

Study on Household Income and Consumption of Uighur Farmer—Take Keping County Yuerqi Village as an Example*

Le Guo¹, Xiaoling Yu²

1. College of Economics and Management, Tarim University, Alaer 843300, China

2. Tarim University, Alaer City, 843300, China

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Abstract: With the keep going of the reform and opening up, the economic and social development of Xinjiang Uighur Autonomous Region has taken tremendous changes. The increasing income and consumption level of Uighur villagers improved their living standards, while compared with Western countries or the advanced eastern regions, the level is still low, and changing its consumption structure has an important practical significance for promoting economic development, promoting social stability and national unity, building a socialist harmonious society.

Introduction

Xinjiang Uygur Autonomous Region is located in the middle of the Eurasian continent, in the northwest border of China, including the Uighur, the Kazak, Hui Muslim Minority, the Mongolian, Kirgiz and others totally 47 nationalities. Xinjiang Uighur Autonomous Region's "Government Work Report" pointed out that its gross domestic product (GDP) achieved 9200 billion Yuan, with the growth rate of 10%, an increasing amplitude in the leading level. Its public budget revenue reached 128.26 billion Yuan, and consumable retail sales achieved 227.965 billion Yuan, an increase of 11.8%. The economy of autonomous is higher than the national average income level, and the income and consumption of residents is greatly improved.

Our nation is vast in territory, and various natural and traffic environment resulting the significant differences in regional economic developments. In this study, taking Uighur farmers as the research object, analyzing its current situation of household income and consumption and the impact of different income level and income resources on consumption structures, try to grasp the influences of farmer's income to its consumption structure, providing advices for improve their incomes and optimize its consumption structure.

Theories of Income and Consumption

National income theory of Keynesian. Keynes in his book "The General Theory of Employment, Interest and Money" firstly put forward the theory of national income, which became the first model for macroeconomic analysis and built an independence macroeconomics system.

Consumption theory. Western scholar has studied a long time about consumer issues, and there will briefly introduce several representative theories. The 1929-1933 Great Depress has timulated the generation of Keynesian economic theory, and his consumption theory is the absolute

income hypothesis which mainly include two aspects, one is consumption level is positively correlated with income level, another is the average consume propensity is higher than the marginal consumption tendencies. The product life-cycle theory is also been called life-cycle hypothesis of consumption and savings which proposed by American economist Modigliani and Brumberg. They suggested that consumers are more rational, and the age, assets, current income level, the expected future total income of units determines their current consumption levels. And then is the permanent income hypothesis proposed by American economist Milton Friedman. The core ideas of the hypothesis said that the people's current income is divided into two parts, namely temporary income and permanent income. The permanent income refers to the expected long-term income (more than three years), and the residents consumption is not entirely depend on the current income, but greatly influenced by the expected long-term income, which means the consumption is a stable function of permanent income.

The Income and Consumption Situation of the Keping County Yuerqi Village Uighur Rural Residents

The general situation of Yuerqi village. Keping county Yuerqi village is located in southern Xinjiang, Aksu area. Its basic information is as follow, in demographic characteristics aspect, there existing 436 families, totally 2359 person, among them 1184 are male, and permanent family have 376, with 2112 person, of whom 18-35 year old have 370 person, divided into seven villager groups; then in economic aspect, due to the insufficiency of arable land, few income resources, their general economic situation is not good. The arable land has 2700 acreage, with 600 acres of Chinese date, 910 acres of cotton, 835 acres of wheat, and 354 acres of corn.

The income situations of Yuerqi villagers. Analyzing the statistical data of Keping County we know that, in 2014 the per capita income is 5802.27 Yuan, lower than 2013, which limited by climate and other objective effects, resulting the fruit income is decreased compared with previous year. Then, the first industry income is accounted a large part. On 2014, the final income of the first industry include the agricultural income, animal husbandry income, fruit income and labor income four projects is 5167.62, 89.06% of village's total revenue.

The consumption situation of Yuerqi villagers. According to the statistics data of Keping county and the Yuerqi villagers' details of expenditures, we can learn that, first, their spiritual, cultural and entertainment consumption are relatively few and in a low living standards, then their consumer items are concentrated in life and household expenditures. The following table shows that the total expenditures for life and household are 4344.1 Yuan, accounting for 99.9% of total expenditure. What's more, in terms of household expenditure, their consumptions are mainly concentrated in the first industry, while the second and third industries do not have any expenses, indicating their economic development is relatively backward, and the industrial structure and income sources is simple. Show as following table:

Household income aspect of Yuerqi village. This paper combining the above analysis, field research and experts interviews thought that in terms of family income of Yuerqi village, existing following problems, first, their income structure is simple and mainly is agricultural income, which related with its traditional concepts that agricultural is the main economic lifeline; then, the backward of its agricultural technology and the income still in a "depend on nature" state, by the statistic data of 2013 and 2014 we know that the total agricultural income is effected by climate and other objective factors; finally, lack of product sale channels but mainly based on government acquisition or sale to agricultural product traders. In summary, the general economic development level of Yuerqi villager is relatively backward but there are quite developing rooms and

opportunities and their income can be promoted. This article will detailed the advices in the suggestion section.

