

Gender Inequalities in Public Transfers in China



SHEN Ke

Fudan University, China

shenke@fudan.edu.cn

WANG Feng

University of California, Irvine

Fudan University, China

fwang@uci.edu

CAI Yong

University of North Carolina, Chapel Hill

caiyong@unc.edu

Regional Meeting on National Transfer Accounts in Asia
December 3-4, 2015

OUTLINE

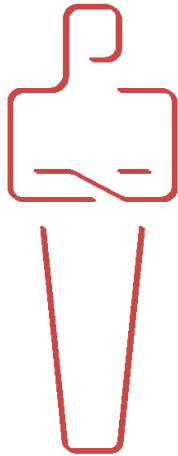
Motivation and research questions

Gender inequality and public transfer programs in China

Data and Method

Empirical results

Conclusion



Gender equality: Global issue

- **Government Priority**
 - One of the UNESCO's two global priorities
 - The third Millennium Development Goal (MDG)
 - One of the seven basic state policies in China
- **Gendered Social Policies**
 - Female political quotas
 - Maternity leave
 - Parental and paternity leave

Public transfers are seemingly gender-blind

- Public transfers: improving overall equity through resource redistribution
 - often designed on the basis of income (income assistance programs, educational vouchers)
 - or on the basis of age (medical care for the aged, public pensions)
 - “Gender is virtually invisible” (Ginn et al. 2003)
- However, pervasive gender differentials may result in gender-biased incidence of public education, health care and pension transfers.

Research question

- Are public education, health and pension spending equally allocated to men and women in China? If not, what are the sources of inequality?
- How do gender inequalities in receiving public transfers differ across age groups?

