Research on Financial Support Capacity of China’s Social Endowment Insurance by the Central and Local Governments—Analysis on the Statistic from 2009 to 2014

Tongbo Deng
School of Public Management, Jinan University, Guangzhou, China
Email: 943601837@qq.com

Abstract
On the basis of “the guidance on Implementation of the new type of rural social endowment insurance”, the paper uses the statistic about financial and population from 2009 to 2014 to analyze the new social endowment share of financial security by central and local government, and the proportion in that year. Result shows that central and local government can afford the demand of new rural social endowment insurance. China is able to support the new rural social endowment insurance.

Keywords
New Rural Social Endowment Insurance, Financial Security, Central Government, Local Government

1. Introduction
Endowment security is the most important part of the social security. Establishing and improving rural social endowment institution play an important role in rural social security system. In September 2009, the state council enacted “the guidance on Implementation of the new type of rural social endowment insurance” (the paper will call it “the guidance” in the following). China begins with the experiments of new rural endowment insurance. Compared with old rural endowment insurance, the most brightness of the new one is that government would offer subsidy for rural endowment insurance. “The guidance” stipulates that the payment contribution of new rural endowment insurance is composed of individual, collectivity and government [1]. Government subsidy is a significant part in the new rural endowment insurance foundation. It
shows that the country should take economic responsibility on construction of rural social endowment insurance institution. Governments provide the new rural endowment insurance sufficient investment. It’s meaningful to accelerate contribution of the new rural endowment insurance and realizing full coverage of whole country for establishing the system. However, it demands that the financial government expands its input to cover this objective. Moreover, accountability and affordability of central and local government are the matter to realize full coverage of the nation in advance. Therefore, the paper measured the financial burden of the new rural endowment insurance between 2009 and 2014. According to the results, the following will evaluate availability of finance on the new rural endowment insurance by the central and local government.

2. New Financial Subsidy Policy Will Follow Multiple Funding

The new rural endowment insurance is a basic institution for elderly security. This insurance’s central role is diversification of endowment risk, and meeting demands of rural elderly. In essence, new rural endowment insurance demonstrates critical and general attributes of social security, which is not only an insurance, but also welfare for rural residents. It is significant component of public endowment security system. What’s more, it belongs to basis public service system.

Based on the theory of fiscal decentralization, the local governments should supply public services and other things related to people’s welfare for residents. In contrast with central government, the local governments are advantage at information, administration cost and preference [2]. Therefore, it is normal in public economics that local governments are responsible for local public services and products, while central government offers nation’s public services and products. The way of solving problem of providing for the elderly in particular rural areas by the new rural endowment insurance is pensioned people. So it’s responsible for local governments to provide endowment security. Nevertheless, that does not mean local government need to financing by themselves. Because of differentiate in factors of production, natural conditions and public services cost in diverse areas, there are big gaps of payment ability among local governments. The central government bridge gaps through supplying grant-in-aid scheme. In theoretical, central government’s grant-in-aid scheme needs to achieve three goals—solving spatial externality of local government; correcting allocation error of financial; realizing equalization of public services [3].

In order to establish the institution of new rural endowment insurance, “the guidance” instructs the central and local governments to invest more in subsidizing the entry payment as well as the pension repayment. The implement is following multiple funding referencing to financial subsidy theory. Fiscal subsidies policy of the new rural endowment insurance is shown in Table 1.

The central government is financing and subsidizing the pension repayment. “The guidance” rules governments pay basis pension for the insured qualified [4]. The central administration supplies full subsidization for Midwest area according to basic pension standard, and grants 50 percent for eastern area. The central government subsidizes every
Table 1. Fiscal subsidy situation of the new rural endowment insurance.

