

Country Report on
National Transfer Accounts

China

2007-06-06

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- Some Results and problems
- What we will do?

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What we have done

- Household data source:
 - Rural Household Income Survey (RHIS), 2002
 - National Aged Population Survey (NAPS) ,2004
 - National Health Service Survey (NHSS2003)
 - Chinese Household Income Project (CHIP) , 1995

- Aggregate data source
 - Statistical yearbook
 - Population census data
 - Some specific yearbooks
 - National Healthcare Survey Data

MOA?
Yy?

What we have done

2002 Urban

	Data Source	Methodology
Private Consumption	<ul style="list-style-type: none"> •National Health Service Survey (NHSS2003) •National Aged Population Survey (NAPS2004) 	<ul style="list-style-type: none"> •Regression method •Data is not representative and not complete
Public Consumption	<ul style="list-style-type: none"> •Population Census Data 2000 •China Education Statistical Yearbook •Health Survey 2002 •China Statistical Yearbook 	<ul style="list-style-type: none"> •Education: Derived from government expenditure and enrollment rate •Health: Distribute the public health expenditure per capita. Social health care services expenditure is distributed by the age profile of health expenditure from the National health Survey 2003 by the MOH China •Other: per capita
Labor Income	<ul style="list-style-type: none"> •Income and Expenditure Survey (IES2003) 	

What we have done

2002 Urban

	Data Source	Methodology
Public Asset Reallocation	•Public Finance Statistical Yearbook, National Aged Population Survey (NAPS2004)	
Private Asset Reallocation	•Income and Expenditure Survey (IES2003)	
Public Transfer	•China Statistical Yearbook	
Private Transfer	National Aged Population Survey (NAPS2004)	

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What we have done

2002 Rural

	Data Source	Methodology
Private Consumption	•National Health Service Survey (NHSS2003) •Rural Household Income Survey (EHIS2003)	•Regression method •Data is not representative and not complete
Public Consumption	•Population Census Data 2000 •China Education Statistical Yearbook •Health Survey 2002 •China Statistical Yearbook	•Education: Derived from government expenditure and enrollment rate •Health: Distribute the public health expenditure per capita. Social health care services expenditure is distributed by the age profile of health expenditure from the National health Survey 2003 by the MOH China •Other: per capita
Labor Income	•Rural Household Income Survey (EHIS2003)	•Regression method to allocate self-employed income

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What we have done

2002 Rural

	Data Source	Methodology
Public Asset Reallocation	•Public Finance Statistical Yearbook, National Aged Population Survey (NAPS2004)	
Private Asset Reallocation	•Rural Household Income Survey (EHIS2003)	
Public Transfer	•China Statistical Yearbook	
Private Transfer	•Rural Household Income Survey (EHIS2003)	

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What we have done

1995 Urban & Rural

Data Source

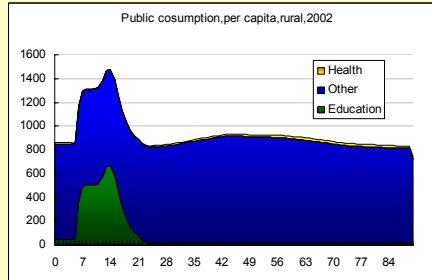
- Chinese Household Income Project (CHIP) data
 - information concerning personal character, Individual income, Saving and assets data at the household level, Expenditure data at the household level,
 - Separated survey between urban and rural
- 1995 Statistical yearbook
- Population census data
- Some specific yearbooks

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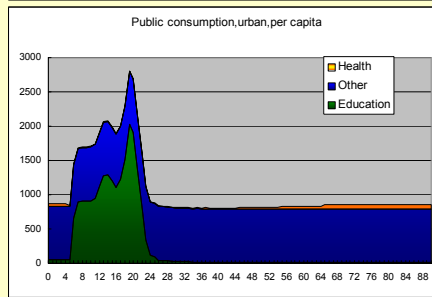
Some Results

- 2002, Public Consumption

Rural



Urban

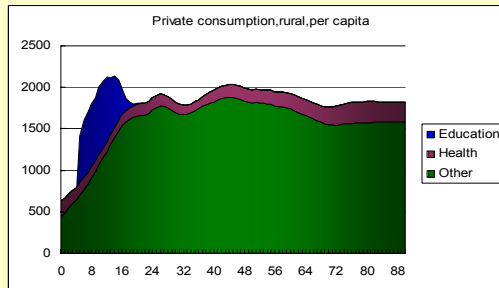


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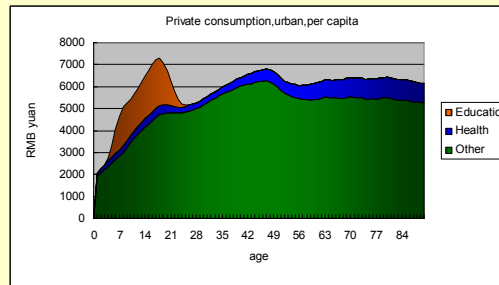
Some Results

