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Influence of the Tertiary Industry Development on the Urban-Rural Disparities and the Spillover Effect in China Based on the SARAR Spatial Econometric Models

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Abstract

Since the Reform and Opening up, China has made remarkable achievements on economic development, while at the same time, the imbalance and inadequacies between urban development and rural development are becoming increasingly significant, which has restricted people from stepping forward to a better life. From the perspective of the flow of urban and rural factors, based on theoretical analysis of the influence of the tertiary industry development on the urban-rural disparities and through the index analysis of the disparities, this paper finds that the disparities has certain regional dependence. Using SARAR spatial econometric models, based on an empirical analysis of the influence and the spillover effects of the tertiary industry development on the urban-rural disparities, the paper shows that the tertiary industry development has positive effects on the urban-rural disparities of both the local areas and other areas. In order to alleviate the current principal contradiction faced by Chinese society and fulfill people's desire for a better life, we should pay more attention to promote the development of rural area.

Keywords: *The Tertiary Industry, The Urban-rural Disparities, Spatial Econometric Models.*

Introduction

Since the Reform and Opening up, China has made remarkable achievements on economic development, while at the same time, the imbalances and inadequacies in the development are becoming an increasingly prominent problem, which has restricted people's steps forward a better life. The 19th CPC National Congress pointed out that socialism with Chinese characteristics has entered a new era. The principal contradiction facing Chinese society has evolved into the contradiction between unbalanced and inadequate development and the people's ever-growing needs for a better life. And the most prominent phenomenon of the imbalance is that the intensification of the imbalanced development and the enlarging disparities between the rural and urban areas, which has already severely restricted the development of China's healthy economy. How to cope with the imbalance between the rural and urban areas has become the key point to solve the principal contradiction facing Chinese society. Therefore, quite a few scholars explored the causes and relevant factors of urban-rural disparities. Xu Zhenyu, Zhao Tianyu and Zhu He (2015)

explored the formation of urban-rural disparities from residents' fundamental rights inequality. Chen Xingshu, Li Xunhua (2011) explored the influence of rural human capital overflow on urban-rural Disparities. He Lihua,,Chen Yuan (2017) explored the influence of education development in ethnic religions on urban-rural disparities. Zhang Lijun, Zhan Yong (2006) explored the impact of financial development on urban-rural disparities. All these researchers interpreted the complexity of the causes for the disparities between urban and rural areas and the diversity of the influencing factors.

Urban-rural disparities are big problems in social development, which have to be solved from developing perspective. Meanwhile, in the process of building a moderately prosperous society in all respects, President Xi Jinping pointed out that we will cover urban and rural areas, promote the coordinated development and the integration of urban and rural development. *The National New-type Urbanization Plant* clearly put forward that New-type Urbanization Construction needs to speed up the adjustment of industry restructure, construct City-Industry Integration Road, which takes the tertiary industry as main body and innovation-oriented. The tertiary industry development is particularly important for the New-type urbanization. Then, how does it affect the urban-rural Disparities in China? This paper tries to analyze the Influence of the Tertiary Industry Development on the Urban-rural Disparities.

For the influence of the Tertiary Industry Development on the Urban-rural Disparities, quite a few scholars have done much research. Xiang Weiping, Wang Xujuan (2012) explored the relationship between the tertiary industry and the urban-rural disparities and pointed out that the tertiary industry was the granger unidirectional reason, and it could help to reduce the disparities. Ji Yahui, Wang Jun set up Vector Autoregressive Models through the analysis of the data of urban-rural income and the tertiary industry development and pointed out that the tertiary industry could narrow the gap between urban and rural income. Huang Weibing, Li Zhengming, Wu Maohua taking 2008 as a boundary line, analyzed the influence of the tertiary industry on urban-rural income and pointed out that there was a long-term equilibrium between the two. Before 2008, the tertiary industry development enlarged the gap while after 2008, it narrowed the gap. Wu Xiaolong, Liu Zuyun (2014) pointed out that the tertiary industry development could narrow the income gap. The scholars above explored the influence of the Tertiary Industry Development on the Urban-rural Disparities from various aspects, but there are still many shortcomings – they all ignored the Spatial effects; and they did not consider the spillover effects of the of the tertiary industry on the urban-rural disparities.

