	111.25	121.08	122.12	110.36	119.32	120.32	117.98	114.96	113.72
	Guizhou	85.16	90.25	100.9	109.18	109.3	113.78	117.42	121.89	122.11	125.27	124.51	125.23	122.02
	Ningxia	99.1	100.2	101.83	106.26	107.82	109.33	112.53	110.09	113.83	116	108.64	109.75	107.34
West	Qinghai	94	100.28	100.89	101.45	112.2	111.64	114.91	114.59	119.25	122.44	111.68	113.27	116.14
WV CSC	Shaanxi	89.57	94.61	102.02	105.82	110.72	113.77	116.24	119.99	123.15	127.87	128.9	130.14	130.11
	Sichuan	96.46	100.45	104.87	110.18	131.2	118.61	123.44	128.72	131.89	135.71	138.87	141.6	137.26
	Tibet	4	98			104.08	120	130	122.75	132	133	135	104.66	116.34
	Xinjiang	85.5	89.93	97.74	100.91	109.94	102.41	107.56	111.15	112.39	111.95	105.7	107.97	105.34
	Yunnan	90.13	91.57	101.33	104.9	130.86	116.27	118.37	122.61	124.57	122.91	122.12	125.89	121.93
	Average	91.3	95.592	101.79	106.47	114.8	115.89	120.13	120.43	124.92	126.88	124.87	123.78	122.36
Na	itional Average	89.79	93.5	100.48	105.43	111.57	116.56	120.52	126.38	130.5	133.44	134.8	137.43	137.79

E. Consumption of Consumer Durable Goods: Urban and Rural

			0	vnership of	Refrigerat	ors Per 10	0 Urban Ho	useholds l	ny Region					
				vitership of	Reingerut	0131 01 10	o orbanne	Year	Sy negion					
Region	Province	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
	Beijing	104.4	105.4	104.2	105.4	102.8	107.4	106.6	101.62	100.4	102.6	104.02	104.77	108.13
	Fujian	68.33	71.26	84.48	83.38	84.78	87.8	90.94	94.53	96.23	97.08	98.43	99.7	99.68
	Guangdong	74	76.45	78.16	78.59	81.03	81.87	82.87	89.67	92.56	93.42	93.9	94.09	94.33
	Guangxi	63.94	67.04	73.96	77.94	79.05	80.17	80.7	83.62	85.47	92.67	87.2	84.6	89.28
	Hainan	40.2	42.7	48.6	48.3	50.52	49.5	52.33		70.21	71.41	67	71.63	73.43
Feet	Hebei	74.56	77.15	81.45	81.61	83	83.97	85.99	91.06	93.7	95.26	92.07	93.6	101.1
East	Jiangsu	69.42	72.28	77.68	78.61	73.03	85.64	87.46	90.67	90.29	90.94	91.89	92.92	96.6
	Liaoning	66.67	69.81	72.66	76.88	68.6	80.97	83.37	85.58	87.05	88.68	88.19	89.37	95.2
	Shandong	76.01	79.42	82.24	85.83	103	86.54	87.91	88.62	90.52	91.21	90.96	92.09	98.8
	Shanghai	98.4	100.6	101.6	103	71.1	102.2	102.6	102.82	102	103.5	104.4	104.21	103.5
	Tianjin	97.6	98.2	97	98.8	69	99.8	102.6	97.5	98.47	98.93	97.8	98.27	106.0
	Zhejiang	94.9	95.94	97.42	98.76	66.65	96.32	97.67	97.84	98.6	98.93	97.79	99.27	100.04
	Average	77.369	79.688	83.288	84.758	77.713	86.848	88.42	93.048	92.125	93.719	92.804	93.71	97.19
	Anhui	69.83	73.95	75.37	76.34	78.35	83.5	84.94	87.43	88.54	89.85	91.75	92.23	95.9
	Heilongjiang	43.7	47.5	52.56	55.59	59.17	66.26	67.59	70.36	73.3	75.73	77.88	78.93	86.0
	Henan	58.84	59.77	67.08	68.33	70.2	71.78	74.75	81.87	83.69	84.62	86.33	87.18	90.
	Hubei	79.7	81.37	81.7	84.33	85.77	88.11	88.44	93.99	94.44	96.2	95.58	96	98.4
Central	Hunan	78.4	80.6	81.38	84.47	85.45	83.37	86.18	84.73	87.06	87.6	90.3	90.85	93.0
	Inner Mongolia	43.85	50.53	53.86	63.13	81.51	70.48	74.39	77.25	78.96	83.59	85.51	86.81	95.0
	Jiangxi	60.25	64.58	73.22	75.34	61.2	75.82	77.87	83.65	84.97	87.28	90.66	90.95	92.8
	Jilin	48.28	52.05	54.87	56.92	78.38	69.37	73.04	77.72	79.19	82.2	84.59	85.07	90.9
	Shanxi	46.86	52.17	66.46	69.88	81.56	75.95	79.18	76.4	78.96	81.06	87.08	88.62	89.8
	Average	58.857	62.502	67.389	70.481	75.732	76.071	78.487	81.489	83.234	85.348	87.742	88.516	92.54
	Chongqing			98.67	98	99.33	99.67	98.67	98.92	98	99.67	102	105	100.8
	Gansu	48.27	52.37	58.26	60.5	67.17	73.11	74.77	84.43	85.71	87.57	89.08	82.84	87.0
	Guizhou	67.22	72.75	71.92	81.06	78.81	82.82	84.42	85.38	84.71	86.43	86.13	88	94.2
	Ningxia	55.4	55.06	64.54	67.09	69.82	71.68	75.05	76.98	79.53	80.48	79.48	81.22	81.0
West	Qinghai	46.22	53.9	57.33	66.73	72.42	80.18	80	74.14	78.45	81.71	80.74	84.4	89.4
WESL	Shaanxi	55.49	59.38	67.51	70.66	87.04	72.36	74.13	81.58	81.47	81.65	82.89	86.5	89.7