- 2002, Private Consumption

Rural



Urban

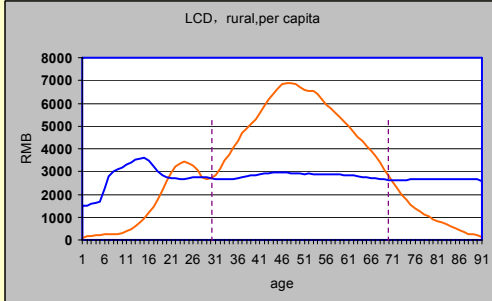


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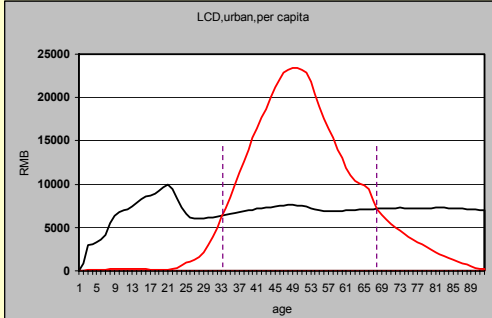
Some Results

- 2002
- Lifecycle Deficit

Rural

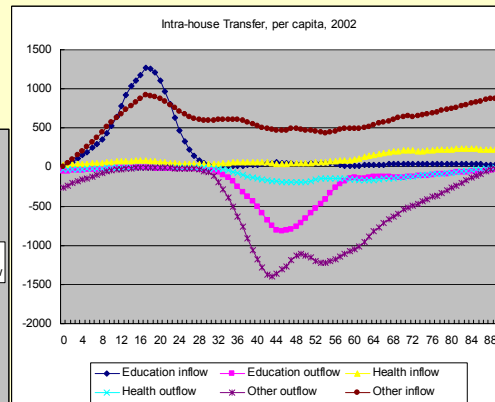
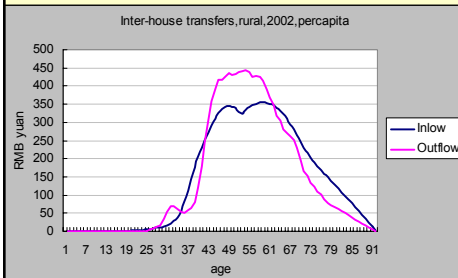


Urban



Some Results

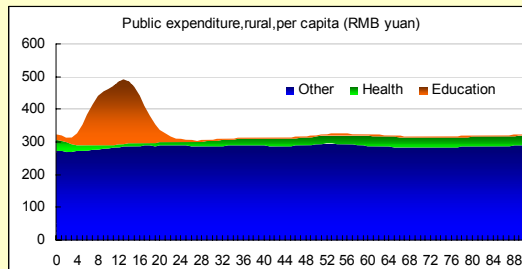
- 2002 Private Transfer



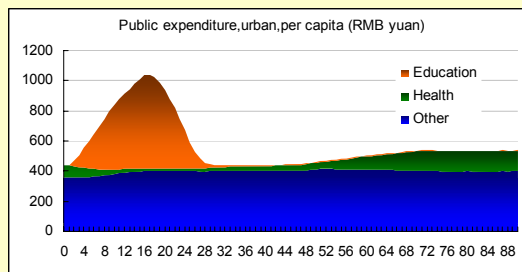
Some Results

- 1995
- Public Consumption

Rural



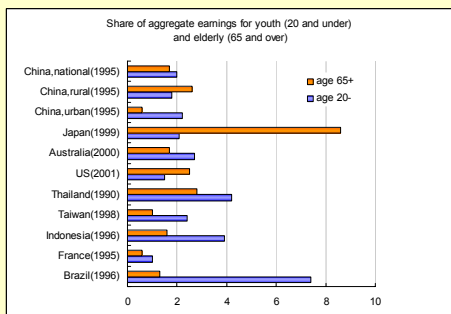
Urban



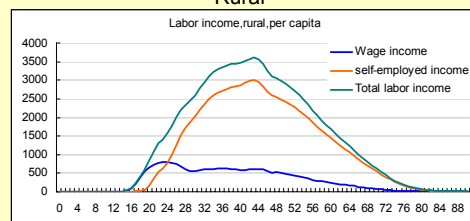
Some Results

- 1995
- Labor Income

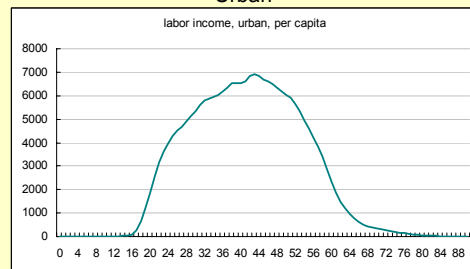
Share of aggregate earnings from youth (20-) and elderly (65+), 1995