Besides, when measuring the disparities, they put more emphasis on the income gap, which mainly is the gap between urban disposable income and rural net income. However, the rural net income includes the income to buy some relevant means of production for future use. Thus the statistical standards didn't match, which results the data couldn't effectively measure the disparities. Therefore, this paper will take the spatial effects into full consideration, measure the urban-rural disparities from consumption level and set up Spatial Autocorrelation Model, SARAR, and then explore the spillover effects of the tertiary development on the urban-rural disparities.

Materials and Methods

Analysis of Urban-rural Development Theory during the Traditional Industrial Period:

In the urban-rural development theory models, Lewis held that during the industrial progress, industrial department accounted for an increasing proportion, while the agricultural department accounted for a decreasing proportion. Generally, the prominent feature of this transformation was migration, which referred to the agricultural labor force flowing to non-agricultural department, rural population moving to the city. Ranis-Fei model made some reforms based on the Lewis model. Ranis-Fei divided the economic development and agriculture transfer into three phases. In the first phase, agriculture labor marginal productivity equaled zero, which was the same view as Lewis's in this phase. In the second phase, the agriculture labor marginal productivity was higher than zero but lower than constant institutional wage. In

the third phase, the surplus labor disappeared. The wage of the agriculture department was no longer decided by the institution rather by the market principle, namely, by the labor marginal productivity. For the labor marginal productivity was higher than before, in this phase, the wage of the agriculture department was higher than the constant institutional wage. Todaro model further reformed Ranis-Fei model and Lewis model, thought that the decision whether a rural labor chose to move to city depended on not only the actual urban-rural income, but also the unemployment condition in the city. From Lewis model, Lewis model and Todaro model, it can be observed that the substantive problem of urban-rural disparities is the flow and distribution of urban-rural factors. The key point for coordinated development lies in the coordination of the urban and rural areas.

Analysis of Urban-rural Development Theory in the Information Age:

In the information age, a new form of enterprise social labor division has emerged on the basis of enterprise labor division and social labor division. The labor division within products and modularize labor division are more prominent, and the industrial chain is longer. After the Reform and Opening up, especially after the 18th CPC National Congress, China's transportation and information technology has developed rapidly. The rapid development of transportation brought about greater migration, while the information technology development also makes it possible to solve the information asymmetry. The rapidly spread information from the production market and labor market also sped up the labors flowing and industrial adjustment. In the information society, as the main industry benefiting from the information age, the tertiary industry, on one side, influences the industry structure and on the other hand, changes with the labor division developing. Taking the combined effect of industry in to consideration, most industries will agglomerate together in a certain region especially in a certain city. Meanwhile, considering the relevance between industry division, especially the fixation of the upstream and downstream transactions, the industry transactions in the city is much more fixed. Therefore, the tertiary industry development can influence not only the distribution and flowing of the local urban-rural factors but also the flow of urban-rural factors between different cities. The research holds that as an important economic development quota, the more developed the tertiary industry in a certain area, the higher quality life local residents lead, and the more developed the economy in the area. Furthermore, the high quality life and developed economy life will attract more human resource. Investment will also agglomerate together in the area. At present, the tertiary industry is relatively developed in the urban area, and backward in the rural area. The disparities between the two is enlarging. Factors of production include land, capital labor and entrepreneurship. Currently, urban areas have much bigger attraction to capital, labor and entrepreneurship than rural areas, which is, to some extent, a result of the unbalanced development of the tertiary industry. And Zhang Peigan thought, the development of society from all aspects needs the coordination of urban-rural development. Li Yining and other scholars thought in the information age, the tertiary development has significant influence on the regional spillover effects, coordinated urban-rural development and industry balance.

Spatial Econometric Theory

Tobler's (1970) First Law of Geography thinks that all things are relevant to each other and more closed they are physically, more connected they are. In the economic development, economies in different areas have intensive connection. What's more, adjacent areas have more connection with each other than faraway ones. Spatial data are, precisely, to add the position information of section unit on section data and panel data, and then to analyze the heterogeneity and dependence of the research objects.

Based on above theories, when exploring the transmission mechanism of spatial effect of the tertiary industry development, this paper considers to use the SARAR Spatial Econometric Models, exploring the transmission mechanism of spatial effect of the tertiary industry development, with a main focus on the spatial spillover effect of urban-rural disparities.