OUTLINE

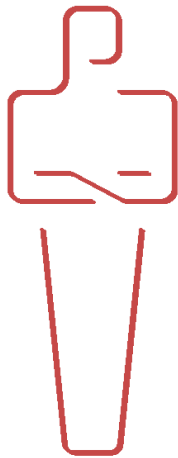
Motivation and research questions

Gender inequality and public transfer programs in China

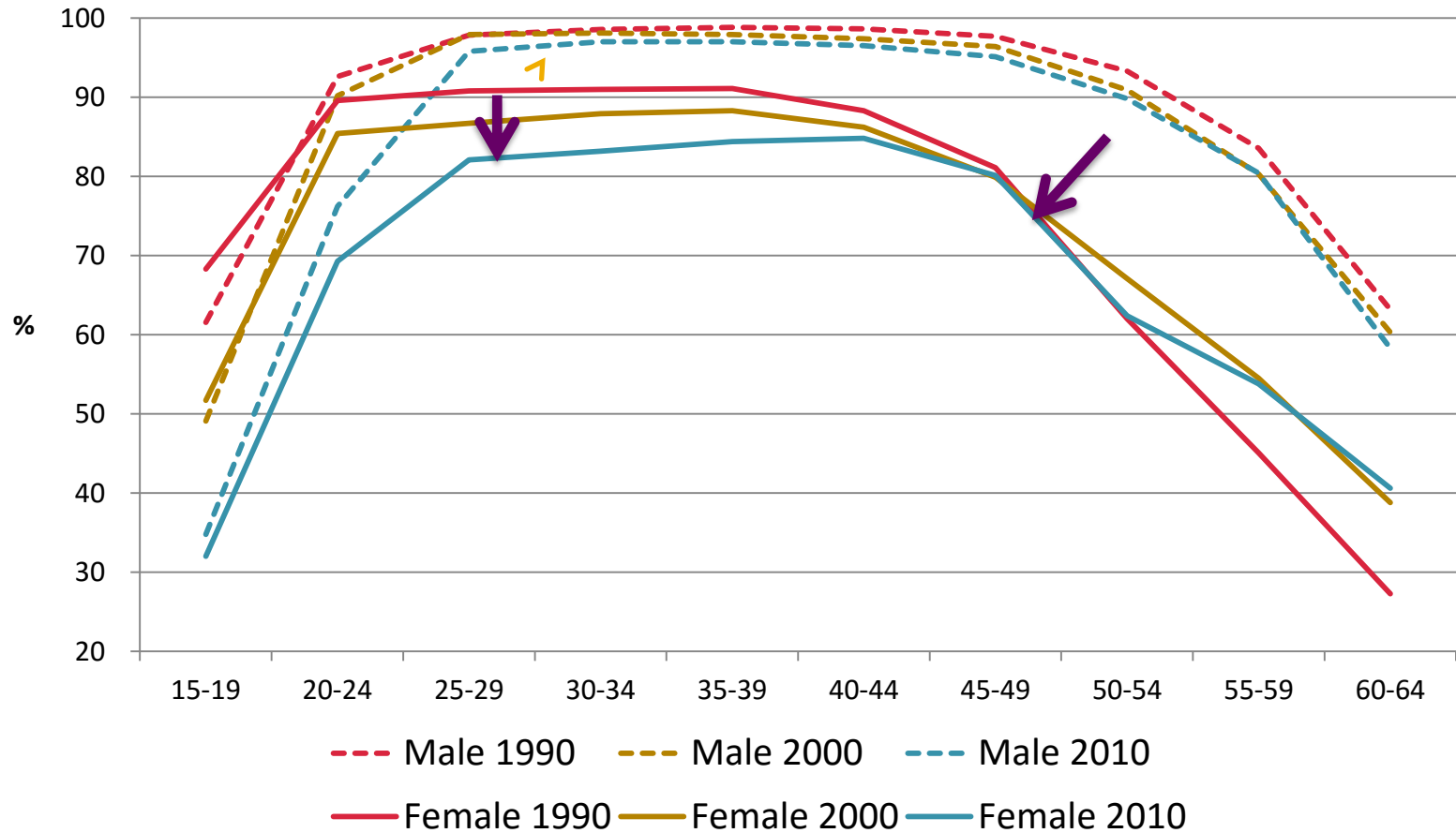
Data and Method

Empirical results

Conclusion

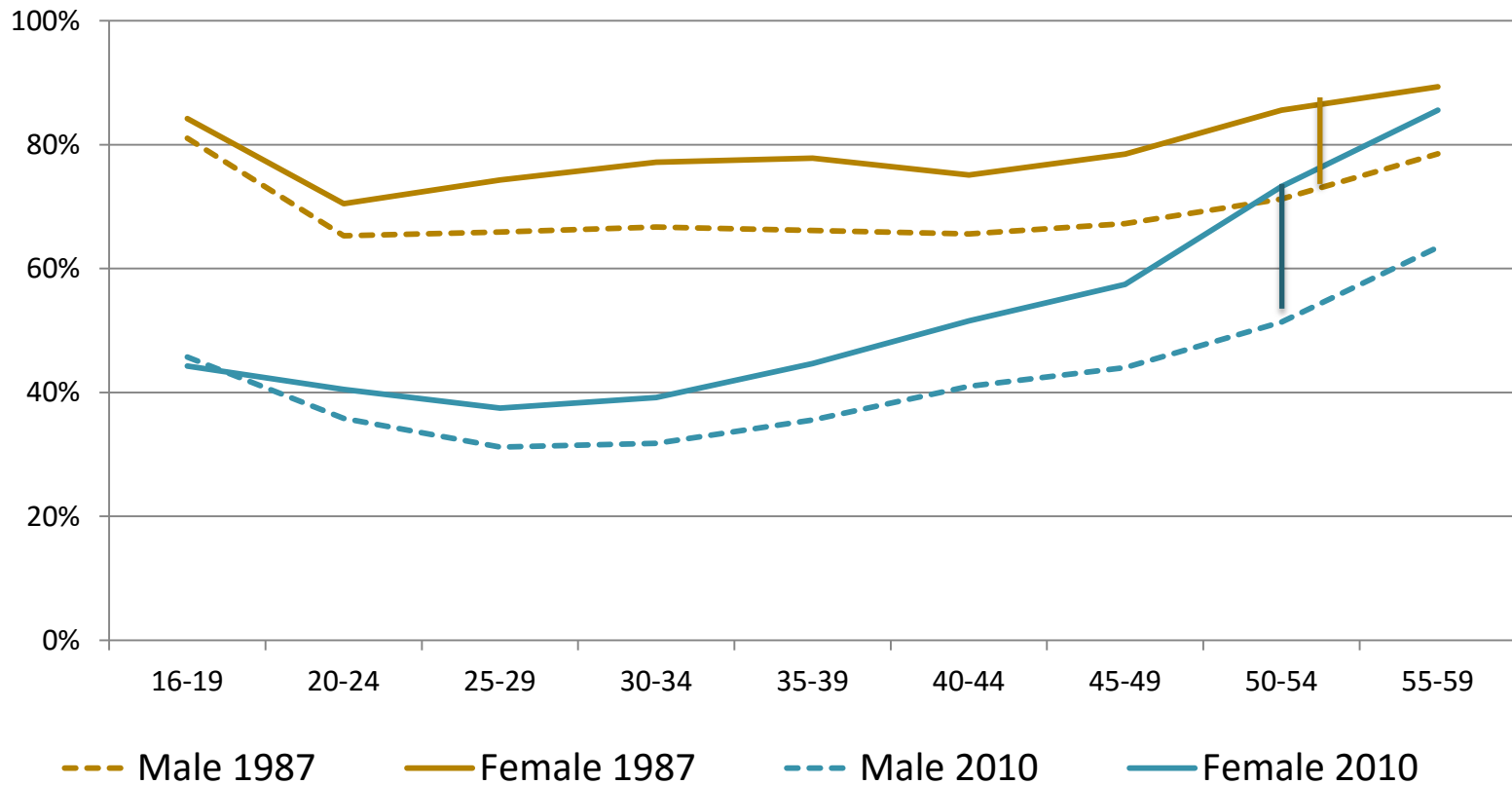


Faster decline in female labor force participation 1990-2010



Source: 2000 and 2010 census

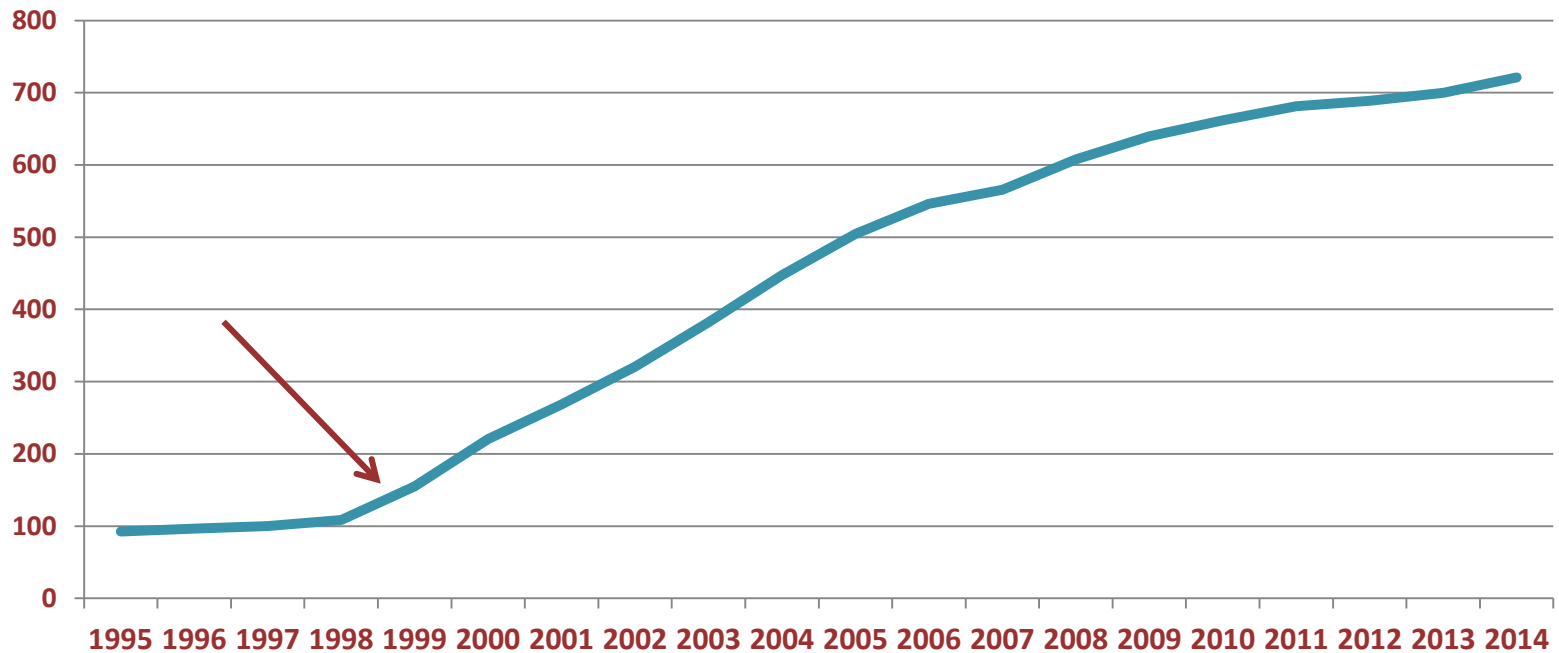
Share of Labor Force in Farming by gender, 1987 vs. 2010