	Sichuan	73.11	77.62	78.38	81.93	98.8	80.72	82.7	88.17	91.16	92.91	92.85	94.36	93.7
	Tibet		54			77.97	74	74	90	84	84	88	68.49	73.2
	Xinjiang	60.36	64.86	74.11	76.62	65.17	81.76	82.15	86.4	84.33	83.52	79.72	82.65	88.3
	Yunnan	56.2	62.53	61.04	63.86	98.71	69.75	68.96	75.09	77.09	77.31	78.21	81.07	78.0
	Average	57.784	61.386	70.196	74.05	81.524	78.605	79.485	84.109	84.445	85.525	85.91	85.453	87.59
Na	itional Average	66.22	69.67	72.98	76.08	77.74	80.13	81.87	87.38	88.73	90.15	90.72	91.75	95.03

			0	wnership o	f Motorcy	cles Per 10	0 Urban H	ouseholds	by Region					
- ·	. .							Year						
Region	Province	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
	Beijing	2.4	3.4	4.2	3.8	6	5.7	5	5.54	5.59	5.65	6.32	6.13	6.42
	Fujian	10.43	12.47	22.88	25.23	27.51	36.6	38.47	39.42	42.37	48.89	49.39	49.47	51.98
	Guangdong	22.59	30.52	37.23	42.48	51.08	58.84	61.72	71.28	75.18	76.91	72.83	72.24	62.46
	Guangxi	10.01	14.25	24.27	27.51	31.01	38.32	44.01	45.78	46.87	44.55	48.26	57.49	49.28
	Hainan	13.2	18	25.5	32.1	36.33	45.83	47.67	60.17	63.71	67.54	55.43	54.11	52.85
East	Hebei	14.28	14.24	21.21	27.67	30.79	37.12	36.8	31.37	34.62	36.33	31.56	31.96	36.55
Last	Jiangsu	6.77	8.99	15.57	17.08	18.63	27.28	29.42	17.54	27.58	27.59	27.42	26.77	25.22
	Liaoning	3.8	4.07	4.54	5.43	6.96	7.37	8.4	25.46	6.97	7.28	7.34	7.09	6.5
	Shandong	8.69	13.81	20.61	25.19	25.5	33.14	35.1	43.41	46.12	47.2	47.55	46.63	41.15
	Shanghai	0.8	1	1.2	1.4	2	1.2	1.4	2.88	3.8	3	2.7	2.81	1.85
	Tianjin	7.8	8.2	10.6	10.6	10.2	9.4	9.6	8.32	8.87	8.53	8.13	6.27	3.81
	Zhejiang	3.77	4.71	8.68	11.46	14.45	16.32	20.39	18.66	25.53	29.41	32.65	31.84	30.38
	Average	8.7117	11.138	16.374	19.163	21.705	26.427	28.165	30.819	32.268	33.573	32.465	32.734	30.704
	Anhui	5.51	6.12	8.44	8.25	11.28	16.56	17.71	16.3	17.65	18.88	21.87	20.64	21.42
	Heilongjiang	3	2.97	5.01	5.45	5.38	6.02	7.28	6.92	8.76	9.2	9.19	10.78	8.46
	Henan	6.46	7.43	12.06	12.82	14.15	19.47	20.46	23.11	25.65	26.85	28.14	27.7	24.88
	Hubei	2.52	3.5	4.43	6.66	8.49	13.27	15.23	13.07	13.91	15.8	18.11	17.83	18.84
Central	Hunan	3.8	5.6	7.93	10.66	13.47	13.17	15.51	13.69	14.75	17.32	15.41	16.08	17.06
	Inner Mongolia	8.12	10.92	14.26	19.87	22.91	26.21	31.14	22.49	29.08	27.35	27.43	27.61	32.1
	Jiangxi	3.39	4.32	7.88	8.39	11.03	12.96	14.48	11.86	18.13	18.98	24.38	22.85	19.19
	Jilin	2.61	3.04	2.88	3.49	4.06	7.84	8.5	6.18	13.38	15.66	15.91	17.18	15.88
	Shanxi	8.4	10.91	13.54	14.01	15.58	21.34	22.09	26.63	26	27.68	26.23	26.69	30.87
	Average	4.8678	6.09	8.4922	9.9556	11.817	15.204	16.933	15.583	18.59	19.747	20.741	20.818	20.967
	Chongqing			0.67	1.33	1	1	1.67	2.06	2	2.33	2.67	3.33	7.39
	Gansu	3.19	3.44	5.06	6.55	7.38	5.89	7.76	10.85	10.97	12.18	10.83	13.95	11.1
	Guizhou	5.17	2.63	7.04	5.29	13.49	8.92	9.21	6.84	7.74	8.61	7.29	7.46	4.92
	Ningxia	3.48	5.01	8.82	10.16	11.21	15.48	17.64	18.78	16.24	17.57	18.59	19.44	20.77
West	Qinghai	5.56	5.96	8.44	8.91	9.09	8.91	8.18	7.46	7.09	6.98	6.69	7.07	4.01
	Shaanxi	2.54	2.92	4.79	4.87	6.59	10.24	11.91	11.8	15.69	15.04	15.45	15.89	14.86
	Sichuan	2.18	3.07	6.2	6.58	7.57	7.92	7.52	4.98	6.62	7.87	7.94	8.04	9.28
	Tibet		7			6	5	8	8.42	6	7	7	18.5	13.63
	Xinjiang	6.33	7.31	8.54	7.97	7.65	8.53	9.34	12.48	14.34	19.1	16.04	16.59	19.99
	Yunnan	6.08	7.7	9.71	10.72	10.96	16.77	20.58	25.63	28.34	20.43	21.97	28.92	32.39
	Average	4.3163	5.0044	6.5856	6.9311	8.094	8.866	10.181	10.93	11.503	11.711	11.447	13.919	13.834
Na	ational Average	6.29	7.94	11.6	13.22	15.12	18.83	20.4	22.19	24	24.84	25	25.3	24.81

				Ownership	o of Came	a Per 100	Urban Hou	seholds by	/ Region					
Decien	Ducydanae							Year						
Region	Province	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
	Beijing	86.8	87.2	88.2	95.2	95	95.7	100.7	99.56	103.33	100.44	109.14	112.66	98.88
