

Suggestions on Estimation and Reasonable Share of the Governmental Cost of the Citizenization of Rural Transfer Population

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Abstract—In order to accurately estimate and reasonably share the cost of citizenization of the rural transfer population, the research method of empirical analysis and speculative analysis is adopted to study the cost of citizenization. The findings show that the cost borne by the government in 2018 was 10,400 yuan per capita annually, whereas in 10 years, the cost could be reduced to 8,300 yuan from the perspective of three main costs of compulsory education, housing security and urban management. Cost sharing should determine the goal of citizenization and the responsibility of the government, and clarify the current payment and future costs. It is suggested to establish a mechanism to link the increase of urban construction land with the decrease of collective construction land in rural area. It is also suggested to establish a distribution mechanism of land appreciation income, as well as a mechanism to link the debt limit of local governments with number of urbanized population. The research of cost estimation under the premise of a series of settings comes to a unique conclusion.

Keywords—*Citizenization of rural transfer population; Cost borne by government; Cost estimation; Cost sharing*

I. INTRODUCTION

As it is stated in the “three 100 million people” target goal, the requirement is to transfer 100 million rural population into town by the year of 2020. According to the detection investigation report of the migrant workers in 2018, the number of migrant workers that came to town amounts to 135,060,000, whereas, only less than 10 percent of them exactly settled down in a town. The process of transferring rural population into town is quite slow. In the same year, the rate of urbanization in terms of census registration is just 43.37%, which is differentiate from the rate of urbanization in terms of resident population. In this regard, the gap is 16.2% [1]. The cost of citizenization becomes the main obstacle of transferring rural population into town. Therefore, it is necessary to construct a reasonable cost sharing mechanism of citizenization of rural transfer population, so as to promote the citizenization of migrant workers in good order, and cooperatively promote new urbanization and rural revitalization strategy, with a hope to strengthen the sense of possession, happiness and safety.

II. GOVERNMENTAL COST ESTIMATION OF THE CITIZENIZATION OF RURAL TRANSFER POPULATION

Because of the gap between the level of economic development and the level of citizenization, it is difficult to calculate the exact cost of citizenization of rural transfer population. The cost of civilizing migrant workers should include: children’s education cost; cost of pension and medical insurance of employee and resident; cost of the minimum subsistence allowances; cost of housing support and the cost of city management. The three main costs borne by the government are: the cost of compulsory education; the cost of housing support and the cost of city management. According to the criteria of the city of Shanghai, the cost of compulsory education is 26,205 Yuan per student in the year of 2016.

The research institute of China rural educational development, Dongbei Normal University, released a paper named *Report on China Rural Educational Development, 2019*. According to the statistics of this report, the number of the migrant workers’ children, who should enjoy the welfare of compulsory education, amounts to 14,066,300, and the cost for their compulsory education amounted to 368,610,000,000 Yuan per year [2]. In terms of the cost of housing support, according to the criteria of the city of Shanghai 2016, the cost of housing support reached 290,610,000,000 Yuan per year. This amount of money is calculated according to the criteria of granting 10% of the migrant workers their housing support fee each year (The ultimate goal is to grant all the migrant workers their housing support fee within 10 years). In terms of the cost of city management, according to the criteria of the city of Shanghai, the cost of city management amounted to 748,100,000,000 Yuan per year [3]. Therefore, in the year of 2018, the total amount of money that the government paid to these three items reached 1,407,320,000,000 Yuan. Besides that, government shoulders the cost of citizenization of rural transfer population, which is 10,400 Yuan per capita. In 10 years, after the covering up of all the peasant workers their housing support fee, this cost will reduce. So, the government will only shoulder 8,300 Yuan per capita.

III. THE TRAIN OF THOUGHT ON COST SHARING OF THE CITIZENIZATION OF RURAL TRANSFER POPULATION

The cost should be reasonably distributed among the three levels: government, employers and the migrant workers.