Rural

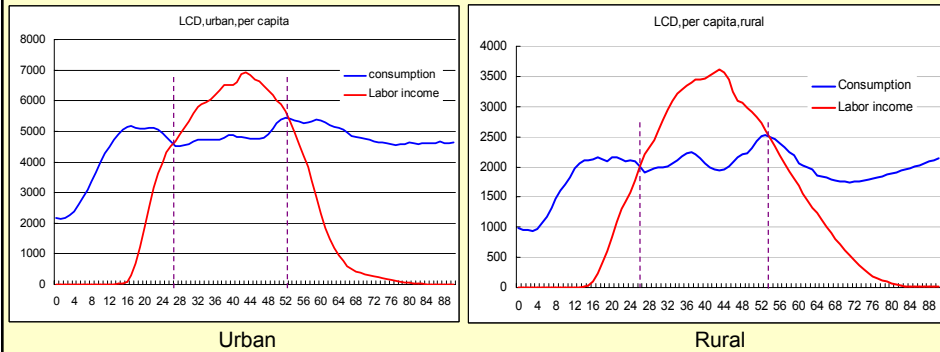


Urban



Some Results

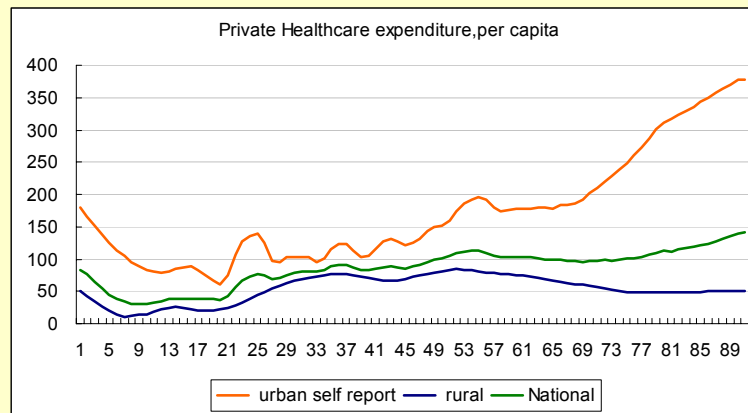
- 1995
- Life-cycle Deficit (No aggregated Control)



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Some Results

- Healthcare expenditure
 - Why the elderly consumes less?
 - Health expenditure and health?

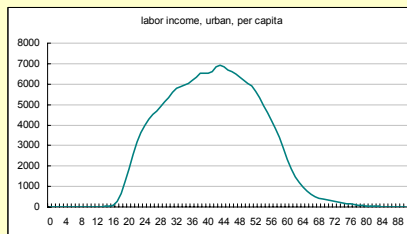


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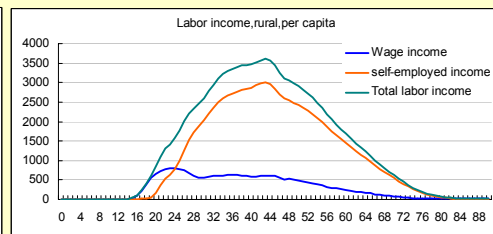
Some Results

- Labor income
 - the gap of labor income contributes much to the income diversity between urban and rural.
 - The age-labor income curve of the rural is much “fatter” than the urban
 - Migration’s impact on labor income in the rural

Labor incomes, urban, per capita, 1995



Labor income, rural, per capita, 1995



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Problems

- Problems of 2002 estimation
 - These data bases are fragmental and not consistent.
 - For example, in the NAPS2004 data, the youngest adult child of the surveyed old is 35 years old, without any individuals aged below 35, which leads to obvious bias when the data is applied to estimate the age-profile of the consumption and labor income.
 - For another example, we just estimate the age-profiles of different type of expenditure by different data base: health expenditure from one data base while education expenditure from another data base, before merging them together. Such methods will lead to bias and inconsistency.
- Problems of 1995 estimation
 - Aggregate account: No National Account as the transformation of statistical system
 - Public expenditure: over estimated in rural while under estimated in urban
 - Assets allocation: No available data for the rural area

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What we will do (1)

1995

- National Account (SMP—SNA)
- Assets reallocation estimation (CHIP1995)
- Try new Methodologies
 - Regression method
 - Iteration method

2005

- National Account
- New Data Sources
 - Cui's data (2005, labor income)
 - Healthcare Service Survey data
 - Confirm the health profile
 - Data on the way (Rural and Urban Household Survey data)

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What we will do (2)

- Separate public expenditures between urban and rural
 - Why?
 - In 2004, per capita government expenditure in rural area is 27.95% of that in the urban area
 - Per capita estimation will mislead
- Combine urban account and rural account to develop **national** NTA
- Estimate and discuss the difference and transfers across the urban and rural, and discuss the role of migration in terms of the NTA Account
 - China's "three world": urban, rural and migrating population

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What we will do (3)

- How much will the old expend? Especially health Consumption
- Background
 - Rapid aging in the future 20 years
 - Proposed over-all reform recently
- Steps
 - Projection of population and demography
 - Estimate the age-profiles of health consumption
 - Projection of utilization and prices changes
 - Projection of health consumption

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What we will do (4)

- Government or market
Social transfer, household transfer and private saving,
Which will be more effective for health and pension?
- Son or daughter
Who will be more valuable in rural and urban?

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