Research on the Deconstruction of Distress Dimensions and the Construction of Relief Strategies for Urban Poverty in China

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Abstract: Since China's reform and growth, the continuous development of the social economy and the constant improvement of people's living standards have been the mainstream of society's development. However, with the foundation and improvement of China's market economy and the ongoing promotion of China's urbanization process, the number of impoverished people among urban residents is increasing, and the gap between the rich and the poor is widening. This paper uses Literature research, data collection and analysis, and MPI to explore the dimensional deconstruction of urban poverty and find that the existence and widening of the income gap is the main cause of structural poverty in the country. Also, the employment dimension has the greatest impact on multidimensional urban poverty. The employment dimension has the greatest impact, followed by the education dimension. These problems can be solved by strengthening income adjustment measures to narrow the income gap, ensuring labor force employment, and improving the social security system. The paper can better help solve the problem of urban poverty and reduce the number of urban low-income families.

Keywords: distress dimensions, relief strategies, urban poverty, China

1. Introduction

1.1. Research Background

The fight against poverty has been ongoing from antiquity to the present. Poverty has always been a significant social issue. In 2015, the United Nations proposed the first Sustainable Development Goal: "End poverty in all its forms everywhere." A major issue that impedes sustainable development is poverty. Poverty eradication is a global objective and one of emerging nations' biggest concerns. Governments must measure and monitor poverty to prevent poverty traps and support resource reallocation. The biggest poverty issue connected to urbanization, based on the state of poverty in middle-income nations, is now urban poverty. People are now extremely productive and materially wealthy due to how far society has advanced. However, the transformation of economic systems and the rise of the economy have been followed by an increase in urban poverty, a problem that the entire globe is now concerned about. The term 'urban poverty is used in contrast to the term 'rural poverty,' which restricts the subject of poverty to residents of

cities. The term "urban poverty" refers to a state of poverty in which some urban residents' basic living conditions are insufficient to meet their basic survival needs. This is a state of poverty.

According to World Bank statistics, China has greatly reduced poverty recently, with the severely poor dropping by 646 million between 1993 and 2013 [1]. However, there are still many impoverished families in places such as Beijing and Shanghai, where the economy is incredibly developed. Poverty's growing urbanization is one of its most notable characteristics. China's economy has steadily shifted from central planning to a market-oriented economy since its reform and opening in the 1980s. With a growth of about 39.45% in the urban population between 1978 and 2016, China saw tremendous urbanization expansion, leading to the largest population resettling in history [2]. Urban areas absorb all population growth, but some growth happens in less developed regions, where the limits of cities are widened and extended to the suburbs. China has experienced suburbanization since the late 1990s. Lots of people have moved from the cities to the suburbs. However, this urbanization has also brought many problems, such as divisions within low-income urban groups, issues with suburban housing developments, and traffic congestion, all of which have exacerbated suburban poverty and urban-suburban inequalities. The boom in suburbanization has produced incalculable socioeconomic benefits, particularly in terms of improving housing conditions for residents. While urban poverty was ignored until the late 1990s, traditional poverty studies in China have concentrated on regional income inequality and rural poverty. Therefore, understanding the deconstruction of the hardship dimensions of urban poor households can help us to address the issue of urban poverty better.

1.2. Literature Review

Wang and Xuan discussed the quantitative definitions of urban poverty. They divide urban poverty into absolute and relative poverty. Absolute poverty is the inability to meet a basic standard of living. In contrast, relative poverty is defined as persons with low incomes compared to other groups at the meeting. Those earning less than 50-60% of the average income of urban inhabitants are relatively poor [3]. Shi Li and John Knight examine poverty from income persistence, proposing that poverty can be classified as either persistent or transient. If consumption and income remain below the poverty line for an extended length of time, poverty is considered persistent, and the associated group of individuals is also considered persistently poor. In contrast, if income is below the poverty level but consumption is above the poverty line for a certain period, this is considered temporary poverty. If, on the other hand, income is lower than the poverty line, but consumption is higher, poverty is just transient and does not remain long. This situation is not expected to improve [4]. Historically, the National Bureau of Statistics has used data from censuses or household surveys to map and track urban poverty. These data are labor-intensive, time-consuming, and expensive, restricting the ability to cycle through data collection in many sectors regularly. Living standards and housing conditions must be considered when measuring multidimensional urban poverty since they frequently reflect people's purchasing patterns and fundamental economic circumstances [5]. Many scholars have explored the causes and definitions of urban poverty in China and how to measure it. These studies can aid in understanding urban poverty and making sound decisions to reduce the number of impoverished urban households. However, most of this research was conducted before China reached full prosperity, and there haven't been as many studies of urban poverty since then. A moderately prosperous society is merely a social benchmark, and we can only find better solutions to urban poverty by better understanding why it endures.

