Abstract for “The Equity of Education Opportunity, Human Capital and Urban-Rural Income Gap”

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There is a significant phenomenon that China’s economy grows followed by broadened urban-rural income gap after opening-up, and urban-rural dual education system which is urban bias makes the disparity of provision of public goods aggravate. Education is an important element of individual income, and equity of education opportunity influences income gap significantly, meanwhile income gap influences acquisition of education opportunity further. So we focus on the mechanism of equity of education opportunity and urban-rural income gap through by human capital. This paper builds a basic dual-economic frame and makes an empirical analysis with the provincial panel data to find the mechanism. A point is that dual-economic structure which devised urban-rural labor market strictly should lead to only one generation’s income gap, but more important reason for urban-rural income gap is insufficiency of social mobility in the long run. Social mobility should be defined as the correlation of education, income and status between generations. If social mobility is created sufficiently, urban-rural income gap should be narrowed. But inequity of education opportunity is broadening urban-rural income gap at the background of the transformation of Chinese population structure and aggravation of population mobility.