| Part             | Subsidy object                           | Central government       | Local government                          |
|------------------|------------------------------------------|--------------------------|-------------------------------------------|
| Entry payment    | General payment group                    | No subsidy               | Subsidy (≥30 yuan per person per year)    |
|                  | Endowment insurance individual account of rural insured |                           |                                           |
|                  | High-level payment group                 | No subsidy               | Subsidy (≥30 yuan per person per year + praise appropriately) |
|                  | Disadvantaged payment group              | No subsidy               | Subsidy (≥30 yuan per person per year + 100 yuan per person per year partly or fully) |
| Pension repayment| Minimum criteria of basic pension (55 yuan per person per year) | Subsidize 100%           | No subsidy                                |
|                  | Midwestern area                          | Subsidize 50%            | Subsidize 50%                             |
|                  | Eastern area                             | Subsidize 50%            | Subsidize 100%                            |
|                  | Offer more basic pension                 | No subsidy               |                                           |

Data source: "the guidance on Implementation of the new type of rural social endowment insurance" (National Development and Reform Commission [2009] 32 article).

resident 55 yuan every month. We called it minimum basic pension which is minimum subsistence allowances ruled by central government. According to the documents, we can indicate that the minimum basic pension for every resident is 660 yuan every year. Central and west areas can get full subsidization. In east area, central government provides each person 330 yuan each year.

Local governments’ subsidizing system divides in two parts—the entry payment and the pension repayment. First is the entry payment. On the basis of “The guidance”, local government subsidies individual expenses to encourage rural residents to participate in the insurance. Specifically, there are three policies. Firstly, subsidy standard for rural residents is not lower than 30 yuan per person per year. Exact amount of allowance is based on local governments’ conditions. Secondly, in order to stimulate participants’ more payment, local governments follow the principle of “pay more, subsidize more”. Encouraging insured people to choose high-level payment insurance by praising them appropriately [5]. The specific scales and measures shall be prescribed by Provincial people’s governments. Thirdly, with regard to disadvantaged groups such as severe disabled rural residents, local governments would pay all or part of minimum insurance premiums for them. All these subsidies would put into individual account of insured rural residents, which is to be the basic account for providing individual pension in the future. Second is the pension repayment. To be specific, we can split up the rules into three parts. Firstly, regarding to the minimum basic pension standard (55 yuan per person per month), governments in east area would pay 50 percent of the assistance funds, while Midwestern area governments with no need for grant arrangement because of full subsidization of central government. Secondly, on account of differences in levels of economics development and consumption, local governments can enhance basic pension criteria according to its situation. Thirdly, for the sake of encouraging insured residents to pay stably, local governments would offer more basic pension appropriately for the people who have paid for more than a given year. It is ruled by local people’s governments as well.
3. Calculation and Analysis of Financial Subsidy Amount of the New Rural Endowment Insurance

According to relevant regulations of state, there are 11 provincial administrative regions belong to China’s eastern area. They are Beijing, Tianjin, Hebei, Liaoning, Shanghai, Jiangsu, Zhejiang, Fujian, Shandong, Guangdong and Hainan province. Midland includes 8 provincial administrative regions. They are Shanxi, Jilin, Heilongjiang, Anhui, Jiangxi, Henan, Hubei and Hunan province. There are 12 provincial administrative regions in western area. They are Sichuan, Chongqing, Guizhou, Yunnan, Xizang, Shanxi, Gansu, Qinghai, Ningxia, Xinjiang, Guangxi and Inner Mongolia province. Hong Kong, Macao and Taiwan provinces are special administrative regions highly disciplined. So they don’t belong to eastern or western areas temporary. We will calculate the amount of financial subsidy of the new rural endowment insurance based on population and financial data of the state. This paper uses the data from 2009 to 2014.

3.1. Calculation and Analysis of Financial Subsidy Amount of Central Government

On the basis of National Development and Reform Commission [2009] 32 article, central government covers full subsidization of 55 yuan per person per year for central and western areas, while of 50% for eastern area. Elderly people over 60 years old without basic endowment insurance for urban employees can draw a pension. If the old over 60-year-old without basic endowment insurance for urban employees can get a pension in implementing new rural endowment insurance, their children are eligible for insurance should pay for the insurance. This paper will calculate financial subsidy amount of central government in the situation of full coverage of eligible rural residents.

The rural elderly number of the country in the late of the year from 2009 to 2014 shown in Table 2. According to regulations, the relief amount (central government provide for the eastern area) = \( \sum \) population of the rural residents over 60-year-old in eastern regions \( \times 55 \times 50\% \times 12 \). The relief amount (central government provide for the central and western area) = \( \sum \) population of the rural residents over 60-year-old in central and western regions \( \times 55 \times 12 \), we can calculate the specific amount of central government fiscal subsidy all over a year.