1.3.   Research Framework

Why does urban poverty persist in China? What factors contribute to urban poverty? What can be done to address the problem better? To address these explorative questions, this study is organized as follows: After the introduction, section 2 indicates the methods to be used for the study, Section 3 presents the experimental findings, and Section 4 discusses them. The final portion summarizes this research and offers some conclusions.

2.   Method

2.1.   Literature Research

The methodology of literary study is to read, analyze, and sort literature to find the fundamental characteristics of materials. This research looks at other literature to determine why poor urban households are poor, as well as the remedies that have been proposed and others that could be applied.

2.2.   Data Collection and Analysis

Data collection is the methodological process of gathering information about a specific subject. The research uses data from their national statistics office, census (if available), and occasionally data from social welfare or finance departments, as well as from other public departments (like police departments) or private databases related to commercial or real estate price sources data to enrich the database. This study recognizes the multifaceted nature of poverty, which includes income deprivation, illiteracy, sickness, mortality, access to necessities, and susceptibility to economic shocks. The majority of poverty analysis has concentrated on the lack of income, which is frequently connected to other types of deprivations, even though they do not necessarily occur together.

2.3.   Examining the Levels of Household Poverty

This study uses the Multi-Dimensional Poverty Index (MPI). The fundamental tenet of multidimensional poverty measurement is first to identify the dimensions of poverty, such as living standards, health, and education; second, to identify the indicators included in each dimension; and third, to establish the deprivation threshold (cut-off) of a single indicator or dimension. For instance, it is considered educational poverty if an adult has not finished five years of education. Fourth, the criterion for multidimensional poverty is established. Multidimensional poverty, for instance, is defined as the simultaneous deprivation of three or more of the five categories. The multidimensional poverty incidence (H) and the multidimensional poverty deprivation intensity should be calculated in step five (A). The multidimensional poverty index (M0) can be calculated by dividing the multidimensional poverty incidence (H) by the multidimensional poverty deprivation intensity (A). Sixth, double-check. In a multidimensional analysis of poverty, the choice of dimensions is crucial. Employment is the most crucial factor in earning economic revenue and maintaining a reasonable standard of living for those who reside in cities. Important social service components that make up human resources include education and health. Environment and housing are significant factors that reflect living quality. As a result, the five dimensions examined in this paper's analysis of employment, education, health, education, housing, and environment reflect the practicable capacities of urban people in those five areas. The five aspects examined in this research indicate urban people's viability in five areas: employment, education, health, education, housing, and the environment.

3. Result

3.1. The Existence and Widening of Income Gaps Are the Main Cause of Structural Poverty in the Country. The Main Cause of Structural Poverty in the Country

Li attributes the factors contributing to urban poverty in China to three areas [6]. Firstly, economic and social considerations China will continue to confront enormous demographic pressure due to its large population base, even if population control policies are tightened, and the demographic load essentially negates the gains of economic progress. For example, income discrepancies across and within sectors have resulted in an impoverished urban population. The income inequality between and within sectors has also resulted in a poor urban population; people in lower income sectors, for example, are more likely to be poor. Secondly, institutional and policy considerations regarding the restructuring of state-owned firms that began in the late 1980s resulted in a substantial number of people being laid off. They lost their source of income and found it difficult to find new employment. Furthermore, China's social security system was still woefully inadequate at the time to offer timely and effective livelihood support for these people, resulting in a high number of urban poor. Lastly, the lower a household member's human capital, the higher the frequency of poverty and the risk that the household will slip into poverty. In general, the higher the education level of the head of the household and the higher the number of employed people in the total household size, the less likely the household will fall into poverty. The higher the degree of education of the head of the home and the larger the proportion of employed people in the overall household, the less likely the household will fall into poverty.