A. *Specify the Goal of Citizenization and the Responsibility of the Government*

Fairness and efficiency should be considered in the practice of citizenization of rural transfer population. Migrant workers make contributions to the construction of the city, so they should equally enjoy the citizenry treatment. At the same time, municipal government is liable for providing public services. The citizenization of rural transfer population lays emphasis on the stable employment and residence of the migrant workers, which means that every migrant worker should have a job, a living place, an enrollment of a school, and the basic social welfare and security. On the one hand, market should bring into play its initiative, positivity and creativity, so as to shoulder the individual cost and partial cost of the society. On the other hand, under the premise of the basic function of the market, government should provide public products and services, so as to bring into play its function of support and security.

B. *Clarify the Current Payment Cost and Future Bearing Cost*

The cost of citizenization of governments at all levels is not a one-off payment, but a phased investment year by year. In terms of the government cost sharing of citizenization, it is necessary to clarify the current payment cost and the future burden cost [4]. It is also necessary to make clear the priorities, the orderly arrangement, and then incorporate them into the budget management. As for the cost of compulsory education and social insurance, they need to be shared year by year. Whereas, the housing security and urban construction can also be planned and implemented year by year under the constraint of financial capital budget.

C. *Distinguish Between Government Bearing Cost and Market Bearing Cost*

The cost of citizenization should be shouldered by both government and the market. Financial funds are mainly used for public expenditure (such as production of public goods and supply of public services), which functions as basic social security. Market entities should bear individual costs and partial social costs, such as the training course and apartment provided by the company. In addition, the welfare of "five insurances and one housing funds" of the migrant workers should be derived from the company. As market entities, company and migrant workers should maximize their sharing of the cost from education, housing and some other aspects. At the same time, some migrant workers who have the ability to rent or buy houses, should be encouraged to bear the costs themselves, such as their children's tuition fee, and some training expenditure for themselves.

D. *Coordinating the Cost of Citizenization and the Cost of Rural Public Service*

The government has the same responsibility for urban and rural development. In order to promote the new urbanization and rural revitalization, it is necessary to coordinate the cost sharing of citizenization and rural public service. We can't ignore one thing and lose the other. We should not pay more attention to the city than the countryside, and widen the gap between urban and rural public goods and public services. The government should focus on the integration of urban and rural public services, in terms of the sharing cost of citizenization of rural transfer population.

IV. SUGGESTIONS ON THE REASONABLE COST SHARING OF THE GOVERNMENT IN THE CITIZENIZATION OF RURAL TRANSFER POPULATION

A. *To Establish a Mechanism to Link the Increase of Urban Construction Land with the Decrease of Rural Farming Land, as well as the Mechanism of the Distribution of Land Value-Added Income, so as to Enhance the Resource Support for the Citizenization of Rural Transfer Population.*

Firstly, to establish a system of linking the increase of urban construction land with the decrease of collective construction land in rural area between the input and the output area of agricultural transfer population. After weighing carefully, the number of urbanized agricultural transfer population in the input area, and the number of stable agricultural transfer population in the output area. The central land and resource department should reasonably determine, in each province and city, the increase quantity of urban construction land and the decrease quantity of the collective construction land in rural area. Local governments at all levels hereby establish the same mechanism, between input and output area, to link the increase of urban construction land with the decrease of collective construction land in rural area, and establish a dynamic adjustment mechanism[5]. Secondly, to improve the distribution mechanism of value-added income of rural collective construction land after its entering into the market. In the pilot project of rural construction land entering the market, it is necessary to establish and improve the distribution mechanism of value-added income of rural construction land after its entering into the market. At the same time, the distribution proportion between the central and local government should be made clear, and a certain quota of this distribution could be used to pay for the cost of citizenization of the rural transfer population. Thirdly, to determine the proportion of the income coming from the letting of urban construction land, that could be used to pay for the citizenization of the agricultural transfer population. The central and local governments should reasonably determine the proportion of that used to pay for the urbanization of the population to earnings coming from the transfer of urban construction land, so as to increase the financial support for the citizenization of the rural transfer population.

