

# Urbanization can close China's income gap: OECD economist

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[BEIJING](#) - Urbanization can help ease China's urban-rural income disparity, a senior economist with the Organization for Economic Cooperation and Development (OECD) said on Saturday.

Margit Molnar, head of the China desk in the OECD economics department told China Development Forum 2014, that rapid urbanization can fuel inclusive growth and a more equitable income distribution.

China's Gini coefficient, an index of the gap between rich and poor, eased insignificantly last year to 0.473 from 0.474 in 2012, but is still well above the OECD average of around 0.3, Molnar told Xinhua.

Last week's national urbanization plan for 2014-2020 aims for 60 percent of the populace to be resident in urban areas by 2020. The figure currently stands below 54 percent.

Urbanization can create more equal opportunities and increase social mobility, she said. To ease the urban-rural income disparity, Molnar advised China to delink eligibility for public services from residence status (hukou).

"China could grant resident migrants a residence permit with the same rights as those of local hukou holders," she said.



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