Our central government’s income was 359.1571 million yuan in 2009, and up to 644.9345 million yuan in 2014, shown in Table 3. In 2014, financial subsidy amount of the new rural endowment insurance accounts for 0.72 percent of income of central government. The share of our central government financial income takes 46 percent of total financial income, while central government financial expenditure accounts for total financial expenditure 15 percent. That’s why the conclusion is that central government can afford the subsidy expenditure for the new rural endowment insurance.

3.2. Calculation and Analysis of Financial Subsidy Amount of Local Government

According to the National Development and Reform Commission [2009] 32 article, the
Table 2. Calculation and analysis of financial subsidy amount of the new rural endowment insurance between 2009 and 2014.

| Region   | Elderly population (ten thousand) | Subsidy (hundred million yuan) | Elderly population (ten thousand) | Subsidy (hundred million yuan) | Elderly population (ten thousand) | Subsidy (hundred million yuan) |
|----------|----------------------------------|---------------------------------|----------------------------------|---------------------------------|----------------------------------|---------------------------------|
| Nation   | 7997                             | 263.89                          | 7986                             | 263.55                          | 8076                             | 266.50                          |
| Eastern  | 2620                             | 86.47                           | 2584                             | 85.26                           | 2621                             | 86.48                           |
| Beijing  | 25                               | 0.83                            | 26                               | 0.85                            | 27                               | 0.89                            |
| Tianjin  | 36                               | 1.19                            | 36                               | 1.19                            | 37                               | 1.22                            |
| Hebei    | 437                              | 14.43                           | 453                              | 14.95                           | 463                              | 15.27                           |
| Liaoning | 196                              | 6.46                            | 193                              | 6.39                            | 190                              | 6.28                            |
| Shanghai | 30                               | 0.98                            | 30                               | 0.98                            | 31                               | 1.04                            |
| Jiangsu  | 519                              | 17.13                           | 474                              | 15.63                           | 472                              | 15.56                           |
| Zhejiang | 226                              | 7.45                            | 219                              | 7.22                            | 224                              | 7.38                            |
| Fujian   | 155                              | 5.1                             | 154                              | 5.07                            | 157                              | 5.19                            |
| Shandong | 657                              | 21.69                           | 662                              | 21.85                           | 668                              | 22.04                           |
| Guangdong| 297                              | 9.81                            | 294                              | 9.7                             | 307                              | 10.13                           |
| Hainan   | 42                               | 1.4                             | 43                               | 1.43                            | 45                               | 1.48                            |
| Midwestern| 5430                           | 179.17                          | 5407                             | 178.46                          | 5437                             | 179.47                          |
| Shanxi   | 166                              | 5.47                            | 172                              | 5.67                            | 174                              | 5.76                            |
| Jilin    | 138                              | 4.55                            | 142                              | 4.69                            | 147                              | 4.86                            |
| Heilongjiang| 167                          | 5.51                            | 172                              | 5.67                            | 175                              | 5.78                            |
| Anhui    | 473                              | 15.62                           | 463                              | 15.27                           | 462                              | 15.25                           |
| Jiangxi  | 280                              | 9.25                            | 285                              | 9.42                            | 288                              | 9.51                            |
| Henan    | 662                              | 21.84                           | 665                              | 21.95                           | 664                              | 21.91                           |
| Hubei    | 361                              | 11.91                           | 345                              | 11.39                           | 343                              | 11.33                           |
| Hunan    | 486                              | 16.03                           | 508                              | 16.78                           | 509                              | 16.79                           |
| Neimenggu| 109                              | 3.59                            | 108                              | 3.56                            | 110                              | 3.62                            |
| Guangxi  | 352                              | 11.61                           | 338                              | 11.15                           | 341                              | 11.26                           |
| Chongqing| 237                              | 7.82                            | 236                              | 7.79                            | 234                              | 7.72                            |
| Sichuan  | 830                              | 27.4                            | 811                              | 26.76                           | 808                              | 26.66                           |
| Guizhou  | 298                              | 9.84                            | 284                              | 9.36                            | 287                              | 9.47                            |
| Yunnan   | 291                              | 9.59                            | 298                              | 9.85                            | 302                              | 9.98                            |
| Xizang   | 13                               | 0.43                            | 14                               | 0.46                            | 15                               | 0.5                             |
| Shanxi   | 244                              | 8.05                            | 241                              | 7.95                            | 242                              | 8                               |
| Gansu    | 174                              | 5.75                            | 176                              | 5.82                            | 180                              | 5.95                            |
| Qinghai  | 27                               | 0.89                            | 27                               | 0.89                            | 28                               | 0.91                            |
| Ningxia  | 28                               | 0.91                            | 28                               | 0.93                            | 29                               | 0.94                            |
| Xinjiang | 94                               | 3.11                            | 94                               | 3.1                             | 99                               | 3.27                            |
Continued

