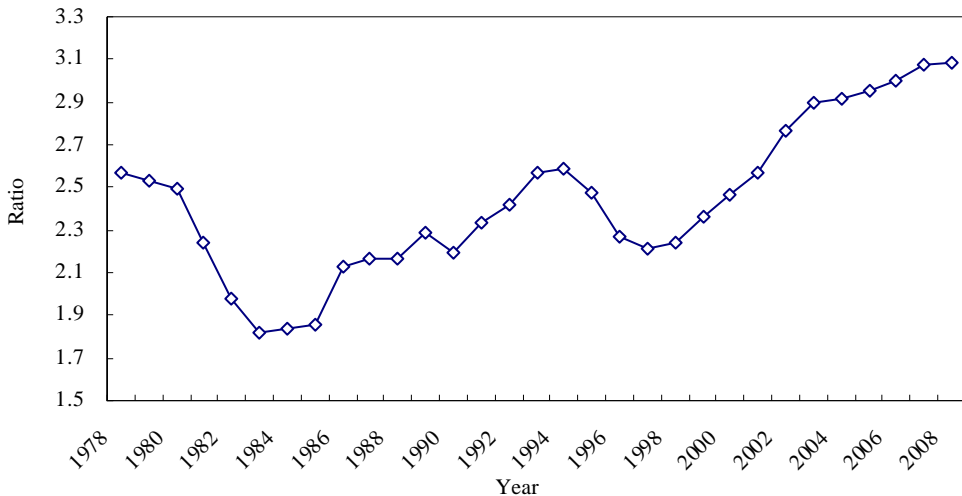


Figure 2: Urban-Rural Income Gap (1978–2008)



Note: The ratio is per capita annual disposable income of urban households to per capita annual net income of rural households. Urban and rural incomes have been deflated by the urban and rural consumer price index (CPI), respectively, except for the years of 1978 to 1984, and 1986 to 1989, because of the lack of CPI data in these years.

Sources: NBS (2008), *China Statistical Yearbook 2008*, National Bureau of Statistics, and the authors' calculations.