	Fujian	19.93	22.04	30.56	32.41	32.49	33.2	35.71	37.89	43.47	44.56	47.42	49.49	45.5
	Guangdong	37.36	41.04	43.41	44.63	48.43	51.38	50.54	57.1	60.18	64.68	64.52	65.61	57.49
	Guangxi	22.95	25.65	30.29	33.59	35.5	33.55	35.63	38.95	39.36	42.2	38.34	37.05	35.53
	Hainan	15.6	15.3	14.4	17.7	17.88	16.83	18.83	22.48	21.78	21.53	21.93	24.64	22.06
East	Hebei	31.43	33.03	36.57	36.28	38.38	37.71	37.59	43.6	45.58	47.77	46.47	48.54	45.32
Last	Jiangsu	28.57	30.09	32.83	34.42	25.9	36.75	37.7	44.14	41.74	42.05	45.16	47.6	47.84
	Liaoning	31.01	34.04	35.72	38.44	29.13	40.31	42.84	43.81	48.1	50.87	44.52	43.93	43.66
	Shandong	32.25	37.47	42.43	46.76	67.8	50.23	51	52.61	54.17	56.8	57.59	58.3	54.31
	Shanghai	51.8	52.4	53.6	58.4	33.32	70.6	71.6	76.6	70	80.1	85.4	86.47	89.27
	Tianjin	52.4	55	54.4	57	55	64.6	59.6	55.26	56.27	54.27	52.53	59.53	62.79
	Zhejiang	37.81	38.97	44.84	46.92	25.73	45.92	50.59	48.91	50.72	51.47	51.35	52.51	52.15
	Average	37.326	39.353	42.271	45.146	42.047	48.065	49.361	51.743	52.892	54.728	55.364	57.194	54.567
	Anhui	22.54	26.06	21.47	22.49	24.49	27.82	29.47	32.06	33.62	34.54	35.84	38.25	31.95
	Heilongjiang	24.3	24.43	23.34	25.23	26.85	25.36	26.38	28.46	31.12	34	32	33.66	31.31
	Henan	22.46	23.19	23.37	25.47	27.15	27.24	27.9	34.09	37.03	37.87	38.92	39.08	38
	Hubei	29.84	29.57	32.01	35.24	38.24	36.2	37.32	43.44	42.81	41.7	38.33	38.95	37.42
Central	Hunan	31.3	30.8	31.53	33.28	35.59	31.16	33.09	33.92	38.7	39.67	38.28	36.85	29.81
	Inner Mongolia	16.13	18.18	17.98	23.08	36.4	25.21	26.59	33.59	33.73	32.96	35.4	36.85	35.08
	Jiangxi	24.41	24.24	24.92	27.12	29.82	25.48	26.64	32.6	32.11	34.71	37.35	37.93	35.77
	Jilin	21.47	24.24	26.1	25.62	37.24	30.02	34.44	35.61	36.01	42.99	42.28	42.67	40.19
	Shanxi	22.45	22.01	29.15	32.62	41.94	33.63	34.46	36.92	38.78	40.39	35.2	36.31	34.03
	Average	23.878	24.747	25.541	27.794	33.08	29.124	30.699	34.521	35.99	37.648	37.067	37.839	34.84
	Chongqing			53.33	58.67	61	58	55.67	46.22	48.33	52.67	50.67	51.33	43.76
	Gansu	22.77	22.68	23.01	25.13	28.54	32.65	40.41	41.04	40.79	42.58	42.83	39.12	32.67
	Guizhou	27.81	29.75	27.36	28.82	27.91	30.19	27.79	27.23	30.5	33.83	33.73	33.83	32.95
	Ningxia	26.68	27.84	28.34	29.21	39.45	27.62	31.82	27.31	25.37	26.94	28.08	28.68	23.43
West	Qinghai	35.33	35.05	34.44	38	33.62	42.73	46.91	42.33	45.26	46.02	41.68	37.56	39.51
	Shaanxi	29.03	30.03	29.82	31.44	46.18	33.27	34.84	39.04	41.42	39.84	41.67	42.89	45.49
	Sichuan	30.52	33.98	36.48	39.35	64	39.01	40.5	36.97	37.57	37.53	40.2	41.63	34.11
	Tibet	27.45	50	26.66	20.00	34.94	54	55	53	51	55	56	33.62	36.53
	Xinjiang	37.15	36.08	36.66	38.98	48.23	33.71	34.14	40.78	39.93	40.33	37.42	39.15	33.39
	Yunnan	38.49	40.9	40	46.26	48.88	47.87	45.68	48.9	49.85	47.3	45.12	47.21	40.38
	Average	30.973	34.034	34.382	37.318	43.275	39.905	41.276	40.282	41.002	42.204	41.74	39.502	36.222
Na	itional Average	30.56	32.13	33.64	36.26	38.11	38.44	39.79	44.08	45.36	47.04	46.94	47.99	45.06

	Ownership of Washing Machines Per 100 Urban Households by Region Year													
Destau	Duraniana							Year						
Region	Province	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
	Beijing	100.4	101.4	100.6	102.2	99.6	102.8	102.2	98.58	99.25	102.02	104.96	106.89	102.24
	Fujian	88.17	89.91	92.56	90.91	93.99	93.2	95.53	96.46	97.74	98.08	99.72	102.09	99.98
	Guangdong	94.01	96.09	99.16	97.05	97.06	97.5	97.89	97.33	97.71	97.36	97.23	97.76	98.88
	Guangxi	88.52	89.2	87.56	90.93	92.49	88.33	89.85	88.2	90.68	93.8	91.64	88.43	93.01
	Hainan	65.8	70.3	75.5	76.1	76.55	68.5	69.67	76.65	77.16	80.51	56.33	61.81	66.89
East	Hebei	93.75	94.72	91.71	92.88	93.72	92.97	95.05	96.1	99.21	100.14	95.52	97.91	98.73
Last	Jiangsu	95.35	96.59	94.98	96.14	80.39	96.15	97.91	97.33	97.65	98.85	99.38	100.3	101.23