The Selection of Variables and the Set of the Spatial Econometric Models: The Selection of Variables

(1) Predicted variable: ur Disparities can be measured from income and assumption. The income can be measured as disposable income. But before 2012, the data of rural income is the net income, and the data of the urban income is disposable income. But the net income and disposable income are not the same. Rural net income and urban disposable income does not match mainly because the rural income includes the income to be used to buy some relevant means of production for future use. The consumption expenditure is a better statistical quota with the same statistical standard, but it excludes medical, educational expense and some subsidies. The consumption level is from the survey results of rural and urban residents, which covers aspects related to benefits and medicine, and also has a larger coverage compared to consumption expenditure. Therefore, it can manifest the disparities more accurately. This paper will measure the difference between consumption level of the urban residents and rural residents.

(2) Explanatory variable: based on the theoretical analysis above, it is selected according to the scientific nature, accessibility and accuracy of the data. Because the predicted variable ur disparities is measured with absolute value, the tertiary industry development level should also be measured with absolute value: mainly select the tertiary industry development (thgdp) to measure. The specific quota is the added value of the tertiary industry. (3) Controlled variable: ur disparities are also affected by service level in urban areas: medicine level (med) will be selected to measure. Specific quota is the hospital beds 10- thousand people. The flowing of the urban-rural factors is also influenced by fixed assets investment: fixed assets investment (inve) will be selected to measure. The specific quota is the urban fixed assets investment; Ur disparities are also affected by infrastructure construction: urban bus system (bus) will be selected to measure. The specific quota is the buses per 10 thousand people; The urbanization rate can better reflect the urbanization level of an area: the urbanization rate (urrat) will also affect the ur disparities. Ratio of urban population to total resident population in each region will be selected to measure; the overall development is the comprehensive presentation of the area's economic progress and social development. The overall development (agdp) will definitely cause the flow of ur factors. The specific data are the GDP per capita.

Data Sources and Descriptive Statistics

The paper selected 30 Provincial level Administrative Region of China as the object of study (excluding Hong Kong, Mexico and Taiwan). Tibet will not be covered either because of the large data deficiency. The removal of these data will not influence the principle of randomness, unbiasedness and consistency of the model. The original data in this empirical research are mainly from the 2008-2017 *China Statistical Yearbook* and the statistical yearbooks of administrative regions at all levels. A very few missing data are obtained by interpolation. specific descriptive statistical results are shown in Table 1:

Table 1. Descriptive statistical results of various quota

Viable	unit	number	mean	standard deviation	minimum	maximum
ur consumption level disparities	Yuan	300	12295.12	3996.07	5969	31885
the added value of the tertiary industry	0.1billion	300	8796.57	8036.52	355.90	48085.73
urban hospital beds per 10 thousand people	Piece	300	73.89	23.23	18.25	175.28
urban fixed assets investment	0.1billion	300	13010.06	10455.74	514.05	54236.03
buses per 10 thousand people	Unit	300	12.11	3.39	6.83	26.55
Ratio of urban population to total resident population	%	300	0.55	0.13	0.29	0.89
GDP per capita	Yuan	300	44565.17	23665.91	9855	128994

The Selection of Econometric Model

Because of the free flow of the factors in different provinces, the different characteristics of each region will bring more or less favorable or adverse effects to the surrounding provinces. Since these regions are not completely independent to each other, ignoring the spatial correlation of urban-rural disparities may lead to biases in the estimation of the model and even errors in parameter estimation. Therefore, to combine geographical factors and space with spatial measurement can avoid the deviation of traditional measurement method to a certain extent. At present, spatial autoregressive model (SAR), spatial error model (SEM) and spatial autocorrelation model (SARAR) are the main spatial econometric models commonly used in academia. SAR refers to the spatial econometric model in which the spatial regression factor of the predicted variable is taken as the explanatory variable. SAR of urban-rural disparities shows that the urban-rural disparities in one region can affect the urban-rural disparities in other regions through the spatial spillover effect.SEM refers to the regression model that sets SAR for the error items in the model. At this time, the spatial dependence of the urban-rural disparities exists in the disturbance items. SARAR is a combination of the SAR and SEM, considering both the influence in the auto regression of the predicted variable and the influence in the error term.Considering that the spatial effect of the tertiary industry will not only be affected by the change of the error term caused by random impact, but also by the spatial effect of urban-rural disparities. The spatial panel model combines the the SAR and SEM and takes the spatial regression factor of the predicted variable as the explanatory variable, and sets the error term as the error SAR. Then the paper set up SARAR. The specific model is as follows:

$$Urgap_{it} = C + \rho WUrgap_{it} + \alpha Thgdp_{it} + \sum \beta_j x_{ijt} + Ui + \mu_{it}$$

