

## **A Study on the Relationship between Productivity and Remuneration Ratio in Guangdong Province**

Topic: Productivity and efficiency analysis 1

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Since the accession to the WTO, China's economy has been developing rapidly, bringing increasing economies of scale. But at the same time, a significant decline in remuneration proportional emerges. If this phenomenon does not change, it is bound to affect the enthusiasm of the workers, and ultimately gets detrimental to the healthy development of the whole economy. Guangdong Province, as China's first biggest economic province, there have been a continuous lowering remuneration ratio. Through analysis of Guangdong Province's input - output tables in the years of 1987, 1992, 1997, 2002, 2007 and other statistical data between 1978-2010 in Guangdong Province, the article establishes input - output models and econometric models. Study results show that decline in remuneration proportional, to a certain extent, damages the improvement of production efficiency. In addition, the comparative analysis of economic data in all important cities in Guangdong province discovers that , improving remuneration proportional of Guangzhou, Shenzhen, productivity in both cities increases more, but has the limited space ; if remuneration proportional increases in Dongguan, Foshan, Huizhou, effect of improving the productivity is smaller, but has larger further increased space.