Wei quickly analyzes income disparities in vertical and horizontal orientations [7]. He contends that horizontal income disparities for the urban poor include regional disparities, differences between industries, and disparities between monopolistic and non-monopolistic sectors. The distance between the vertical pay gap mostly refers to the disparity between senior management and ordinary employees in the sector. The vertical income gap relates primarily to the disparity between senior management and regular employees within the sector, the disparity generated by human capital levels, and the disparity between skilled and unskilled workers. The income difference between industries and the income disparity between monopolistic and non-monopolistic sectors are two major explanations for the city's rising income gap. This is mainly attributable to the inaccuracy of our salary setting method and system. There is a range of wage components for employees in some industries and firms with a significant monopoly (for example, state-owned enterprises in China's water, electricity, and telecommunications industries). Not only are there standard explicit wages, but many hidden earnings greatly exceed the normal wage. Many hidden incomes substantially exceed the minimum wage. Why do they earn so much? The primary reason they earn so much is that the corporation has money, and it seems that it will provide its employees with more material incentives. Of course, it provides greater material prizes to its personnel to utilize the company's assets. It stands to reason that the corporation should provide more material rewards to its staff as a method of spending its money. So, how come it has such huge profit margins? What accounts for its huge profit margins? The crucial point is that it has the resources and advantages of a monopoly market and is capable of using them. The main point is that it has the resources and benefit of monopolizing and establishing the market price for its products. As a result, the essential answer to this phenomenon is to break it up. The answer to resolving this phenomenon of high earnings is to break these industries' and firms' monopolistic positions. The fundamental solution to this situation is to break the monopoly of these industries and enterprises and introduce competition. So, all enterprises have a reasonable profit level rather than a reasonable one. The fundamental solution to this situation is to break the monopoly of these industries and

enterprises and introduce competition. So that all businesses can make decent profits, rather than unreasonably large profits.

3.2. The Employment Dimension Has the Greatest Impact on Multidimensional Urban Poverty The Employment Dimension Has the Greatest Impact, Followed by the Education Dimension

The data in this study are mostly drawn from five tables in the CHNS database from 2009, namely the personal income table, household income table, assets table, employment table, and education table. The study population consisted of respondents in urban areas (those who did not live in urban regions but were polled in their cities). The final sample size was calculated after excluding the observation sample with incomplete data. The ultimate sample size was 3744 people. This paper's study sets the multidimensional poverty threshold at k=30%. This means that a person deprived of 30% of the aspects is in multidimensional poverty. At this point, 11.73% of the urban population is in multidimensional poverty (multidimensional poverty incidence, H). The average level of deprivation This average level of impoverishment is 37.69%. (multidimensional poverty deprivation intensity, A). On average, the multidimensionally poor population in these places is disadvantaged in around 38% of the aspects of deprivation. The adjusted multidimensional poverty index (M0) is 0.044 compared to the average degree of deprivation.

Table 1: Multidimensional poverty contribution of each indicator and dimension (k=30%).

Dimension	TARGETS	Indicator Contribution Rate	Dimensional contribution rate	Multidimensionally poor people this indicator is Deprivation rate
1 Employment	Employment	30.10%	30.10%	6.65%
2 Education	Education	27.80%	27.80%	6.14%
3 Health	Drinking water Sanitation Medical insurance	0.78% 10.84% 4.92%	16.53%	0.51% 7.18% 3.26%
4 Residenze	Housing Area Consumer Durables	9.31% 0.85%	10.15%	4.11% 0.37%
5 Environment	Lighting energy Cooking energy Environmental Health	0.20% 7.70% 7.53%	15.44%	0.13% 5.10% 4.99%

According to the table deconstruction, the employment dimension contributes the most to multidimensional poverty (30.10%). This suggests that in the case of multidimensional poverty, The fundamental cause is a lack of employment. In the case of cities, When one is unemployed, one is more likely to fall into multidimensional poverty. Access to stable and decent jobs would reduce multidimensional urban poverty significantly. The employment factor is unavailable to 6.65% of the urban multidimensional poor.

As a result, in the education dimension, the dimensional contribution rate accounted for 27.80%, i.e., around 28% of the reasons for multidimensional poverty in urban China are a lack of basic education. 6.14% of the urban multidimensional poor are seriously deprived in the education component, according to the data. Only two, or 0.86%, of school-age children are absent. 0.86% are over the age of 50, while around half are of working age. Lower levels of education are frequently

followed in urban life by lower levels of employment and a lower living environment, and Multidimensional poverty is more severe.

In health, two indicators stand out: health facilities and health insurance. The health facility paper uses more stringent indicator criteria, with a high indication contribution rate. Sanitation is a fundamental service ensuring homes and communities' cleanliness, tidiness, and safety. Sanitation facilities are essential for ensuring families' and communities' cleanliness, neatness, and safety. The importance of sanitation facilities in preventing the emergence of urban squatter settlements is very important in preventing the emergence of urban squatter settlements. Improving sanitation facilities will bring a new look to the community while effectively reducing multidimensional urban poverty.