| Region       | 2012 | 2013 | 2014 |
|--------------|------|------|------|
|              | Elderly population (ten thousand) | Subsidy (hundred million yuan) | Elderly population (ten thousand) | Subsidy (hundred million yuan) | Elderly population (ten thousand) | Subsidy (hundred million yuan) |
| Nation       | 8156 | 269.15 | 8248 | 272.18 | 8420 | 464 |
| Eastern      | 2646 | 87.28 | 2677 | 88.36 | 2763 | 91 |
| Beijing      | 29 | 0.95 | 31 | 1.01 | 31 | 1.02 |
| Tianjin      | 38 | 1.24 | 39 | 1.29 | 41 | 1.34 |
| Hebei        | 471 | 15.54 | 477 | 15.75 | 484 | 15.97 |
| Liaoning     | 188 | 6.2 | 190 | 6.26 | 227 | 7.49 |
| Shanghai     | 33 | 1.08 | 33 | 1.1 | 30 | 1.0 |
| Jiangsu      | 471 | 15.54 | 469 | 15.49 | 450 | 14.86 |
| Zhejiang     | 227 | 7.49 | 231 | 7.62 | 238 | 7.84 |
| Fujian       | 159 | 5.24 | 161 | 5.32 | 147 | 4.87 |
| Shandong     | 669 | 22.09 | 672 | 22.18 | 695 | 22.92 |
| Guangdong    | 315 | 10.39 | 327 | 10.78 | 377 | 12.45 |
| Hainan       | 46 | 1.52 | 47 | 1.56 | 44 | 1.44 |
| Midwestern   | 5465 | 180.4 | 5530 | 182.52 | 5657 | 373 |
| Shanxi       | 177 | 5.84 | 180 | 5.94 | 187 | 12.37 |
| Jilin        | 151 | 5 | 155 | 5.11 | 163 | 10.76 |
| Heilongjiang | 180 | 5.95 | 185 | 6.1 | 191 | 12.63 |
| Anhui        | 462 | 15.26 | 466 | 15.39 | 449 | 29.66 |
| Jiangxi      | 289 | 9.54 | 292 | 9.64 | 298 | 19.70 |
| Henan        | 666 | 21.98 | 672 | 22.17 | 644 | 42.52 |
| Hubei        | 343 | 11.33 | 348 | 11.47 | 358 | 23.65 |
| Hunan        | 512 | 16.89 | 517 | 17.06 | 525 | 34.62 |
| Neimenggu    | 112 | 3.68 | 113 | 3.74 | 123 | 8.10 |
| Guangxi      | 344 | 11.36 | 350 | 11.53 | 357 | 23.57 |
| Chongqing    | 231 | 7.62 | 230 | 7.6 | 242 | 15.96 |
| Sichuan      | 805 | 26.56 | 806 | 26.61 | 876 | 57.81 |
| Guizhou      | 291 | 9.59 | 294 | 9.71 | 283 | 18.65 |
| Yunnan       | 303 | 10.01 | 310 | 10.25 | 331 | 21.87 |
| Xizang       | 16 | 0.54 | 17 | 0.57 | 19 | 1.22 |
| Shanxi       | 238 | 7.85 | 240 | 7.92 | 255 | 16.84 |
| Gansu        | 183 | 6.03 | 185 | 6.11 | 181 | 11.93 |
| Qinghai      | 28 | 0.94 | 29 | 0.96 | 28 | 1.84 |
| Ningxia      | 30 | 0.98 | 31 | 1.01 | 28 | 1.87 |
| Xinjiang     | 104 | 3.45 | 110 | 3.63 | 118 | 7.81 |