In the equation, $\mu_{it} = \gamma W\mu_{it} + \varepsilon_{it}$, $Urgap_{it}$ refers to the ur disparities of i region during t; C is constant term ; W is Spatial Weights Matrix; ρ is the spatial correlation coefficient of $\rho WUrgap_{it}$, which measures the impact of the urban-rural disparities of spatial correlation regions on that of the local region. If ρ is a positive number, it shows that spatial correlation regions have a positive impact on the local ur disparities; if ρ is a negative number, it shows that spatial correlation regions have a negative impact on the local ur disparities, $Thgdp$ refers to the local tertiary industry development; α is the correlation coefficient of the explanatory variable; x_{ijt} is j controlled variables, β_j is the correlation coefficient of the controlled variable; Ui represents the individual effect; μ_{it} is the error term; γ is the spatial error coefficient, which shows the impact of the disturbance term of spatial correlation regions; $W\mu_{it}$ is spatial correlation coefficient. The correlation weight matrix of the error term is still confirmed by the above W method. ε_{it} is the random error term.

Results and Discussions

Empirical Results and Analysis: Spatial Correlation Test

When using the Spatial econometric methods, first of all, we should consider whether there is spatial dependence in the data. If the spatial dependence doesn't exist does not exist, the standard econometric method can be adopted; if it exists, the spatial econometric method can be used. Therefore, before using the spatial econometric model to explore the impact of the tertiary industry development on the urban-rural disparities, we need to test whether the urban-rural disparities have spatial correlation. This paper uses $Moran'sI$ to test the spatial correlation of urban-rural disparities. $Moran'sI$ is calculated as following:

$$Moran'sI = \frac{\sum_{i=1}^{n}\sum_{i\neq j}^{n}\omega_{ij}(Urgap_i - Urgap)(Urgap_j - Urgap)}{S^2\sum_{i=1}^{n}\sum_{j=1}^{n}\omega_{ij}}$$

In the equation, $S^2 = \sum_{i=1}^{n}(Urgap_i - Urgap)^2 / n$, $Urgap = \sum_{i=1}^{n} Urgap_i / Urgap$; $Urgap_i$ and $Urgap_j$ represents the observed urban-rural disparities in the I and j regions respectively; n is the quantity of regions; ω_{ij} is elements in the spatial weight matrix W; If two regions are adjacent, $\omega_{ij} = 1$; if not or $i = j$, then $\omega_{ij} = 0$.The value range of $Moran'sI$ is [- 1, 1]; the value 0 indicating that there is no spatial autocorrelation; the value less than zero representing that there is spatial negative correlation; the value greater than 0 indicating that there is spatial positive correlation. The bigger the absolute value is, the greater the spatial correlation is. the smaller the absolute value is, the less the spatial correlation is.The test results obtained are shown in Table 2:

Table 2. The $Moran'sI$ test of China ur Disparities (2008-2017)

Year	2008	2009	2010	2011	2012
$Moran'sI$	-0.079* (0.093)	-0.063 (0.205)	-0.049 (0.334)	-0.041* (0.077)	-0.054 (0.180)
Year	**2013**	**2014**	**2015**	**2016**	**2017**
$Moran'sI$	-0.047 (0.357)	-0.082* (0.080)	-0.074 (0.121)	-0.091** (0.047)	-0.103** (0.021)

Note: The numbers in brackets are the p-values of the probability of significance; * * and * represent significance at 5% and 10% levels, respectively. It can be seen from the table that the value of $Moran'sI$ for China's ur disparities between 2008-2017 is positive; some passed the significance test, which means that ur disparities of all provinces and cities have a certain level of spatial correlation. The spatial dependence cannot be ignored in the study of the impact of the tertiary industry development on the urban-rural disparities.