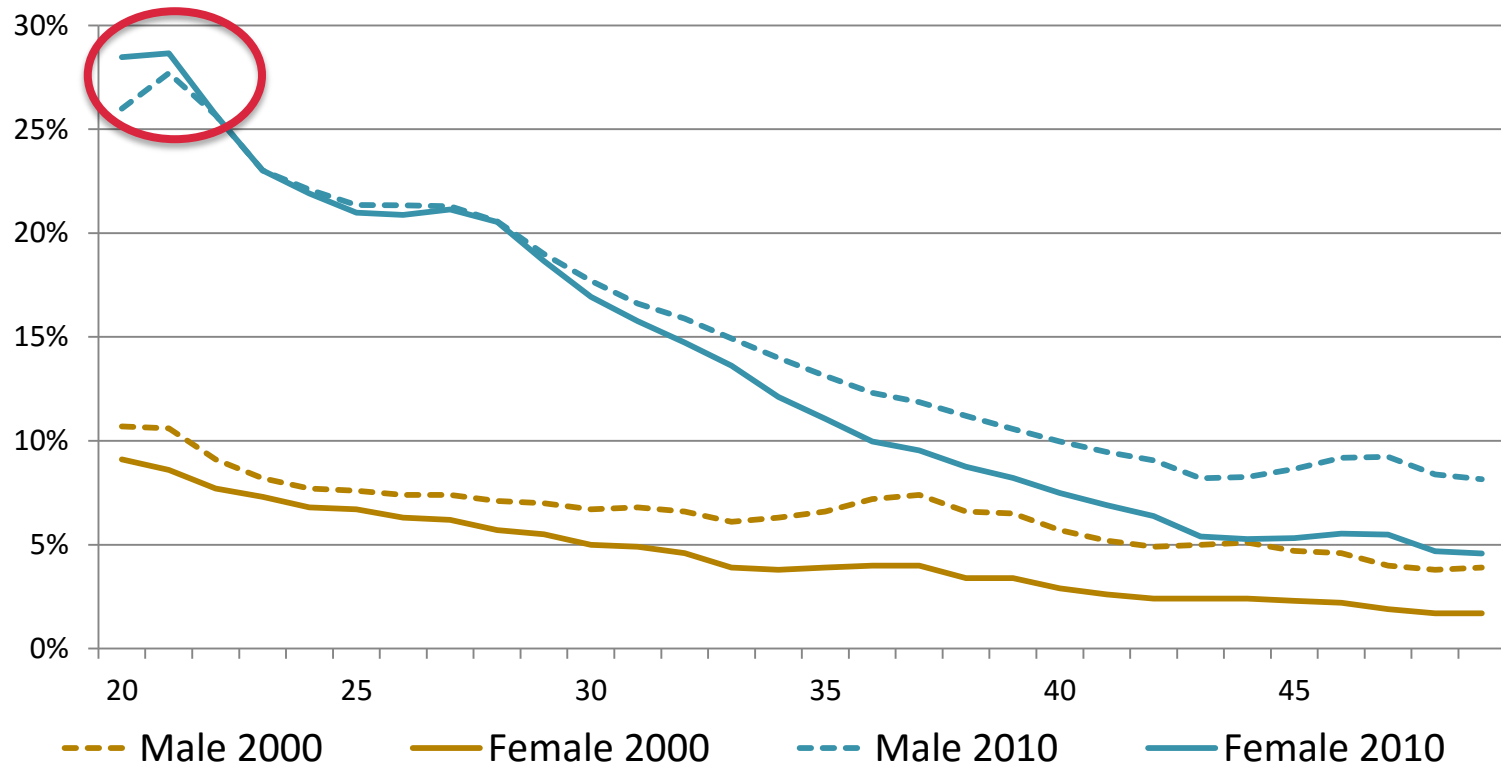
Public Transfers for Education

- Drastic expansion in tertiary education since 1999
 - College gross enrollment rate jumped from 10.5% to 34.5%.

College annual enrollment



Reduced and Even Reversed Gender Gap in College Education



Public Transfers for Health Care and Pension

- Expanding Coverage for the rural population
 - New Rural Medical Insurance since 2003
 - Coverage rate was raised from 23.5% in 2005 to 96% in 2010.
 - New Rural Pension System since 2009
 - Achieved almost full coverage by 2012.
- Fragmented design
 - Four subsystems: civil servants, urban enterprise workers, urban unemployed, rural residents.

