
NEWSLETTER

Can Vocational Education Improve the Income Gap between Urban and Rural Areas?

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DUE to the rapid growth of China's economy, the problem of the excessive income gap between urban and rural residents gradually emerged, and it has become the principal element that hinders the further development of China's economy and society. In order to effectively prevent the further expansion of the urban-rural income gap, lots of scholars have conducted relevant research. Recently, an article published in *Education & Economy* deeply explored the impact of vocational education on the urban-rural income gap. Based on the human capital theory and the provincial panel data from 2007 to 2018, this paper estimated the Theil index of the urban-rural income gap, using the System GMM model to evaluate the impact of the development of vocational education on the urban-rural income gap.

For further analysis, the researchers established the regression model and the results are as follows:

- After controlling a series of factors that affect the income gap between urban and rural areas, it is noticeable that the scale expansion and quality improvement of vocational education are helpful to narrow the income gap.
- Cross-comparing data of the eastern, central, and western regions, the analysis shows that the impact of vocational education development on the urban-rural income gap in the eastern region is relatively small, while the impact in the western region is far greater than that in the eastern region.
- To bridge the income gap in the eastern region consists in expanding the scale of vocational education, while in the central region mainly relies on improving the quality of vocational education, however, both the scale and quality of vocational education in the western region can narrow the income gap between urban and rural areas.

According to the research results, the author put forward some suggestions for the development of vocational education in China:

- The development of vocational education in the western region is the most efficient way to bridge the income gap between urban and

rural areas, therefore, it is helpful for the policy effects if political decision-making properly inclines to the western region.

- As for the eastern and central regions, the effects of the scale and quality of vocational education is different. The eastern region should pay attention to the investment of educational finance, expanding the scale of vocational education, and providing vocational training for more people. And the central region should concentrate on the innovation of educational methods and management, for instance strengthening management or teaching students in accordance with their aptitude to improve students' vocational ability.

Source: Education & Economy, 2020; 36 (6): 51-58.