The household consumption aspect of Yuerqi village. There are several problems existing in the household consumption of Yuerqi village. First, higher price level and lower level of consumption, especially in spirit, entertainment and other aspects, have fewer consumers. Second, the consumption structure is simple, majority of them is rigid demand. Third, the secondary industry and third industry development is lagging behind, lacking of sufficient consumer channels, reflected in the shortage of shopping and entertainment places.

Results Analysis

Different income levels of spontaneous expenditure. Food, clothing, housing, household equipment and services, transport and communication choosing mixture regression model while culture, education and entertainment supplies, medical care and other goods and services selecting the variable intercept model. At the same time, the spontaneous expenditure of various income level in the mixture regression model is quiet similar, while the differences in variable intercept model is relatively significant. And those spontaneous expenditure of food, clothing, housing and household equipment and services and transportation are stable in different income levels, which proved that they are the fixed consumption of villagers, which is also called rigid demands.

Analysis of marginal consumption tendencies. When income increased by 1%, the amount of various aspect's expenditure is increasing in the order of food, clothing, housing, household equipment and services, transportation and communications, culture, education, entertainment and supplies, medical care and other goods and services.

The impact of previous consumption on present consumption. Other goods and services and food are obviously influenced by previous consumption, and others not, for their limited demand and low income level, they will not considering or couldn't purchasing the consumption in other goods and services, as for food consumption, which is an irreplaceable rigid demand and significantly affected by their previous consumption habits.

Conclusion and Suggestion

This paper based on the field interviews and data from the statistical yearbook of Keping county Yuerqi village, using mixture regression model, and variable intercept model to empirically analyze the Uighur's income and consumption status quo represented by Yuerqi farmers and the impact of income on consumption structures. First, the Uighur rural areas have low income levels, simple income structures and few income sources and mainly based on the first industry interests. Second, the price level is relatively higher, causing the lower consumption level, and their consumption are mainly focused on rigid demand like household and life expenditure, by the contrast, rarely in spirit culture and entertainment aspects. Third, for the Uighur farmers in different income levels, food, clothing, housing, household equipment and services, and transportation and communication, etc. spontaneity consumption account a large proportion in their consumption expenditure, and there is no significant difference between different income levels, while differ in the communications, culture, education, entertainment and supplies, medical care and other goods and services., which increasing with the income level and more spontaneous consumption for high-income groups in the food, clothing, culture, education, entertainments and other items. Fourth, in terms of marginal consumption tendencies, their consumption structure is simple and the general expenditure level is relatively low. The Uighur farmers represented by Yuerqi villagers, with the increase of their

income, their primary increased consumption items is food, housing, household equipment and services and transportation and others irreplaceable household consumption expenditures, and decreased in those items like culture, education, entertainment and supplies and other goods and services. Fifth, in the relationship between the previous consumption and present consumption, the other goods and services are mainly influenced by previous consumption, while for others the impact of previous consumption is not obvious. For the above situations, several suggestions are proposed.

First of all, promoting the Uighur famers' income, and enhance their consumption levels. According to the local status of agricultural production, people should reinforce the foundation of agricultural producing to reduce their agriculture production costs. The agricultural production cost refers to the consumed costs of the seed, fuel, forage, labor cost and tools in agriculture, forest, subsidiary business and other aspects in the process of agriculture production. Their decentralized production and management restricting the large-scale production, increasing the costs. Trying to fully exploit the growth potential of local agricultural incomes, promoting their structure optimized; expand employment channels for farmers, carrying out the "non-farmer" strategy to transfer the rural surplus labor; construct the industrialization of agriculture service system, promoting the update of agriculture, increasing farmer's income.

Then, they need to improving rural consumption environment, guiding new consumption hot spots by greatly promoting the construction of the new rural, improving relevant rural infrastructure; regulating the order of rural consuming markets to improving their consuming qualities; raising the awareness of education, especially the education of children; transferring their consumption attitudes, which should be more rational.

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