OUTLINE

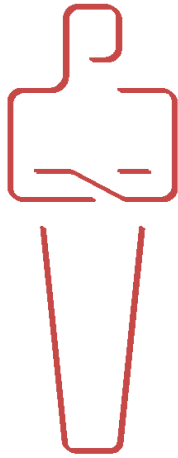
Motivation and research questions

Gender inequality and public transfer programs in China

Data and Method

Empirical results

Conclusion



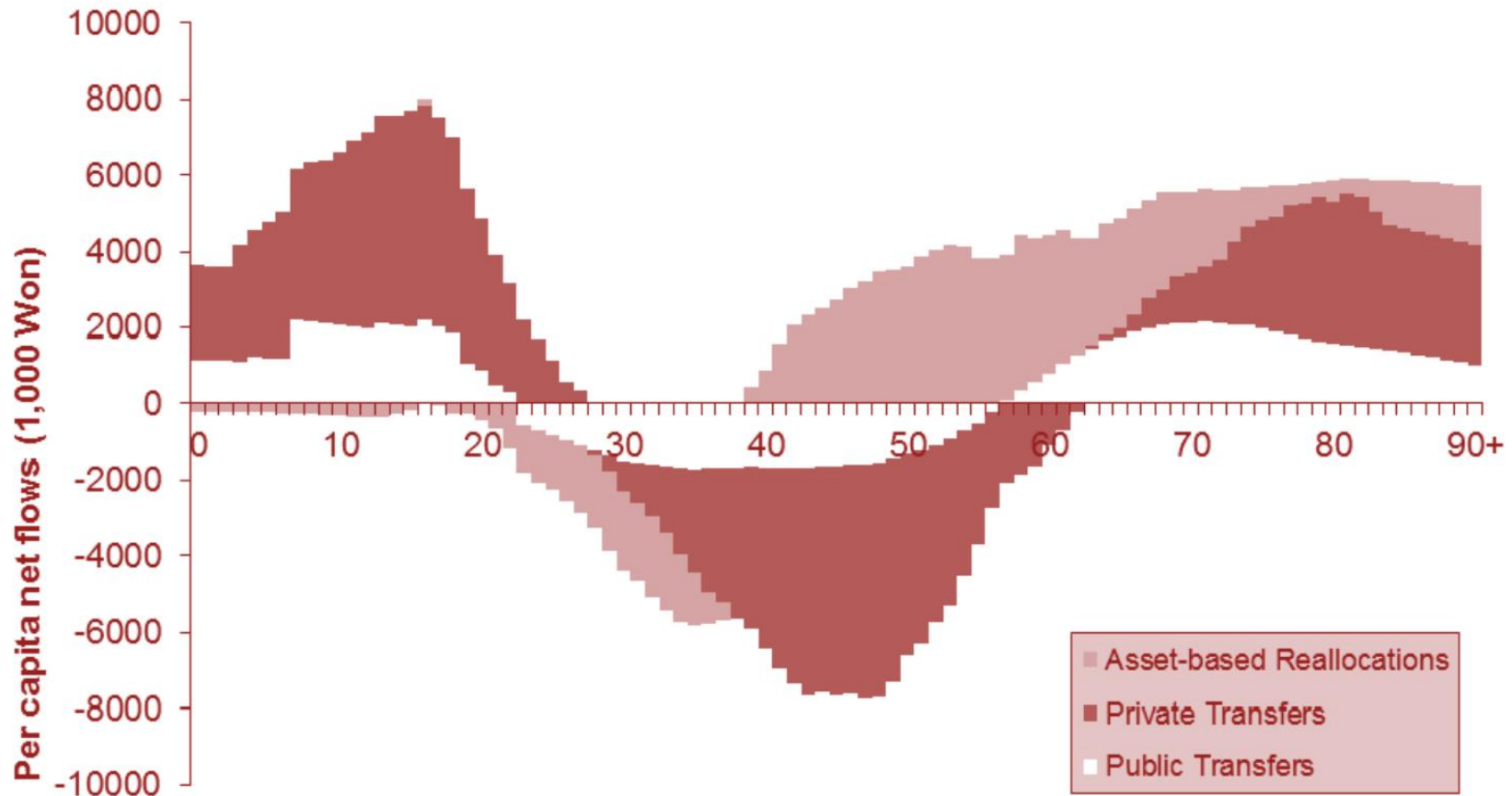
Methodology

- National Transfer Account (Lee and Mason)

$$C(x) - Y^l(x) = \tau^+(x) - \tau^-(x) + Y^A(x) - S(x)$$

- Three steps:
 - Estimate age-specific public education, health care, and pension transfers
 - Split the household survey sample by gender and estimate age profiles of public transfers for men and women separately
 - Adjust the above age profiles to macro controls -- total public transfers as reported in government expenditures

An illustrative example of NTA: how to finance life-cycle deficit?



Source: An, Chun and et al. (2011)

Data Source

- Macro-level data
 - System of National Accounts (SNA) in 2009
 - Government administrative records in 2009
- Micro-level data:
 - 2010 wave of China Family Panel Study (CFPS):
 - Covers 25 out of 31 provinces in China
 - Targeted 14,798 households
 - Included adults and children under age 16
 - Detailed information on household structure, income and expenditures
 - 2010 census
 - Age-specific population size
 - Data on Education, labor force participation, employment, health