	Liaoning	85.04	86.48	86.77	88.72	89.84	87.1	88.87	88.04	89.26	91.88	87.88	89.29	91.31
	Shandong	88.6	85.94	86.51	87.82	93.4	88.5	90.83	88.6	92.13	92.89	93.28	95.09	95
	Shanghai	78.2	82.2	86.8	91.6	94.54	93.4	99	91.15	94	95.6	97.3	97.6	97.85
	Tianjin	93.6	96.8	94.4	96.6	81	97.6	95.6	92.55	96.33	95.87	95.8	96.8	97.8
	Zhejiang	84.64	85.94	87.3	90.19	89.79	90.03	90.93	91.69	92.69	94.94	91.45	93.06	92.91
	Average	88.007	89.631	90.321	91.762	90.198	91.34	92.778	91.89	93.651	95.162	92.541	93.919	94.653
	Anhui	86.51	86.49	86.23	87.91	87.43	87.17	88.9	91.22	93.2	95.68	97.28	97.49	99.59
	Heilongjiang	84.03	86.9	82.22	83.11	87.31	83.4	85.46	88.24	89.65	92.25	91.62	92.89	93.45
	Henan	88.06	87.67	87.31	88.58	89.59	87.87	89.65	93.63	95.94	97.05	98.23	99.14	97.95
	Hubei	93.88	92.23	90.27	92.17	92.99	92.73	93.76	94.5	94.85	97.8	95.55	96.21	96.54
Central	Hunan	92.9	95.2	94.03	95.69	94.05	91.63	90.97	93.56	95.25	95.55	96.55	96.74	92.85
	Inner Mongolia	86.69	88.43	83.02	88.26	97.05	91.23	94.25	90.95	93.41	93.45	95.29	95.91	96.56
	Jiangxi	76.86	78.81	81.69	82.71	90.77	80.15	80.94	92.51	93.92	96.24	95.29	95.68	95.54
	Jilin	86.84	87.15	88.87	88.96	85.51	89.63	91.89	93.26	95.1	97.62	97.02	97.8	94.89
	Shanxi	91.2	91.25	93.07	93.65	94.51	93.44	94.6	94	97.22	99.39	99.77	102.06	102.35
	Average	87.441	88.237	87.412	89.004	91.023	88.583	90.047	92.43	94.282	96.114	96.289	97.102	96.636
	Chongqing	_		89.67	95	95	94.67	97	98.19	97.67	99.33	100.33	103.67	99.08
	Gansu	88.78	91.43	85.38	87.25	95.73	96.97	100.29	94.69	96.39	96.53	98.35	98.92	97.61
	Guizhou	94.82	95.88	92.74	97.76	95.08	96.08	98.62	94.46	95.58	98.05	97.1	98.51	98.32
	Ningxia	91.81	91.33	88.28	89.69	98.18	87.1	90.08	89.69	91.82	93.7	89.61	92.95	93.74
West	Qinghai	96	102.98	99.56	97.64	93.49	100.73	100.18	95.01	99.1	102.34	98.41	99.01	101.01
	Shaanxi	89.81	90.32	92.23	93.25	89.62	92.82	94.36	95.06	94.94	97	98.29	98.13	98.28
	Sichuan	92.02	93.27	92.68	94.17	97.4	91.31	94.21	93.49	94.01	96.23	97.88	100.14	101.41
	Tibet		88			91.29	100	89	89	91	93	95	75	82.26
	Xinjiang	92.1	92.8	88.12	89.92	96.03	95.48	95.6	90.79	91.93	91.46	88.53	92.97	93.02
	Yunnan	91.88	93.61	92.38	95.16	92.37	91.71	93.71	92.37	93.16	91.11	90.07	94.3	89.5
	Average	92.153	93.291	91.227	93.316	94.419	94.687	95.305	93.275	94.56	95.875	95.357	95.36	95.423
Na	tional Average	88.97	90.06	89.12	90.57	91.44	90.52	92.22	92.9	94.41	95.9	95.51	96.77	96.77

			0\	wnership o	f Color TV	' Sets Per 1	.00 Rural H	ouseholds	by Region]
	- ·			· · ·				Year						
Region	Province	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
	Beijing	71.07	76.27	83.33	94.4	101.33	103.2	108.93	110	116.67	120.67	130.67	133.2	134
	Fujian	31.48	38.46	43.77	50	58.229	73.022	76.538	79.18	88.571	100.11	109.67	114.84	115
	Guangdong	34.35	38.98	46.09	55.43	63.086	73.203	79.453	84.57	92.266	96.133	103.91	108.44	111.72
	Guangxi	5.04	8.4	9.91	13.94	18.182	30.043	34.978	39.91	47.662	53.896	80.909	87.186	92.1
	Hainan	13.47	21.11	24.58	27.78	31.944	48.056	53.333	57.22	64.583	76.528	77.361	85.139	89.861
East	Hebei	22.52	36.21	39.24	45.69	52.857	64.762	71.524	77.38	79.643	83.976	102.14	106.24	110.36
Last	Jiangsu	21.85	28.24	34.38	38.15	44.559	53.912	59.971	41.55	75.088	84.324	104.71	118.12	125.03
	Liaoning	31.64	43.76	48.89	53.6	58.73	72.646	75.926	56.65	86.931	91.693	102.28	106.67	106.03
	Shandong	18.14	25	31.43	35.79	43.167	51.619	56.262	64.33	71.048	80.381	90.976	98.357	103.55
	Shanghai	49.33	53.33	61.83	73.67	83.333	97.333	105.33	119.5	125.17	137.17	157.33	166.83	178.83
	Tianjin	51.17	60.33	68	80.17	90.167	89.333	98.5	106.83	105.5	107.83	116.5	118	120.5
	Zhejiang	32.85	39.48	47.26	55.81	66.63	83.148	93.407	103.48	109.67	116.7	133.63	141.52	148.26
	Average	31.909	39.131	44.893	52.036	59.351	70.023	76.18	78.383	88.566	95.784	109.17	115.38	119.6
