





fluctuations and other factors shows a strong fluctuating. Although the per capita disposable income and consumption expenditure shows a steady growth trend, but the change in the value of the marginal propensity to consume is great. In this period the inflation caused by blind expansionary fiscal policy influenced rural residents a lot. In addition, the problems accumulated in China's economic transition process: social security, pension insurance, rural land ownership and others epitomize out. Therefore, although Shanghai rural residents per capita disposable income is increasing, residents are faced with greater uncertainty respect to the past, which makes the consumption tendency value of rural residents tend to a strong fluctuations with rapid decrease.

### 3. Conclusions and Policy Recommendations

Through the analysis of changes in the above data we can find the marginal propensity to consume of Shanghai rural residents shows a fluctuate downward tendency, and a turbulent state after 2007. This will not only lead to the lack of demand and consumption stagnation or others, but also goes against the long-term stable development of the economy. Under the premise that rural residents facing tremendous uncertainty because of many reasons, government's blind stimulus of spending often difficult to work. In order to respond to and improve this situation, we recommend the

Government from the following aspects: First, maintain the stability of macroeconomic policies to avoid greater short-term price fluctuations. Second, continue to make efforts to increase rural incomes and standardize the distribution of wealth through adjusting macro allocation target, to ensure that rural residents can reasonably share the fruits of reform. Third, increase financial expenditure in rural education, health care, pension and other aspects for rural residents to reduce the uncertainty they face in the long run. Fourth, attempt to implement the rural consumer credit business in order to stimulate consumption. Rural residents to restore consumer confidence and the marginal propensity to consume stable recovery. Hoping a restore of rural residents' consumer confidence and a stable recovery of the marginal propensity to consume.

### References

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