OUTLINE

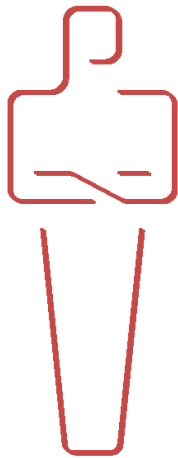
Motivation and research questions

Gender inequality and public transfer programs in China

Data and Method

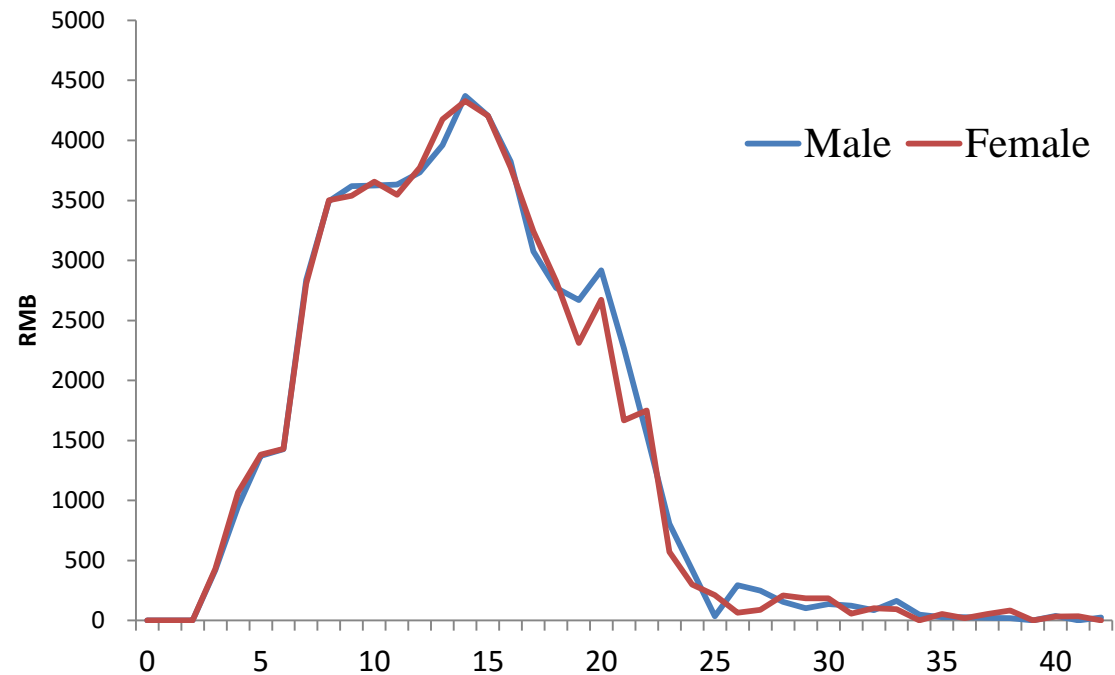
Empirical results

Conclusion



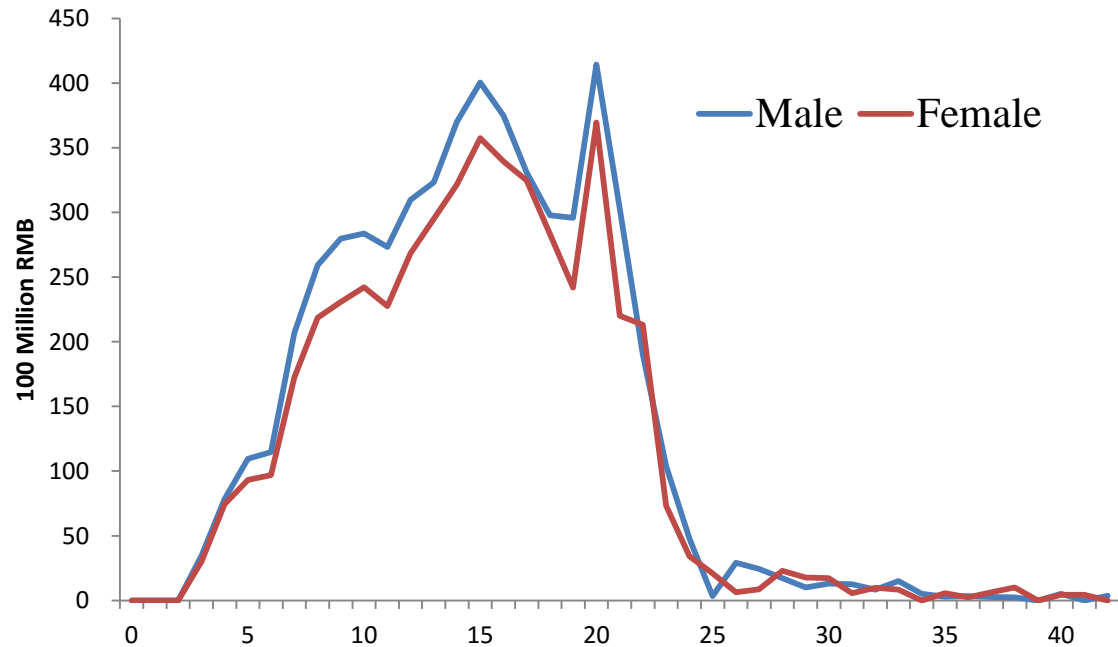
Per capita public education transfers by gender and age, 2010

- Equal distribution of education transfer at compulsory education level
- Gender-neutral transfers at tertiary education stage
 - Higher female enrollment in vocational college, but lower in academic college.
 - Lower public cost per vocational college student



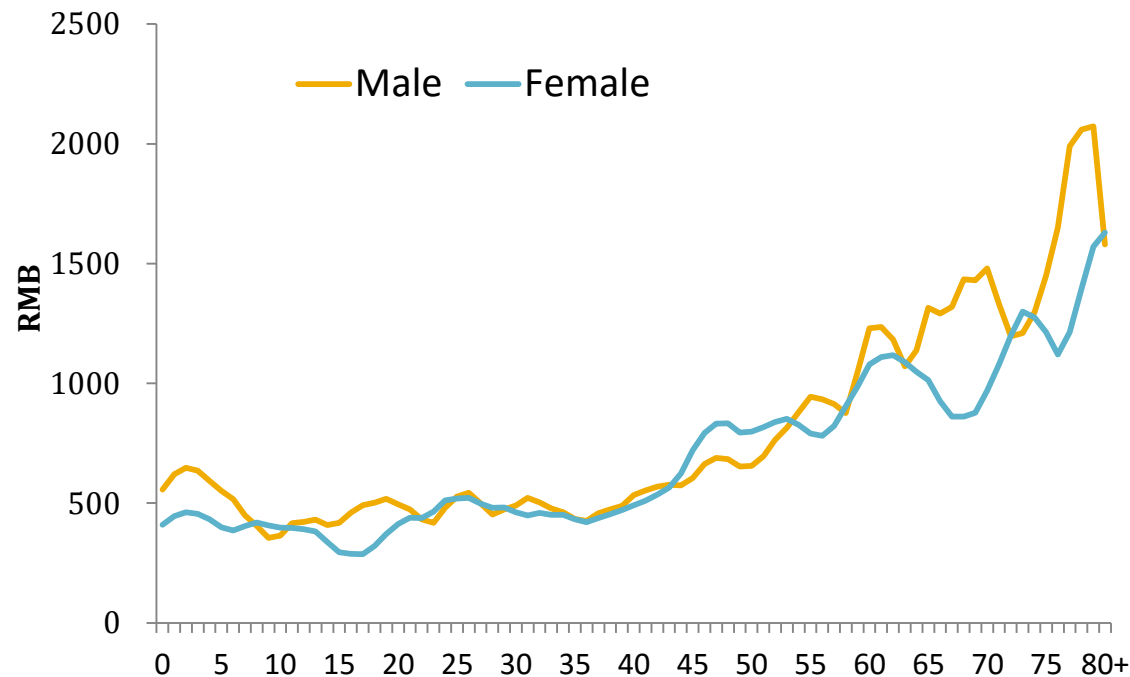
Aggregate public education transfers by gender and age, 2010

- Escalating sex ratio at birth since the early 1980s.
- Continuous decrease in fertility since 1990, thus the 20-year-old cohort is larger than younger cohorts.