Data source: analyzing data of China Statistical Yearbook 2015.
Table 3. Structure of revenues and expenditures from 2009 to 2014.

| Year | Financial item | Central government | Local government | State (hundred million yuan) |
|------|----------------|--------------------|------------------|-----------------------------|
|      |                | Amount (hundred million yuan) | Proportion (%) | Amount (hundred million yuan) | Proportion (%) |
| 2009 | Financial revenue | 35,915.71 | 52 | 32,602.59 | 48 | 68,518.30 |
|      | Financial expenditures | 15,255.79 | 20 | 61,044.14 | 80 | 76,299.93 |
| 2010 | Financial revenue | 42,488.47 | 51 | 89,874.16 | 49 | 83,101.51 |
|      | Financial expenditures | 15,989.73 | 18 | 73,884.43 | 82 | 89,874.16 |
| 2011 | Financial revenue | 51,327.32 | 49 | 52,547.11 | 51 | 103,874.43 |
|      | Financial expenditures | 16,514.11 | 15 | 92,733.68 | 85 | 109,247.79 |
| 2012 | Financial revenue | 56,175.23 | 48 | 60,178.29 | 52 | 117,253.52 |
|      | Financial expenditures | 18,764.63 | 15 | 107,188.34 | 85 | 125,952.97 |
| 2013 | Financial revenue | 60,198.48 | 47 | 69,011.16 | 53 | 129,209.64 |
|      | Financial expenditures | 20,471.76 | 15 | 119,740.34 | 85 | 140,212.10 |
| 2014 | Financial revenue | 64,493.45 | 46 | 75,876.58 | 54 | 140,370.03 |
|      | Financial expenditures | 22,570.07 | 15 | 129,215.49 | 85 | 151,785.56 |

Data source: analyzing data of China Statistical Yearbook 2015.

Financial subsidy amount of local government can’t be lower than 30 yuan per person per year. What’s more, in eastern areas, local governments supply 50 percent of subsidy (55 yuan per person per month) based on the regulation in the link of distribution, while none in the Midwestern areas. Eligible age is between 16 and 59. Insured rural residents start to get the pension at the age of 60 years old. This paper will calculate minimum financial subsidy amount of local governments in the situation of full coverage of eligible rural residents. (Without regarding to the following situation: local governments may choose “proper encouragement” in high payment level which cannot be quantified; Local governments may provide beneficiary contribution or increase financial subsidy for disadvantaged group such as rural severe disabled people).

On the basis of the following situation: rural population in different areas between 16 and 59 years old in the year of 2009-2014; rural population over 60 years old; the document rules the situation of full coverage of eligible rural residents; Minimum subsidy amount of local government in eastern areas = $\Sigma$ rural population between 16 and 59 years old in eastern areas $\times$ 30 + $\Sigma$ population of the rural residents over 60-year-old in eastern regions $\times$ 55 $\times$ 50% $\times$ 12; Minimum subsidy amount of local government in
midwestern areas = \sum \text{rural population between 16 and 59 years old in midwestern areas} \times 30$, we can calculate minimum subsidy amount of local governments in eastern regions and minwestern regions. As shown in Table 4 and Table 5.

Totally, financial burden of local governments maintain lower than 10 percent. The stress is mainly from Incompatibility in economic development and financial capacity in the rural areas, so some poor areas are under tremendous pressure.