	Anhui	9	13.55	17.45	22.13	28.516	39.29	47.323	52.19	59	67.581	84.645	91.839	96.677
	Heilongjiang	23.8	27.6	31.55	39.05	46.1	58.929	64.732	71.25	77.589	83.705	97.009	101.16	105.04
	Henan	12.07	18.33	22.98	28.55	32.929	38.429	43.405	48.86	56	63.119	81.69	88.762	96.833
	Hubei	7.03	11.52	14.22	19.69	24.094	31.697	37.576	44.33	56.273	67.97	83.182	92.121	98.818
Central	Hunan	4.43	7.84	11.21	14.41	16.405	30.324	34.811	41	49.595	57.297	73.622	80.919	85.324
	Inner Mongolia	19.67	21.94	29	33.36	36.942	45.187	51.408	65.74	65.194	70.049	87.087	90.485	93.35
	Jiangxi	5.31	10.24	13.31	19.88	24.612	30.163	35.918	73.63	52.041	62.204	82.327	90.041	96.122
	Jilin	18.63	25.81	33.06	39.81	48.125	61.125	67.125	81.22	81.625	87.625	97.938	99.313	105.81
	Shanxi	20.57	33	34.81	37.81	41.429	63.476	66.571	70.29	74.095	77.667	82.333	98.381	102.14
	Average	13.39	18.87	23.066	28.299	33.239	44.291	49.874	60.946	63.49	70.802	85.537	92.558	97.792
	Chongqing			11.2	16.27	21.667	31.333	40.444	47.89	53.333	63.222	79.222	84	89.278
	Gansu	14.78	18.83	22.5	29.71	30.278	49.944	54.333	60.83	69.444	75.833	86.444	89.444	97.222
	Guizhou	2.46	3.75	7.01	9.6	12.277	21.161	25.893	33.88	39.196	47.188	66.786	74.018	81.339
	Ningxia	34.17	37.33	43.83	47.17	51	67	71.167	78.17	84.333	91	92.667	98.667	107.83
West	Qinghai	12.67	15.83	17.33	19.5	23.833	34.333	39.167	45.67	56.833	63.333	81.167	86.5	90.5
	Shaanxi	13.78	22.07	26.94	31.58	37.027	48.829	52.297	58.6	65.946	72.477	88.198	94.189	97.162
	Sichuan Tibet	5.95	9.98 5.42	14.55 7.5	20.08 7.92	25.9 10	34.225	40.35	46.6	56.05	63.65	81.8 48.542	86.4	93.475
		3.75	5.42		-	-	8.9583	14.583	18.96	26.458	32.292		57.292	53.958
	Xinjiang	14.39	22.2	23.4	25.93	28.267	31.867	36.258	38.9	45.677	51.355	61.806	68.323	76.323
	Yunnan	13.17	17.25	20.54	24.21	31.208	38.042	43.625	49.04	57.546	63.417	70.458	77.542	84.125
No	Average	12.791	16.962	19.48	23.197 32.59	27.146	36.569	41.812	47.854 60.45	55.482 67.8	62.377	75.709 84	81.637	87.122
ina ina	tional Average	16.92	22.91	27.32	32.59	38.241	48.737	54.411	60.45	67.8	75.093	84	89.43	94.38

Desien	Drawinas		61.6 66.13 70.93 75.6 78 87.733 89.733 99.07 96.933 100.67 100.00 100 8.79 9.37 11.37 12.34 15.143 19.396 21.264 23.3 26.264 33.46 38.13 45 7.9 9.34 9.92 11.02 11.875 15.117 16.72 18.32 18.949 20.35 24.73 27.786 0.85 1.3 1.65 21.264 2.9437 3.46 3.4199 4.33 66.7 8 1.11 1.67 1.811 1.94 2.2222 3.4722 5.6944 5.83 5.5556 10.14 7.36 77 6.29 12.88 14.43 16.79 19.524 21.738 23.833 25.17 26.833 27.86 30.64 32 9.06 13.65 13.17 13.122 14.974 15.873 8.79 18.307 19.52 28.04 32 6.93 11.26 13.48 13.52 16.619 15.714 17.69 20.02 20.095 24.38 28.60 33 56 64.83 68.17 71.67 72.833 74 75.667 78.83 81.167 85.00 89.00 93 21.7 27.15 30 31.89 36.63 42.037 46.59 53.111 56.59 66.48 71.47 1.9 3.74 3.97 5.45 6.5161 8.1613 10.484 <td< th=""><th></th><th></th></td<>											
Region	Province	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
	Beijing	61.6	66.13	70.93	75.6	78	87.733	89.733	93.07	96.933	100.67	100.00	100.80	102.67
	Fujian	8.79	9.37	11.37	12.34	15.143	19.396	21.264	23.3	26.264	33.46	38.13	45.93	50.77
	Guangdong	7.9	9.34	9.92	11.02	11.875	15.117	16.172	18.32	18.949	20.35	24.73	27.54	31.68
	Guangxi	0.85	1.3	1.3	1.65	2.1645	2.9004	2.9437	3.46	3.4199	4.33	6.67	8.61	12.45
	Hainan	1.11	1.67	1.81	1.94	2.2222	3.4722	5.6944	5.83	5.5556	10.14	7.36	7.92	8.47
East	Hebei	6.29	12.88	14.43	16.79	19.524	21.738	23.833	25.17	26.833	27.86	30.64	32.62	36.19
Lasi	Jiangsu	9.06	13.62	15.85	17.15	20.059	19.941	22.441	4.78	27.147	31.24	36.03	50.88	58.76
	Liaoning	6.83	10.58	13.65	13.17	13.122	14.974	15.873	8.79	18.307	19.52	28.04	32.22	38.84
	Shandong	6.93	11.26	13.48	13.52	16.619	15.714	17.69	20.02	20.905	24.38	28.60	33.62	39.43
