

Empirical research on relation of urbanization and residents' income gap to consumer demand

—Based on a Panel Data model analysis covering the data in western China during 2000-2014

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Abstract:

The relation of urbanization and residents' income gap to consumer demand in western China since 2000 was selected as the object of study. An empirical study was conducted by using the Panel Data model and methodology to analyze the data collected from 11 provinces and regions in Western China during 2000-2014. The findings show that urbanization in western China has a positive effect on promoting consumer demand, and the residents' income gap is the root cause that directly influences consumer demand. On this basis, it is suggested to attract more people to settle in cities and towns and improve urbanization rate by optimizing urban layout and increasing input into urban infrastructure. Furthermore, it is necessary to narrow the residents' income gap in western China and improve the consumer demand, so as to support the improvement of urbanization quality in western China.

Keywords: western China; urbanization; consumer demand