Other indicators of the urban multidimensional poverty index include dwelling area, cooking energy, and sanitation.

4. Discussion

4.1. Strengthen Income Adjustment Measures to Narrow the Income Gap

First, it is necessary to adjust the proportion of access to the benefits of factors of production other than labor. The significance of other factors of production to the economy is currently overstated in our income. Other factors of production's contribution to the economy are overstated, resulting in a considerably larger rate of factor gains from other factors of production than labor. As a result, the factor income claimed by other production components is significantly higher than labor income. As a result, we must continue to develop a distribution system based on labor distribution as the mainstay. This is because most employees' income is concentrated in a single channel, mostly labor income. In contrast, income from technology, capital, land, and other means of production is concentrated in a few high-income classes. As a result, increasing labor income while decreasing the returns on other factors can improve overall income share, narrow the income gap, and further reform the compensation system of monopolistic sectors to increase transparency. For some administrative monopolies, the entrance threshold should be decreased to allow more businesses to compete. This would not only improve market competition and encourage industrial development but also indirectly decrease the surplus profits gained by the original firms' monopolistic advantage. This will indirectly lessen the wage disparity among workers. David points out that preventing poverty is often more meaningful than combating it [8]. Poverty prevention entails providing children with a solid foundation for success. This is why children's nutrition and education are so crucial. According to Yu, a portion of China's urban population is currently mobile, such as migrant workers, and whether their children can obtain the same education as urban children is closely tied to their future development [9]. Educational parity should address regional and rural-urban disparities in education and establish educational parity among children of different classes within a city. Only in this manner can disparities in human capital reserves in cities be narrowed and people's prospects for fair competition expanded.

4.2. The Assurance of Labor Force Employment Is an Important Part of the Fight Against Multidimensional Poverty

Multidimensional poverty is relatively severe in China's cities. According to the contribution of multidimensional poverty components examined in this article, alleviating multidimensional urban poverty involves first addressing the job issue. Lugo argued that any strategy for economic development and poverty eradication must include a study of the labor market condition and recommendations for improving it [10]. For a long time, China's primary labor market will be in a position of supply surpassing demand, creating heated rivalry for jobs and exacerbating the country's unemployment problem. As a result, we should not emphasize the development of high-

tech sectors, and we should not pursue enterprise scale unilaterally. We must energetically promote the individual and private economies, as well as the tertiary sector, particularly the community service sector, which employs the most people and implement various preferential policies. To encourage laid-off workers and the jobless to change their views and pick their own jobs, the government should organize and coordinate employment promotion efforts, as well as strengthen vocational introduction, guidance, training, and so on. Adopt a flexible employment system, mobilize jobless and laid-off workers to engage in labor contracting in temporary work, hourly work, flexible working hours, and other flexible employment, and handle employee labor protection and social security difficulties.

4.3. Improve the Social Security System

China has achieved significant success in social security, not just in terms of expanding coverage but also in raising the quantity of social security. We cannot only protect the "three nos" in the city, but we must also protect all types of people who are employed, laid-off workers, unemployed, and retired, regardless of their status, position, or occupation, in order to reflect the comprehensiveness and justice of the low-income insurance system and truly meet the basic needs of all the city's special hardship people. The urban poor's basic necessities must be provided.

5. Conclusion

Following a series of research and investigations, it has been discovered that urban poverty in China remains severe. The massive population base in China, the relative absence of social protection and security, the imbalance of regional economic development, and the disparity in the education of citizens across the country all contribute to massive income disparities. Meanwhile, the flaws in China's wage-setting process and system widen the urban-to-rural income divide. After measuring with MPI, it was also discovered that the employment and education dimensions significantly impact multidimensional urban poverty. Income adjustment methods such as labor distribution and reducing the bar for administrative monopolies can help to close the income gap. Individual, private, and tertiary sector development can enhance employment, and resolving social security issues can allow more worthy people to obtain social assistance. The ultimate goal of all of these policies is to lower the number of impoverished people in China's cities so that China, which has entered a moderately successful society, can enter a period of prosperity for all families as soon as feasible.

This paper lacks the use of primary data, most of the data in the paper are secondary data from other websites and literature, and the data in MPI are from the CHNS database, which is updated slowly. The data are from previous years, and the accuracy is not very high. In future studies, further primary data can be obtained through surveys and questionnaires to make the paper more credible and accurate.

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