Empirical Results and Analysis

In order to decrease the influence of heteroscedasticity in model estimation, all variables in this paper are logarithm. With the help of Stata 14.0 statistical tools, the above models are estimated. According to Chow test and Hausman test, in the selection of fixed effect and random effect models, the econometric model in this paper should establish individual fixed effect model. In order to test the stability of the model, the weight, the spatial distance weight and the spatial adjacent weight are selected. In the spatial distance matrix, ω_{ij} is the element of the spatial weight matrix W. When $i \neq j$, $\omega_{ij} = 1/|d_i - d_j|$ ... $\omega_{ij} = 1/|d_i - d_j|$ is the absolute value of the distance between the geographical centers of two provinces (cities); when $i = j$, $\omega_{ij} = 0$. In the spatial adjacent weight, ω_{ij} is the element of the spatial weight matrix W. If two regions are adjacent, $\omega_{ij} = 1$; if two regions are not adjacent or, $i = j$, $\omega_{ij} = 0$. Respectively, we used adjacent weight and distance weight to calculate regression, and the results are shown in Table 3:

Table 3. Regression Results of Spatial Panel Econometric

Variable	Fe	adjacent weight SARAR	distance weight SARAR
Inthgdp	0.451*** (0.000)	0.351*** (0.000)	0.289*** (0.000)
Inmed	0.093 (0.325)	0.115*** (0.008)	0.113*** (0.008)
Ininve	-0.132*** (0.003)	-0.114*** (0.000)	-0.105*** (0.000)
Inbus	-0.151*** (0.010)	-0.174*** (0.000)	-0.162*** (0.000)
Inurrat	-0.585* (0.090)	-0.504*** (0.001)	-0.517*** (0.000)
Inagdp	0.385*** (0.007)	0.302*** (0.000)	0.317*** (0.000)
ρ	/	0.252** (0.021)	0.338*** (0.002)
γ	/	-0.399*** (0.007)	-1.028*** (0.002)
R-sq	0.8740	0.8763	0.8767

Note: The numbers in brackets are the p-values of the probability of significance; * * and * represent significance at 5% and 10% levels, respectively.

It can be seen from the fitting degree that the correlation values are all above 0.87, and which means the fitting effect of the model is good. And from the results of two SARAR models with different weight, we can see that the positive and negative direction, numeric values and significance level of the estimated correlation coefficient have not changed fundamentally, so the research results have strong stability. At the same time, it can be seen that the two models have obvious spatial dependence, Which is mainly shown through the positive influence on local urban-rural disparities brought by other regions.

The main reason is that the large urban-rural disparities indicate higher overall development level of a city in a region. Not only the rural factors of this region transfers to the city, the rural factors of neighboring provinces and cities also transfer to this region, and the attraction of urban factors of neighboring provinces and cities is also stronger, which leads to the increase of the urban-rural disparities in neighboring provinces and cities.

However, from the perspective of random error spatial effect coefficient, the urban-rural disparities in one region will have a significant negative impact on the urban-rural disparities in another region, and the cause of this negation impact could be that there are important variables left in the model or other endogenous problems. But it does not affect the exploration of the influence of the tertiary industry development on the urban-rural disparities.

From the coefficient of the tertiary industry development to the urban-rural disparities, we can see that the tertiary industry development will significantly promote the urban-rural disparities, which proves the above theoretical analysis. The tertiary industry development will bring in a agglomeration effect on urban resources, then a large number of factors will flow into the city, thus further expanding the urban-rural disparities. However, the regression coefficient of SARAR model cannot directly reflect the impact of the tertiary industry development on the urban-rural disparities, so it is necessary to further calculate the direct effect, spatial spillover effect and total effect. The specific values of the three effects are shown in Table 4:

Table 4. Direct effect, spatial spillover effect and total effect of SARAR model

Weight type	effect type	coefficient	Z-statistic	p-value
adjacent weight	Direct effect	0.362***	5.25	0.000
	indirect weight/ spatial spillover effect	0.106**	2.11	0.035
	total effect	0.468***	7.08	0.000
distance weight	Direct effect	0.295***	4.53	0.000
	indirect weight / spatial spillover effect	0.141***	2.75	0.006
	total effect	0.436***	6.42	0.000

Note: The numbers in brackets are the p-values of the probability of significance; * * and * represent significance at 5% and 10% levels, respectively.