B. Establish the Linkage Mechanism Between Local Government Debt Limit and the Citizenization of Rural Transfer Population, and Accelerate the Citizenization of Rural Transfer Population

Under the constraints of financial budget, so as to accelerate the citizenization of rural transfer population, local governments should reasonably float a loan. It is suggested that the central government should establish the linkage mechanism between local government debt limit and the citizenization of rural transfer population. For the consideration of the stocking of the rural transfer population, then the provincial and municipal governments could determine their own debt limit, and the scale of expanding their bond financing. In addition, the central government could dynamically adjust the amount of debt of the provincial and municipal governments according to the amount of rural transfer population. The provincial and municipal governments could determine the debt limit of governments at all levels according to the number of rural transfer population in the local area.

C. Take Multiple Measures to Introduce Social Capital and Work together to Promote the Citizenization of Rural Transfer Population

The urbanization of population needs to gather social forces to promote the citizenization of rural transfer population. First, under the premise of controlling the implicit debt of local governments, local governments are allowed to use PPP mode and government bonds to absorb social capital for the purpose of participating in municipal facilities construction and public service supply. The central government should standardize the debt financing mechanism of local governments, strengthen the governmental supervision of debt risk on PPP financing, and incorporate local governmental PPP financing into budget management. Secondly, the municipal government uses BOT to introduce social capital for the purpose of infrastructure construction (such as roads and bridges), public services supply, and the balance of enterprise funds by means of market forces. Thirdly, the policy encourages employers to bear the social cost of migrant workers. For the consideration of the cost, the local government gives skills training subsidies and apartment housing subsidies to the employers, and encourages enterprises to provide collective housing or rental housing for migrant workers as well as some other social services that can be used to reduce the burden of the government.

D. Improve the Cost Sharing Mechanism of Compulsory Education and Reduce the Local Government's Cost Burden Caused by the Citizenization of Rural Transfer Population

The central and local governments should reasonably share the cost of compulsory education of the migrant workers' children. Capital insufficiency of local government is an important factor restricting the compulsory education of migrant workers' children. Relevant research shows that the proportion of local government's compulsory education investment in the national public finance for compulsory education in 2011-2017 exceeds 80%, while the proportion of central government's compulsory education investment in the national public finance for compulsory education continues to

decrease. What's more, household registration of the transferred rural population brings about the deviation of local government's administration right and their financial right. Central government's rising investment on compulsory education, can reduce the financial pressure of local governments at all levels, and improve the quality of education for the migrant workers' children [6].

E. Establish a Dynamic Adjustment Mechanism of Financial Support to Reasonably Share the Cost of Citizenization of Rural Transfer Population

Firstly, it is necessary to carry out the activities of real name registration and information collection of the rural transfer population that have achieved stable employment or settlement, and to establish a citizenization information database, and dynamically track the employment and citizenization of the transfer population. In addition, it is also necessary to establish a registration system for the unemployed migrant workers who have settled in a city. And then the local government should provide the unemployed with public employment services and policy support such as career guidance, career introduction, skill training and skill appraisal. Secondly, the residence permit system will be incorporated into the citizenization policy. As for the rural transfer population who have obtained the residence permit, will enjoy the corresponding urban public services and social welfare, which will be included in the citizenization cost accounting. Thirdly, the departments concerned of the local governments at all levels in the East, central and western regions should organize the accounting of the cost and cost structure of the citizenization of the rural transfer population in their respective administrative areas, and make clear the scale and structure of the transfer payment. Fourthly, it is necessary to establish a dynamic adjustment mechanism for the financial support of the rural transfer population. The central finance department and the local finance departments at all levels should dynamically adjust the transfer payment level with the consideration of the number and scale of rural transfer population in different periods, the changes in the flow of rural transfer population in different regions, urban areas and rural districts as well as the differences in the cost of citizenization of rural transfer population in large, medium, and small cities.

V. CONCLUSION

From the perspective of the cost of urbanization of agricultural transfer population borne by the government, the government's financial capacity is feasible, but it is necessary to distinguish the responsibilities of the central government and local governments, and to distinguish the current payment and future responsibility. Establish a mechanism linking the local government debt quota with the urbanization population of agricultural transfer population, and improve the financial affordability of local governments.

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