Specifically speaking, we will focus on Cross-sectional data in 2014. Shanghai is among the highest in eastern area, the minimum subsidy amount of local government account

| Year | 2009 | 2010 | 2011 |
|------|------|------|------|
| Region | Subsidy of local finance (hundred million yuan) | Share in financial income (%) | Subsidy of local finance (hundred million yuan) | Share in financial income (%) | Subsidy of local finance (hundred million yuan) | Share in financial income (%) |
| Beijing | 9.969 | 0.491 | 9.822 | 0.417 | 9.963 | 0.331 |
| Tianjin | 9.612 | 1.169 | 9.468 | 0.886 | 9.393 | 0.646 |
| Hebei | 141.141 | 13.226 | 142.389 | 10.691 | 140.415 | 8.080 |
| Liaoning | 61.368 | 3.857 | 59.109 | 2.948 | 56.166 | 2.125 |
| Shanghai | 8.982 | 0.354 | 8.766 | 0.305 | 8.943 | 0.261 |
| Jiangsu | 123.291 | 3.819 | 110.250 | 2.702 | 106.908 | 2.076 |
| Zhejiang | 79.278 | 3.700 | 74.583 | 2.859 | 73.488 | 2.332 |
| Fujian | 58.791 | 6.305 | 56.562 | 4.912 | 55.653 | 3.706 |
| Shandong | 174.213 | 7.924 | 171.642 | 6.243 | 168.168 | 4.866 |
| Guangdong | 132.597 | 3.633 | 126.234 | 2.795 | 125.763 | 2.280 |
| Hainan | 19.415 | 10.893 | 18.686 | 6.896 | 16.577 | 4.874 |

| Year | 2012 | 2013 | 2014 |
|------|------|------|------|
| Region | Subsidy of local finance (hundred million yuan) | Share in financial income (%) | Subsidy of local finance (hundred million yuan) | Share in financial income (%) | Subsidy of local finance (hundred million yuan) | Share in financial income (%) |
| Beijing | 10.209 | 0.308 | 10.347 | 0.283 | 12.75 | 0.317 |
| Tianjin | 9.282 | 0.527 | 9.423 | 0.453 | 13.72 | 0.574 |
| Hebei | 138.159 | 6.629 | 135.513 | 5.903 | 161.75 | 6.611 |
| Liaoning | 53.724 | 2.387 | 52.458 | 1.569 | 75.71 | 2.371 |
| Shanghai | 9.081 | 0.243 | 8.937 | 0.217 | 11.72 | 0.256 |
| Jiangsu | 104.067 | 1.776 | 101.157 | 1.540 | 141.84 | 1.961 |
| Zhejiang | 71.895 | 2.089 | 70.551 | 1.858 | 88.24 | 2.141 |
| Fujian | 54.027 | 3.042 | 52.833 | 2.493 | 56.97 | 2.412 |
| Shandong | 163.845 | 4.036 | 160.056 | 3.510 | 216.90 | 4.315 |
| Guangdong | 123.399 | 1.981 | 122.571 | 1.731 | 141.26 | 1.752 |
| Hainan | 16.501 | 4.030 | 17.048 | 3.544 | 16.29 | 2.934 |
Table 5. Minimum subsidy amount of local governments in midwestern regions in 2009-2014.

| Year | 2009 | 2010 | 2011 |
|------|------|------|------|
|      | Subsidy of local finance (hundred million yuan) | Share in financial income (%) | Subsidy of local finance (hundred million yuan) | Share in financial income (%) | Subsidy of local finance (hundred million yuan) | Share in financial income (%) |
| Shanxi | 48.133 | 5.973 | 51.281 | 5.289 | 50.036 | 4.124 |
| Jilin | 29.801 | 3.502 | 30.377 | 2.839 | 29.806 | 2.197 |
| Heilongjiang | 33.259 | 6.828 | 35.292 | 5.858 | 35.452 | 4.170 |
| Anhui | 44.285 | 6.902 | 46.946 | 6.213 | 46.162 | 4.628 |
| Jiangxi | 92.314 | 10.686 | 93.753 | 8.157 | 91.161 | 6.229 |
| Henan | 65.478 | 11.264 | 68.927 | 8.858 | 67.444 | 6.402 |
| Hubei | 153.684 | 13.648 | 159.725 | 11.563 | 154.399 | 8.968 |
| Hunan | 80.326 | 9.858 | 79.559 | 7.686 | 76.770 | 5.028 |
| Neimenggu | 94.629 | 11.164 | 102.866 | 9.510 | 100.211 | 6.606 |
| Guangxi | 76.764 | 12.362 | 76.383 | 9.894 | 74.806 | 7.893 |
| Chongqing | 35.990 | 5.493 | 37.418 | 3.930 | 36.337 | 2.441 |
| Sichuan | 130.462 | 11.107 | 132.883 | 8.509 | 129.602 | 6.338 |
| Guizhou | 64.490 | 15.485 | 63.597 | 11.916 | 62.435 | 8.076 |
| Yunnan | 78.454 | 11.236 | 82.983 | 9.525 | 81.005 | 7.290 |
| Xizang | 5.981 | 19.877 | 6.407 | 17.481 | 6.476 | 11.826 |
| Shanxi | 54.764 | 7.448 | 55.948 | 5.839 | 54.603 | 3.640 |
| Gansu | 43.271 | 15.098 | 45.151 | 12.770 | 44.612 | 9.911 |
| Qinghai | 8.425 | 9.603 | 8.588 | 7.792 | 8.469 | 5.578 |
| Ningxia | 8.763 | 7.854 | 9.113 | 5.935 | 8.884 | 4.038 |
| Xinjiang | 33.753 | 8.682 | 34.381 | 6.868 | 34.511 | 4.790 |