	Shanghai	56	64.83		71.67	72.833		75.667	78.83	81.167	85.00	89.00	93.67	95.83
	Tianjin	28.5	34.83	38.67	44.17	49	42.333	50.167	56.83	57.167	61.33	78.67	79.67	82.50
	Zhejiang												71.44	78.26
A	verage								32.249				48.744	52.987
	Anhui												26.87	34.35
	Heilongjiang									10.982			19.33	25.80
	Henan												15.50	22.12
	Hubei												19.18	26.18
Central	Hunan												16.54	21.38
	Inner Mongolia												20.58	26.12
	Jiangxi												12.33	17.43
	Jilin												17.56	23.75
	Shanxi				-								17.57	22.71
Α	verage	1.5144	2.7578										18.385	24.427
	Chongqing												20.11	28.50
	Gansu	-								-			7.22	10.33
	Guizhou												10.40	12.23
	Ningxia	-											12.33	14.67
West	Qinghai							-					20.50	27.83
	Shaanxi												9.68	12.61
	Sichuan		2.07	2.55									14.73	21.38
	Tibet	0			0.42	0.8333	0.4167	1.4583	60.42	3.125	3.13	4.58	6.88	10.42
	Xinjiang	2.26	4.6	6.2	7.6	8.5333	9.9333	11.29	13.1	14.194	15.87	20.13	25.10	28.32
	Yunnan	1.08	1.08	1.21	1.5	2.125	3.6667	3.375	3.63	4.1667	5.46	6.92	7.50	8.38
	verage	1.0444	1.66	2.3089	2.589	3.3112	4.4322	5.0118	11.924	6.803	7.6784	10.954	13.445	17.467
Natio	nal Average	5.15	7.27	8.49	9.25	10.639	12.31	13.586	14.83	15.892	17.753	20.1	22.48	26.12

Ownership of Motorcycle Per 100 Rural Households by Region Year														
Desien	Drevines							Year						
Region	Province	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
	Beijing	12.93	17.47	23.33	27.6	36.667	36.667	36	41.33	41.867	42.933	45.333	37.333	34.133
	Fujian	17.97	21.2	24.63	30.74	36.514	49.67	54.176	57.58	63.297	71.923	75.22	80.824	84.67
	Guangdong	15.73	22.5	26.56	34.02	40.742	54.18	59.023	64.49	71.406	77.07	86.875	89.727	94.336
	Guangxi	2.28	3.9	5.06	7.66	9.8701	18.009	21.126	27.14	32.338	36.147	57.143	62.208	67.165
	Hainan	9.44	14.58	20.97	27.22	28.75	53.333	55.417	64.03	65	76.111	77.222	85.278	84.306
East	Hebei	6.76	16.31	19.12	23.19	27.952	34.333	39.262	43.62	43.833	46.619	58.167	61.5	61.19
Lasi	Jiangsu	8.65	14.65	18.47	21.06	24.912	28.471	30.912	22.98	40.088	45.235	52.735	61.529	62.176
	Liaoning	5.08	9.05	11.85	12.96	14.974	23.81	25.767	32.48	33.386	35.45	45.397	50.053	54.603
	Shandong	9.93	15.55	20.64	25.62	30.119	37.143	42.833	47.36	51.333	55.31	65.214	68.952	72.071
	Shanghai	22.17	33.17	45.5	54.83	60.667	72.667	73.167	82.83	87.667	90.667	72	73.667	59.833
	Tianjin	9.5	16.83	23.17	27.17	30.5	34	40.167	43.67	45.5	49	53.5	55	56
	Zhejiang	7.04	9.89	13.33	17.04	22.481	29.778	35.926	40.33	47.556	52.704	62.63	64.481	58.296
	Average	10.623	16.258	21.053	25.759	30.346	39.338	42.815	47.32	51.939	56.597	62.62	65.879	65.732
	Anhui	1.19	1.68	2.39	3.58	5.2903	8.6452	10.452	12.65	17.097	23.71	34.645	40.935	44.742
	Heilongjiang	2.6	3.94	5.8	7.5	9.25	15.759	18.08	19.38	24.107	26.786	34.018	37.009	40.67
	Henan	1.43	4	5.19	7.36	9.5952	14.571	15.833	18.79	21.143	26.238	39.143	43.357	46.5
	Hubei	2.64	5.91	7.94	10.56	13.156	15.939	18.394	20.88	25.008	31.424	39.152	45	51.455
Central	Hunan	0.89	2.78	4.44	5.69	7.4865	10.514	12.405	14.19	17.486	21.459	29.865	33.027	34.865
	Inner Mongolia	2.47	10.34	13.36	16.18	19.223	25.688	28.447	34.15	37.573	43.155	49.563	60.485	62.864
	Jiangxi	3.8	7.76	9.71	12.24	15.592	17.469	20.408	27.31	27.837	33.796	43.388	48.327	51.02
	Jilin	3.38	5.81	8.19	10.69	15.375	19.688	23.25	29.68	32.563	37.313	43.75	50.313	54.625
	Shanxi	3.33	7.52	9.86	11.48	13.619	25	27	30.76	32.667	35.571	39.286	53.905	55.714
	Average	2.4144	5.5267	7.4311	9.4756	12.065	17.03	19.363	23.088	26.164	31.05	39.201	45.818	49.162
	Chongqing			1.2	1.87	2.2667	3.6667	5.1667	6.33	7.7778	9.6667	12.556	15.778	17.611
	Gansu	1.56	2.89	4.11	6.17	6.5	12.556	15.056	18.33	24.167	29	37.056	42.778	47.333
	Guizhou	1.79	2.1	2.86	3.44	5.4464	6.25	7.2321	8.66	9.6429	11.161	14.018	15.848	19.821