It can be seen from Table 4 that no matter the adjacent weight or distance weight is used to estimate the impact of the tertiary industry development on the urban-rural disparities, there are no significant changes on the in the positive and negative direction, significance , value of the direct effect, spatial spillover effect and the total effect. The direct effect and spatial spillover effect of the tertiary industry development on the urban-rural disparities are significantly positive, indicating that the tertiary industry development has a significant direct effect on the urban-rural elements within a region. Moreover, the spillover effect it causes also plays a significant role in promoting the urban-rural disparities. By observing the spatial spillover effect and total effect of the tertiary industry development, we can find that the spatial spillover effect driven by the tertiary industry development accounts for about 22.65% of the total effect in the estimation of the adjacent weighted SAC model, while the spatial spillover effect driven by the tertiary industry development accounts for about 32.34% of the total effect in the estimation of the distance weighted SAC model. This further verifies the flow and distribution of urban-rural factors caused by the tertiary industry development has an important impact on the urban-rural disparities, and also proves obvious spatial dependence of the urban-rural disparities.

Conclusion and Policy Recommendations

This paper explores the impact of the tertiary industry development on the urban-rural. According to Moram's S1 spatial correlation analysis of the urban-rural disparities, we find that the urban-rural disparities have certain regional dependence. This paper empirically explores the impact of the tertiary industry development on the urban-rural disparities. Based on the SARAR spatial econometric model, we find that the tertiary industry development has a significant positive. From the empirical results of spatial effect, we can see that the attraction of the tertiary industry development to rural factors is greater than urban ones in other provinces, which will aggravate the urban-rural disparities in other provinces and cities, with obvious spatial dependence.

According to the conclusion, the tertiary industry will aggravate urban-rural disparities in China, and further lead to the transfer of factors to cities, which will not only expand the ur disparities in this region, but also increase the disparities in neighboring provinces and cities. Therefore, in the process of vigorously developing the tertiary industry, the government should take into account the process of urban-rural integration. Measures are as follows:

Guarantee the living standards of farmers working in cities. Due to historical reasons, China's agricultural population is large. The economic development level in rural areas is low, and the interests of farmers are not well protected. Therefore, the government should establish a sound social security system in rural areas, gradually expand the coverage of farmers' social security, and improve the level of security. For the farmers who work in the cities, the government should give them the same level of social security as the

urban residents, and reduce the difference between the urban residents and the rural residents. For the left-behind farmers, the government should gradually establish a rural security system, and increase the portion of medical expenditure on rural medical security. Besides, the education expenditure structure should be optimized. The government should give more priorities to quality education, vocational education, preschool education, special education and other weak aspects in rural area.

Pay attention to industrial coordination. At present, China's rural areas are still dominated by agriculture. Agriculture is still the pillar of China's rural area. However, the added value for current agriculture products is low, which can barely guarantee farmers' income. The urban areas are dominated by the well-developed secondary industry as well as rapidly developed tertiary industry, which boosted the urban residents' income but also enlarged the urban-rural disparities. Therefore, we need to coordinate development. First, optimize the industrial structure of the city itself. Second, optimize the industrial structure in the rural areas. Third, strengthen the industrial integration of the rural areas and urban areas. We need to consistently guide the city's tertiary industry to extend to the rural areas. We also need to increase investment on fixed assets such as road building and water conservancy in rural areas, in order to establish a solid foundation for guiding the urban tertiary industry development in rural areas. At the same time, when we develop the rural tertiary industry, we should adjust measures to local conditions on the basis of rural free resources and pattern.

Make better use of policies. Under the basic function of market allocation, policy guidance is an effective tool to solve the income gap and imbalanced regional development. First, make good use of media to actively guide talented entrepreneurs to the rural areas and develop the tertiary industry by the advantages of the rural areas; second, pay attention to financial and tax tools. Give financial and tax incentives to enterprises that promote the tertiary industry development in the rural areas, and bring in the capital into the rural areas; third, thirdly, enhance the government function. Strengthen the service role of the rural government and optimize the rural politics and optimize the functions of the rural government, providing efficient service to the rural tertiary industry development.

Focus on regional coordination. At present, the development in China's central and western regions and the northeast region is still unbalanced, and the economic development of the central and western regions is still falling behind, which means that the number of rural areas in the central and western regions is Larger than those in the eastern regions. We should pay attention to the coordinated development between the eastern regions and the central and western regions. Major policies should be inclined to the central and western regions to promote the development of the central and western regions, driving the development of rural areas in the central and western regions. Laying the foundation for the development of rural tertiary industry in the central and western regions can reduce the further expansion of the urban-rural disparities nationwide.

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