| Year | 2012 | 2013 | 2014 |
|------|------|------|------|
|      | Subsidy of local finance (hundred million yuan) | Share in financial income (%) | Subsidy of local finance (hundred million yuan) | Share in financial income (%) | Subsidy of local finance (hundred million yuan) | Share in financial income (%) |
| Shanxi | 48.624 | 3.207 | 47.553 | 2.795 | 31.98 | 1.757 |
| Jilin | 29.064 | 1.872 | 28.471 | 1.654 | 19.36 | 1.050 |
| Heilongjiang | 35.169 | 3.378 | 34.795 | 3.007 | 23.90 | 1.986 |
| Anhui | 45.640 | 3.924 | 45.123 | 3.532 | 31.49 | 2.420 |
| Jiangxi | 88.517 | 4.938 | 86.822 | 4.184 | 54.91 | 2.475 |
| Henan | 65.310 | 4.760 | 63.846 | 3.938 | 39.19 | 2.083 |
| Hubei | 149.600 | 7.332 | 146.083 | 6.048 | 90.02 | 3.286 |
| Hunan | 74.234 | 4.072 | 72.848 | 3.325 | 47.09 | 1.834 |
| Neimenggu | 97.855 | 5.491 | 96.155 | 4.735 | 59.92 | 2.648 |
| Guangxi | 73.046 | 6.264 | 71.909 | 5.458 | 43.57 | 3.064 |
for 0.256 percent of local financial income, the highest province is Hebei account for 6.611 percent. The average is of about 2.331 percent. Shandong is live with higher financial burden about 4.315 percent. In the period from 2009-2014, the share of local financial income accounted for by subsidy amount, has been steadily shrinking since 2009. For specified amount, it’s pumped up a little bit. It is speculated that there is a significant improvement in local governments’ financial income.

In midwestern areas, Cross-sectional data in 2014 shows us, Neimenggu got the minimum subsidy amount of local government accounting for 1.050 percent of local financial income, the highest province is Gansu about 6.611 percent. The average is about 2.319 percent. Xizang (3.286%), Henan (3.286%) and Guangxi (3.064%) province are high-pressured as well. It follows that, though central government has made a priority for Midwestern areas, there are higher pressures in Midwestern areas than that in eastern areas. Moreover, the eastern provinces with large agricultural population such as Hebei, Shandong, Fujian also bear heavy burdens. However, those provinces always have decent financial revenue. It’s not that so hard for local governments to fund.

4. Conclusion

All in all, whether eastern areas or midwestern areas, the Steady economic growth leads governments withstand the financial subsidy pressure of the new rural endowment insurance. Moreover, Long-term supply system of the new rural endowment insurance needs combined action of central government and local governments. On the one side, based on the rural condition, governments should establish more reasonable sharing of the financial mechanism and upgrade management of the new rural endowment insurance. On the other side, central government plays a leading part, not just easing the financial pressure at the local level with more responsibility, but balancing the differentiation of regional financial subsidy pressure with transferring paying system appropriately.

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