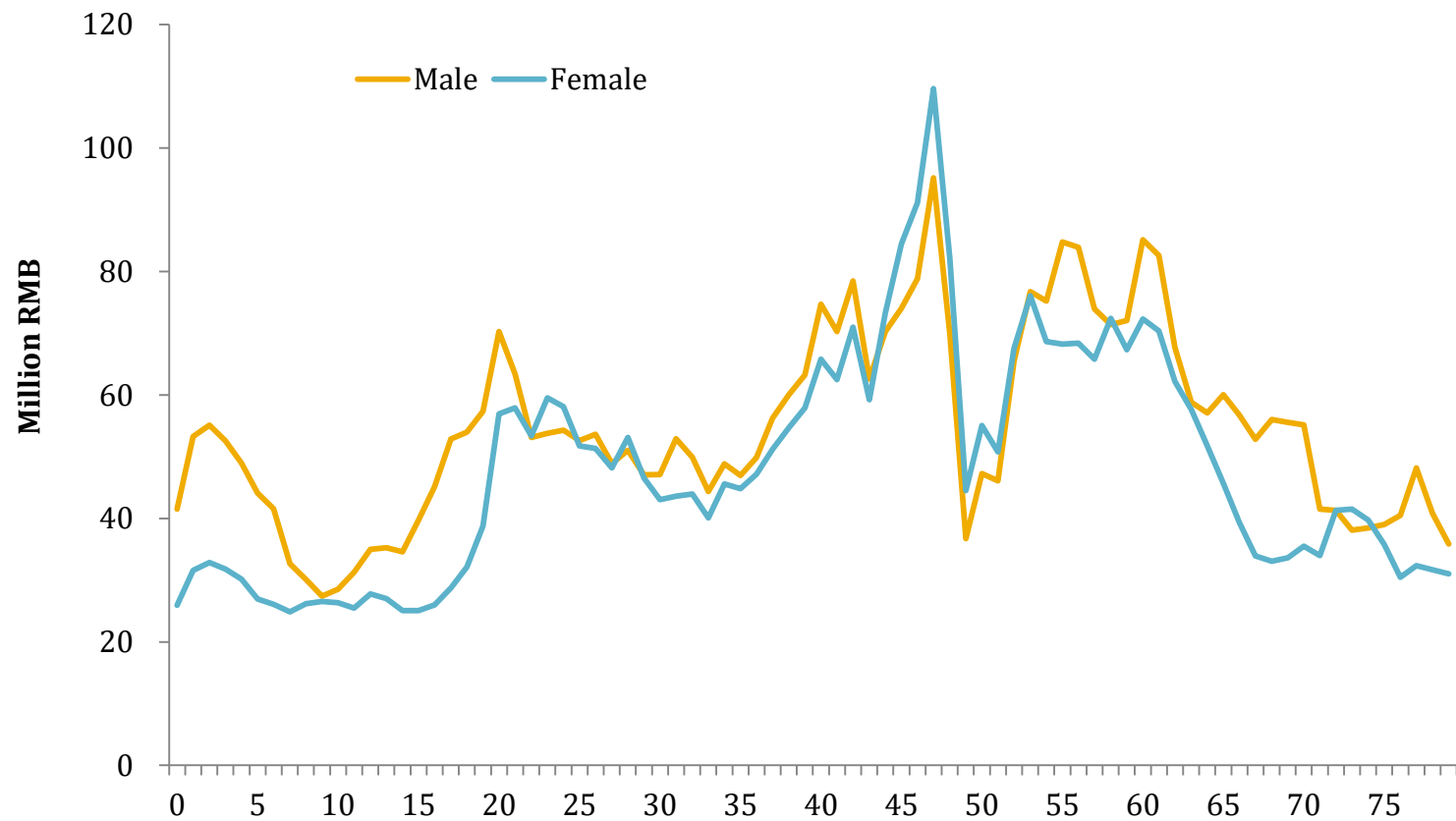


Per capita public health transfers by gender, 2010

- J-shaped curve for both men and women
- At young ages, boys receive more health transfer than girls
 - Son preference
- Over age 60, men consume more public health care resources
 - Gender disparity in health insurance package
 - More elastic demand for health among elders