	Ningxia	5.67	5.67	6.5	9.83	11.5	25.833	29.167	36.5	45.5	50.667	63.5	67.333	71.5
West	Qinghai	3.33	4.5	5.33	8	9	11.5	15.167	22.5	33.833	39.333	52.833	56.833	65.5
	Shaanxi	2.48	4.41	5.54	7.21	9.1441	14.64	16.577	19.37	22.162	25.18	35.811	38.108	42.432
	Sichuan	1.71	2.87	5.15	5.95	7.15	9.85	11.525	14.03	15.475	18.125	24.85	27.85	30.725
	Tibet	0.21	0.63	0.21		0.2083	0.2083	0.8333	1.67	2.2917	3.3333	12.708	17.083	29.583
	Xinjiang	4.9	10.27	13.93	17.53	17.733	18.333	20.323	23.29	27.484	33.484	45.419	49.29	49.742
	Yunnan	0.96	1.63	2.17	3.04	3.75	5.0417	5.5	6.63	8.0833	11.708	16.25	22.958	27.292
	Average	2.5122	3.8856	4.7	7.0044	7.2699	10.788	12.655	15.731	19.642	23.166	31.5	35.386	40.154
Na	itional Average	4.91	8.45	10.89	13.52	16.487	21.94	24.706	28.07	31.801	36.152	40.7	44.59	48.52

				Ownershi	p of Came	ras Per 100	Rural Hou	seholds by	Region					
Decion	Province							Year						
Region	Province	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
	Beijing	16.4	17.73	20	23.33	26.533	26.667	26.4	26.67	30.533	34.267	33.067	30.4	29.733
	Fujian	2.42	2.51	2.23	3.14	3.7714	6.1538	3.6264	3.52	4.7253	5.4945	5.4945	5.1099	5.2198
	Guangdong	1.98	2.3	1.95	2.03	2.6953	3.9844	4.3359	4.18	4.3359	5.9766	6.5234	6.9531	7.1875
	Guangxi	0.45	0.43	0.3	0.52	0.6494	0.8658	0.8225	1	1.2121	1.2121	1.6017	1.7316	3.8961
	Hainan	0.83	2.08	1.25	1.39	1.6667	0.8333	1.6667	1.53	1.8056	1.6667	1.5278	0.5556	0.5556
East	Hebei	1.55	2.17	2.67	2.76	3.119	4.1667	3.7857	4.14	4.3333	4.3643	3.5	3.5952	3.6429
Last	Jiangsu	2.29	3.88	4.35	4.38	5.2353	4	4.3235	1.88	4.9118	5.6176	6.7059	8.5	9.6176
	Liaoning	2.65	3.17	4.13	4.07	3.8095	4.9206	4.709	3.01	4.7619	4.3915	6.1376	6.2963	6.7196
	Shandong	2.21	2.86	3.26	2.9	4.7619	4.4048	5.0238	5.38	5.0714	6.0238	7	6.8571	7
	Shanghai	6.33	6.67	7.33	8.67	8.6667	13.667	12.833	13.33	12.833	13.667	18	21.5	20.667
	Tianjin	5.17	10.5	7.67	8.67	10.667	4.1667	9	8.83	6	6.3333	10	10	10.5
	Zhejiang	3.11	4.3	4.41	5.19	6.1852	6.4444	7.4815	8.07	7.9259	8.5926	9.2222	10.185	9.963
	Average	3.7825	4.8833	4.9625	5.5875	6.48	6.6895	7.0007	6.795	7.3708	8.1339	9.065	9.307	9.5585
	Anhui	0.94	0.97	1.03	0.9	1.0968	2.0323	2.2258	2.19	2.129	2.4839	3.0645	2.8387	2.871
	Heilongjiang	1.15	1.44	1.85	2.2	2.3	3.3482	2.6786	2.95	2.6339	3.2143	2.6339	2.5893	2.6786
	Henan	0.6	1.1	0.9	0.95	1.2619	1.2857	1.5238	1.55	1.381	1.381	2.1429	1.7143	1.9762
	Hubei	0.61	0.73	0.72	0.91	0.9375	1.4242	1.3333	1.3	1.7879	2.1818	1.8788	1.7576	1.8182
Central	Hunan	0.35	0.76	0.76	0.84	0.9189	1.5946	1.5946	1.51	1.3514	1.2162	1.8919	2.2432	2.1622
	Inner Mongolia	0.71	1.17	1.32	1.64	1.5534	2.6031	3.2524	4.47	2.8641	2.6214	2.8155	3.6408	2.9612
	Jiangxi	0.53	0.86	1.1	0.94	1.2653	2.0816	1.9592	2.81	1.5918	2	1.8367	1.7551	1.7551
	Jilin	0.94	1.25	1.25	1.69	1.8125	2.625	2.5625	4.97	2.4375	2.375	2.5625	2.5	2.875
	Shanxi	1.05	1.71	1.71	1.86	1.7619	2.5714	2.7619	2.95	2.9048	3	4.8095	5.0476	4.619
	Average	0.7644	1.11	1.1822	1.3256	1.4342	2.174	2.2102	2.7444	2.1201	2.2748	2.6263	2.6763	2.6352
	Chongqing	_		0.67	1.13	1.2	1	0.7778	1.33	1.5	1	1.2778	1.0556	1
	Gansu	0.67	1.06	0.94	1.08	1.5	3.6111	3.2222	3.11	3.0556	3.0556	2.7778	2.3889	2.0556
	Guizhou	0.67	0.58	0.71	0.8	0.7589	0.8036	0.8482	1.12	1.1607	1.2054	0.625	0.4911	1.0714
	Ningxia	0.83	1.5	1	1.67	1.1667	3.3333	3.1667	3.5	3	5.6667	3.1667	2.3333	2.8333
West	Qinghai	1.67	2.33	2	1.83	2.5	2.1667	2.6667	1.83	2	2.6667	2.5	2.3333	3.3333
	Shaanxi	0.45	0.81	1.22	1.35	2.2973	1.4865	1.8018	2.03	1.8468	2.027	1.982	2.4324	1.7117
	Sichuan	0.47	0.6	0.78	0.8	1.075	1.1	1.25	1.38	1.3	1.575	2.575	2.675	2.575
	Tibet	0.21	0.21	0.42	0.42	1.6667	0.8333	1.4583	1.04	0.8333	1.0417	2.5	1.0417	1.0417
	Xinjiang	1.16	2.13	2.27	2.07	2.5333	2.2	3.0968	2.84	2.4516	2.3226	3.2258	3.5484	2.6452