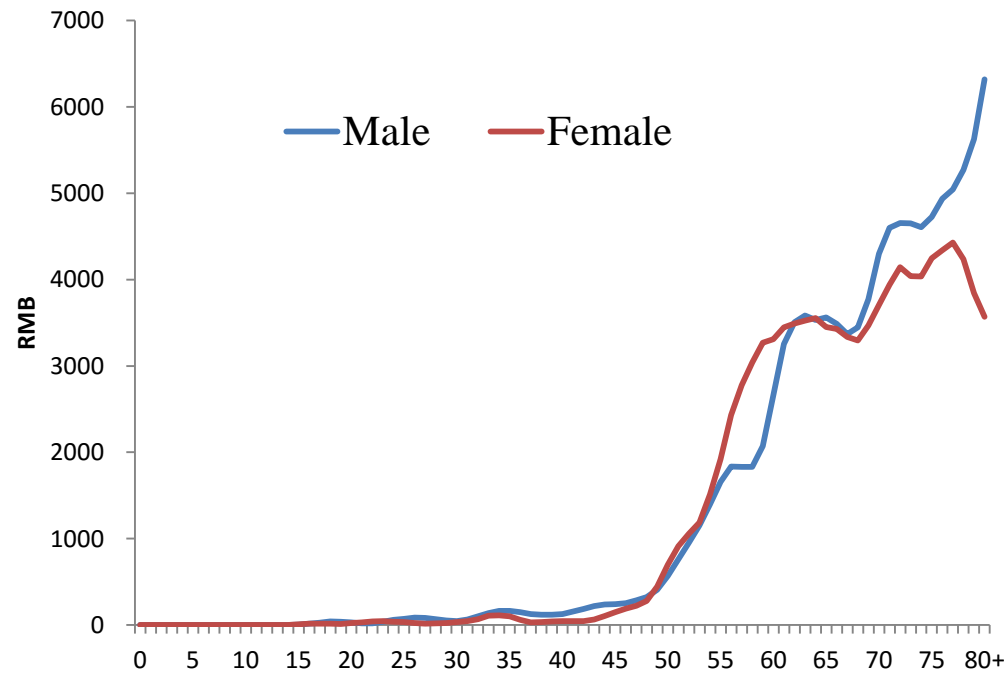


Aggregate public health transfer by gender, 2010

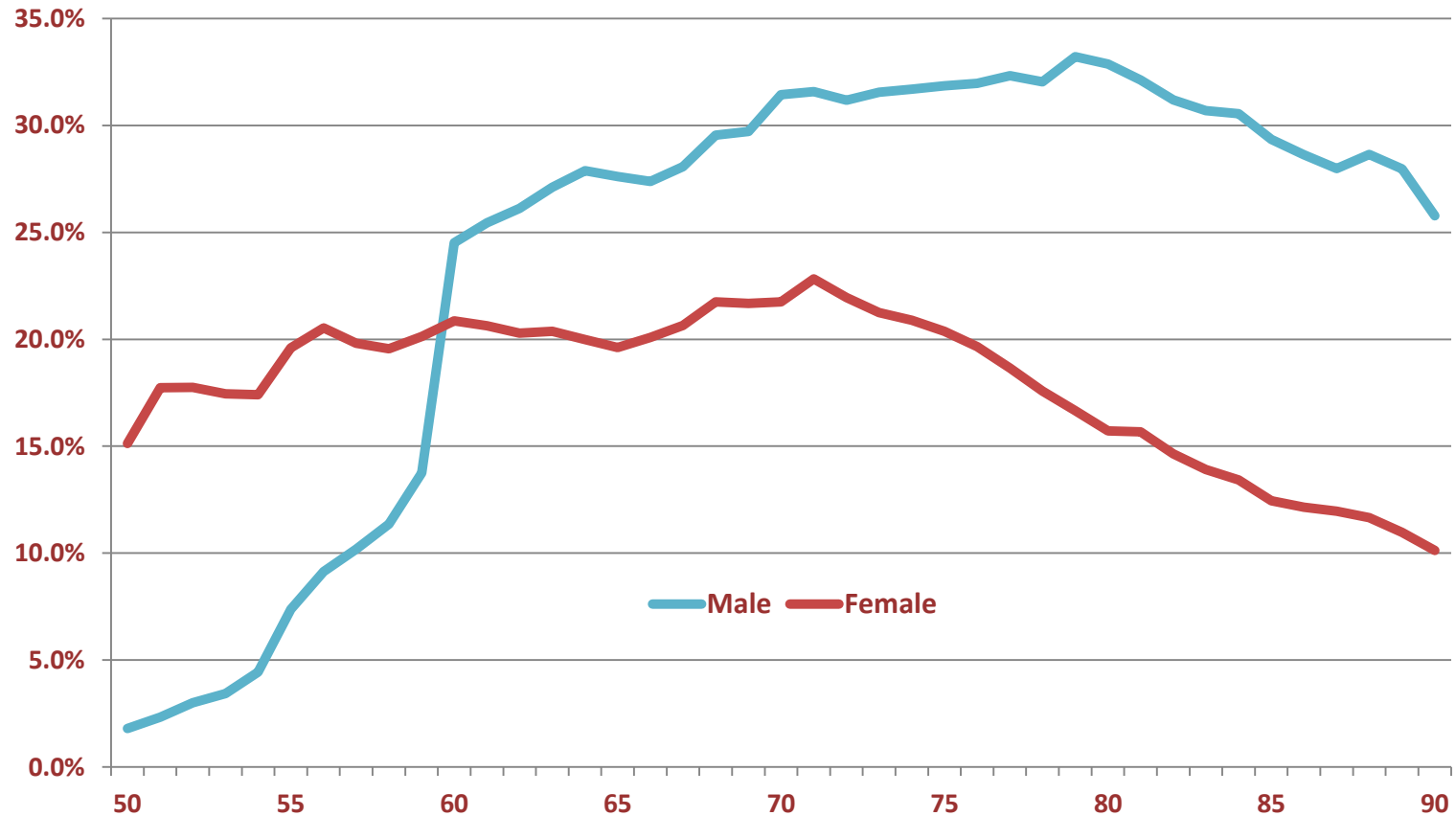


Per capita public pension transfer by gender and age, 2010

- Pension benefits for women in the late 50s are higher than those for men
 - Earlier withdrawal from the labor market for females
- Pension transfer strongly biases towards men at senior ages
 - Gender gap in employment and occupation prior to retirement age
 - Differentiated pension scheme

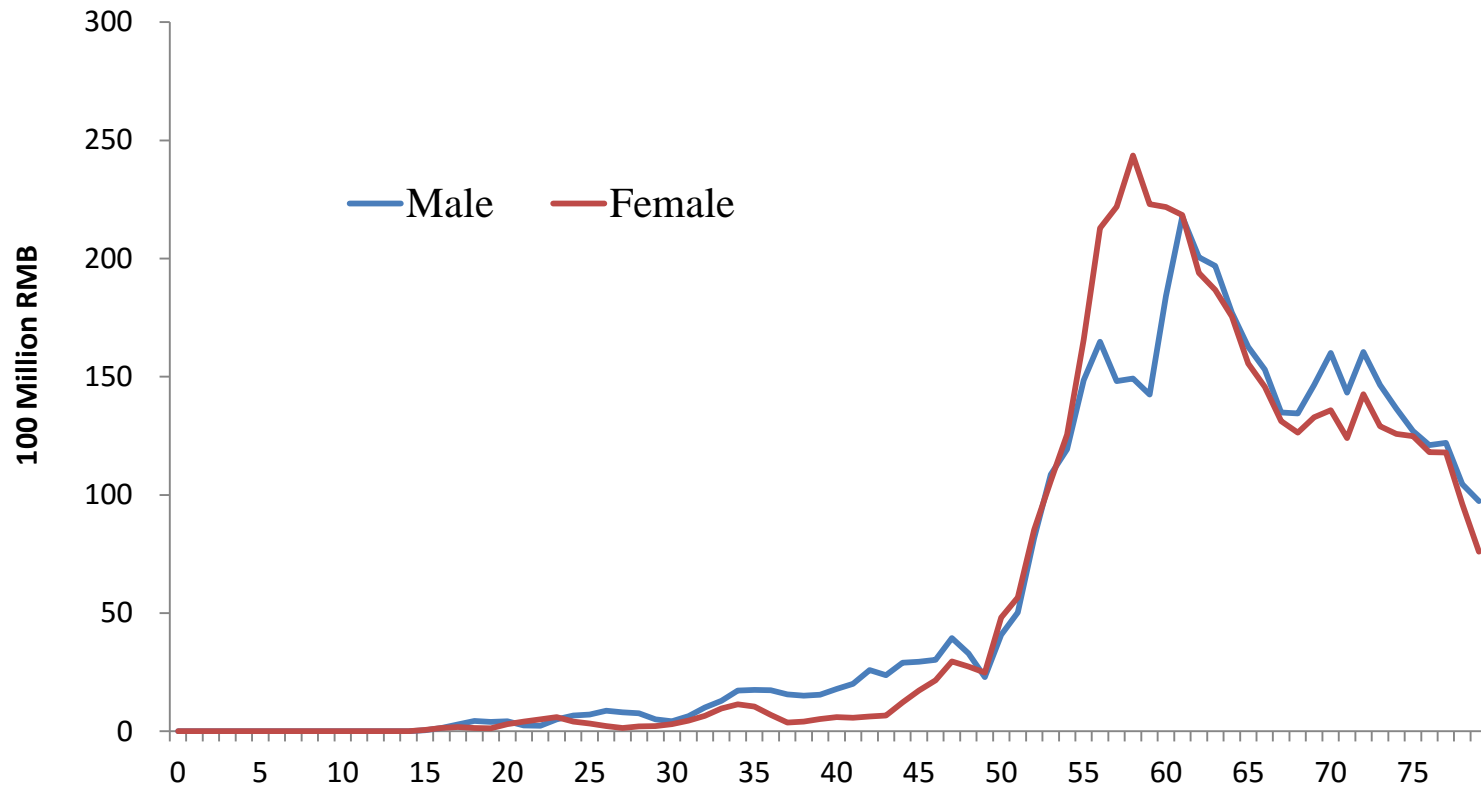


Share of elders who live primarily on public pensions



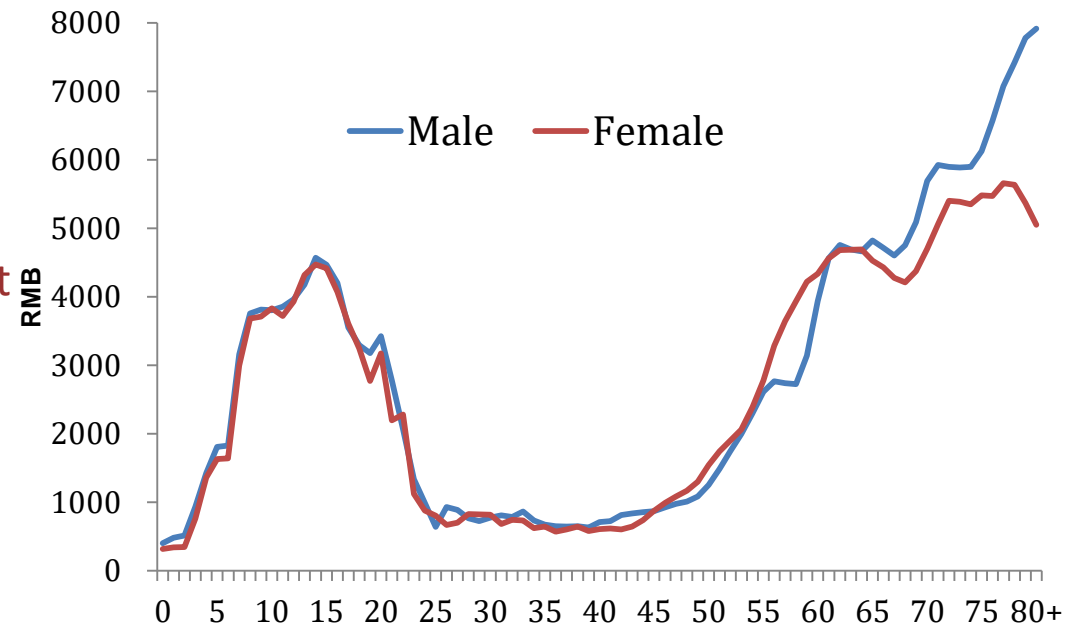
Source: 2010 census

Aggregate public pension transfer by gender, 2010



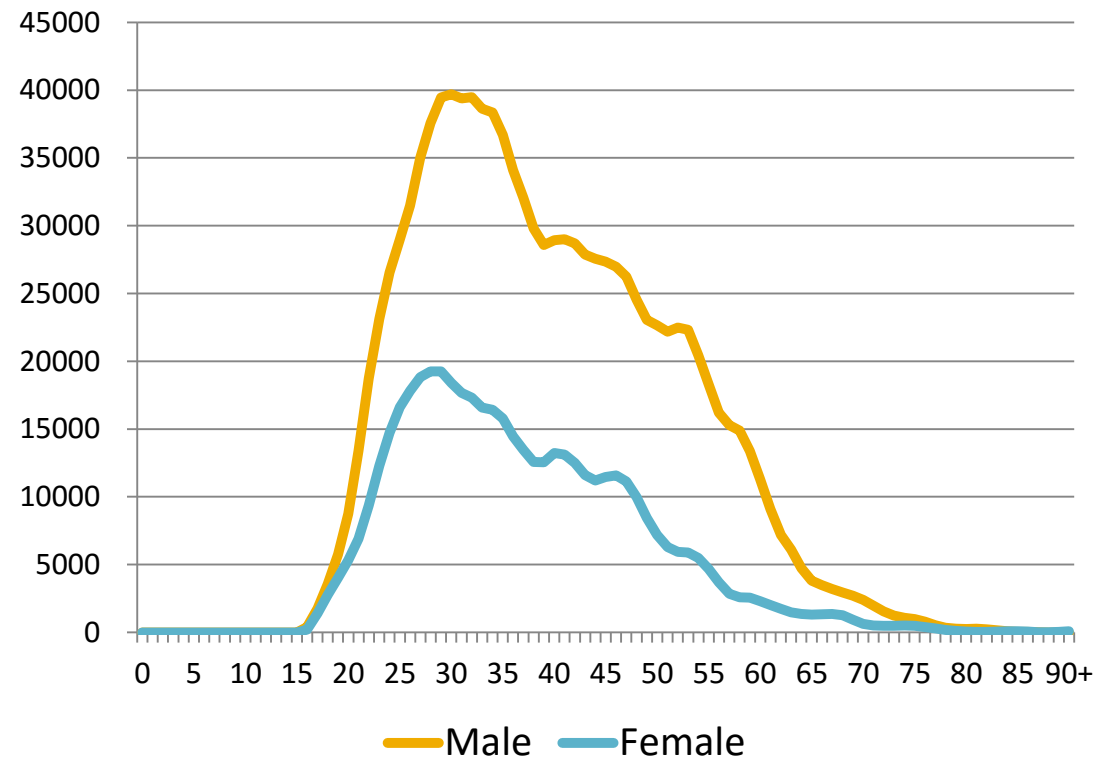
Gender gaps in per capita total public transfers, 2010

- Gender gap is pronounced at old ages
 - Government spends 7,898 RMB per male person aged 80+, 52% higher than the per capita amount for females.
- Public transfers are equally distributed between male and female youths.



Gender Gap in Labor Income is still noticeable

- At prime working ages (30-49), male labor income is 2.3 times as high as female labor income.
- Peak earning age for women comes 2 year earlier than that for men, partially resulting from huge progress in female education.



OUTLINE

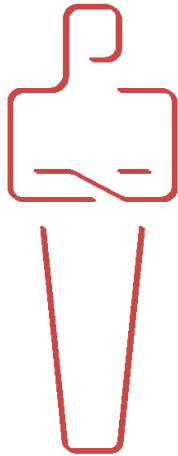
Motivation and research questions

Gender inequality and public transfer programs in China

Data and Method

Empirical results

Conclusion



A gender pattern both familiar and new is emerging in China

- Familiar:
 - Gender gap is substantial at senior ages, resulting from male occupational privileges prior to retirement, as well as the fragmented health care and pension systems.
- New:
 - At younger ages, females are catching up and are receiving the same through public transfers.
- With growing advantage in female human capital and a gradual unification of social security system, China can expect a smaller gender gap in public transfers in the coming years.

Patterns of Inequalities in Public Transfers by Gender in China



SHEN Ke

Fudan University, China

shenke@fudan.edu.cn

Thanks for your attention!