	Yunnan	0.71	1.33	1.33	1.42	1.5	2.7917	3.25	3.08	3.2917	2.8333	1.8333	2.1667	2.5
	Average	0.76	1.1722	1.134	1.257	1.6198	1.9326	2.1538	2.126	2.044	2.3394	2.2463	2.0466	2.0767
Na	ational Average	1.42	1.94	2.06	2.22	2.6857	3.1167	3.2321	3.34	3.3553	3.6769	4.0475	4.181	4.3042

Decier	Description			(Ownership	of Washin	g Machine	es Per 100	Rural Hou	iseholds b	y Region			
Region	Province	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
	Beijing	81.47	84.53	86.4	86.8	87.6	86	90.667	92.4	94	94.93	97.07	95.47	96.67
	Fujian	16.92	21.37	25.26	26.86	30.743	35.549	36.154	38.57	42.143	48.08	46.21	49.89	56.32
	Guangdong	14.88	17.89	18.91	20.27	22.07	25	26.563	28.24	28.281	29.02	29.49	31.88	34.77
	Guangxi	1.29	1.99	2.16	2.47	2.987	3.2468	4.3723	3.46	3.5931	4.46	6.80	6.41	7.86
	Hainan	2.36	2.08	2.22	3.19	3.3333	2.5	3.4722	6.11	4.8611	8.19	3.89	5.83	6.39
East	Hebei	36.4	47.31	47.88	50.36	53.262	58.857	63.143	65.57	68.167	70.74	74.17	77.24	80.17
Lasi	Jiangsu	29.82	37.15	41.5	42.32	45.706	45.971	48.382	4.53	56.324	61.47	67.88	77.18	82.09
	Liaoning	44.97	53.49	55.24	55.08	56.138	54.974	55.979	28.83	58.519	58.68	63.71	68.04	67.72
	Shandong	11.4	12.33	13.86	13.19	14.905	18.333	17.071	19.74	24.667	31.88	40.90	49.57	57.36
	Shanghai	63.17	66.83	66.5	65.83	71.5	69.167	70.167	70.83	75	79.67	85.67	89.00	90.83
	Tianjin	62	68.17	72.33	74.33	76.5	83.667	83.5	83.33	84.167	88.17	94.17	95.67	97.50
	Zhejiang	14.96	20.07	21.7	23.96	26.963	34.704	37.963	40.15	43.111	45.56	51.70	54.19	58.04
A	verage	31.637	36.101	37.83	38.722	40.976	43.164	44.786	40.147	48.569	51.737	55.138	58.363	61.309
	Anhui	2.29	5.29	6	7.23	10.032	14.742	16.258	17.52	17.581	22.52	32.71	37.00	42.19
	Heilongjiang	37.16	40.24	42.85	43.2	43.55	48.259	50.625	52.9	54.196	56.12	65.22	67.68	73.17
	Henan	11.36	15.57	16.98	19.31	20.405	24.524	27.024	30.6	36.833	41.43	55.67	62.36	69.93
	Hubei	13.15	13.94	13.78	14.69	15.313	16.333	17.091	20.42	20.121	21.58	26.39	30.12	34.68
Central	Hunan	4.24	6	6.98	7.78	7.4595	15.946	16.919	17.78	20.73	22.19	27.30	29.76	31.97
	Inner				<u> </u>			27.233			31.07	36.12	46.50	48.54
	Mongolia	18.3	17.14	19.27	20.95	21.505	25.639		50.32	29.903				
	Jiangxi	1.1	1.55	1.92	2.08	2.449	3.551	3.2653	56.88	5.3878	6.65	7.02	7.39	8.69
	Jilin	41.25	45.75	44.19	42.88	47.25	55.063	56.188	56.08	58.75	60.75	59.06	65.06	68.50
	Shanxi	19.76	31.76	32.71	33.19	34.381	51.714	52.905	54.71	56.667	59.38	69.29	69.52	76.33
A	werage	16.512	19.693	20.52	21.257	22.483	28.419	29.723	<u>39.69</u>	33.352	35.742	42.087	46.155	50.446
	Chongqing	10.22	10.72	2.8	4.4	4.2667	8.9444	9.5556	11.28	15.889	18.83	21.50	27.67	32.78
	Gansu Guizhou	10.33 5	10.72 5.98	13.44 7.86	16.92 9.42	15.889 10.223	27.722	28.722 12.723	30.89 15	34.333 17.411	38.56 19.69	39.06 29.91	41.89 33.79	47.56 37.37
	Ningxia	26	28.83	28.5	9.42 30.83	30.667	12.054 37.5	40	42.33	44.333	48.33	44.50	49.33	56.67
	Qinghai	8.83	12.33	28.5 12.17	50.85 11.67	12.667	17.333	40 17.5	42.55	23.167	28.00	44.00	49.55	56.67
West	Shaanxi	0.05 14.37	12.55	22.79	23.83	25.856	34.144	35.946	38.56	40.36	44.50	53.38	45.85 57.84	61.31
	Sichuan	6.67	17.48	13.93	23.83 15.03	15.65	16.4	17.375	20.15	22.45	25.98	40.85	45.43	50.50
	Tibet	0.83	10.23	2.08	2.71	4.1667	2.2917	2.7083	0.83	3.5417	4.17	40.83 6.46	43.43 10.21	7.08
	Xinjiang	16.39	20.87	2.08	2.71	20.867	20.867	22.129	23.94	24.903	27.23	28.26	32.32	36.65
	Yunnan	9.33	10.67	11.92	11.29	12.375	19.667	19.542	19.58	24.903	23.29	23.20	24.67	30.29
Δ	verage	10.861	13.2	13.562	14.67	15.263	19.692	20.62	22.206	24.739	27.857	32.917	36.898	41.686
	<u> </u>	16.9	20.54	21.87	22.81	24.324	28.576	29.937	31.8	34.269	37.319	40.2	42.98	45.94
National Average		10.5	L010 T	21.07			-0.070	-3.337	51.0	3	37.313	10.2	12.50	1010 1

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