National Transfer Accounts by Gender and Income —Evidences from People's Republic of China

Shen, Ke

Fudan University, China

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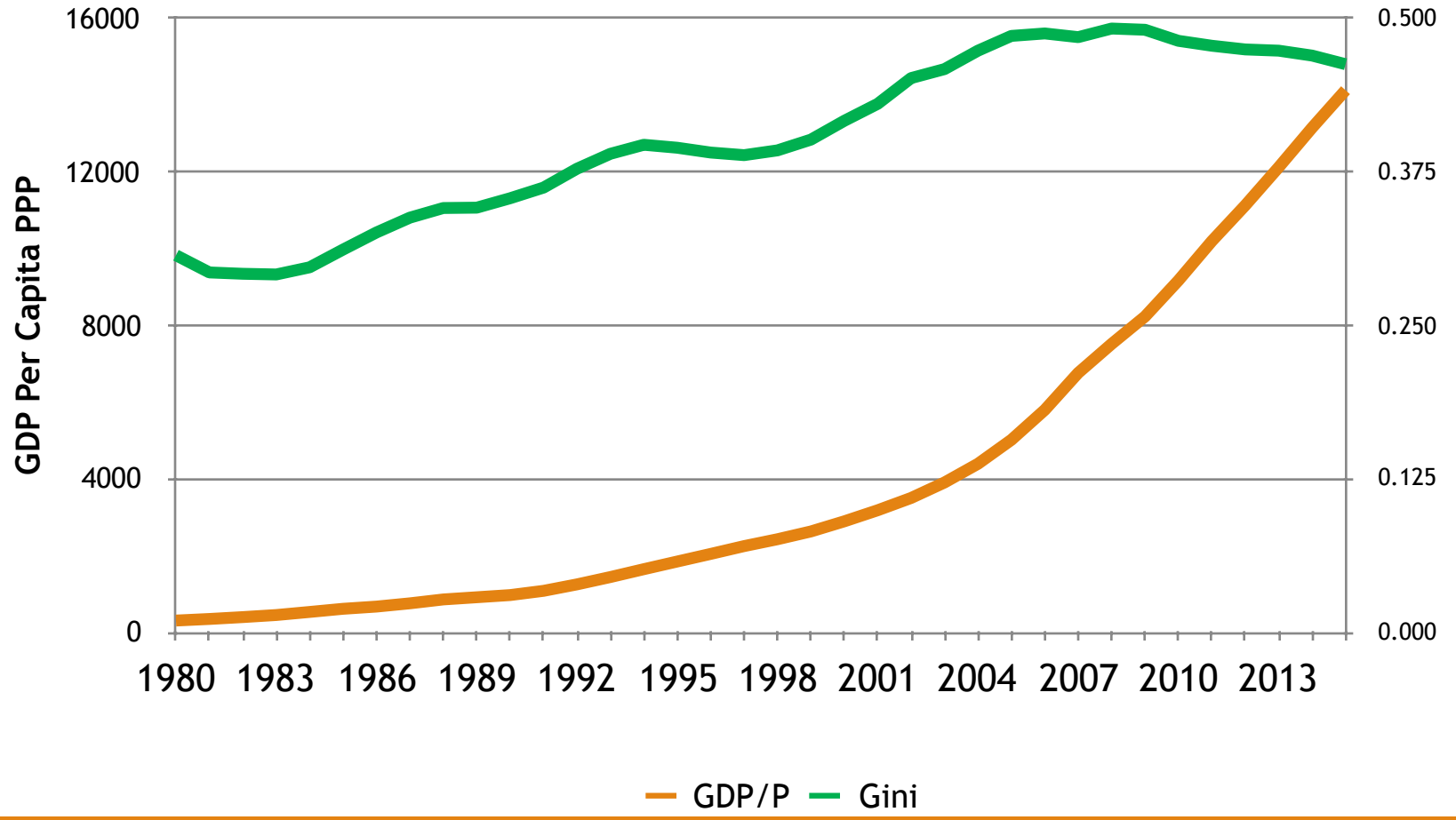
Gender equality: China focus

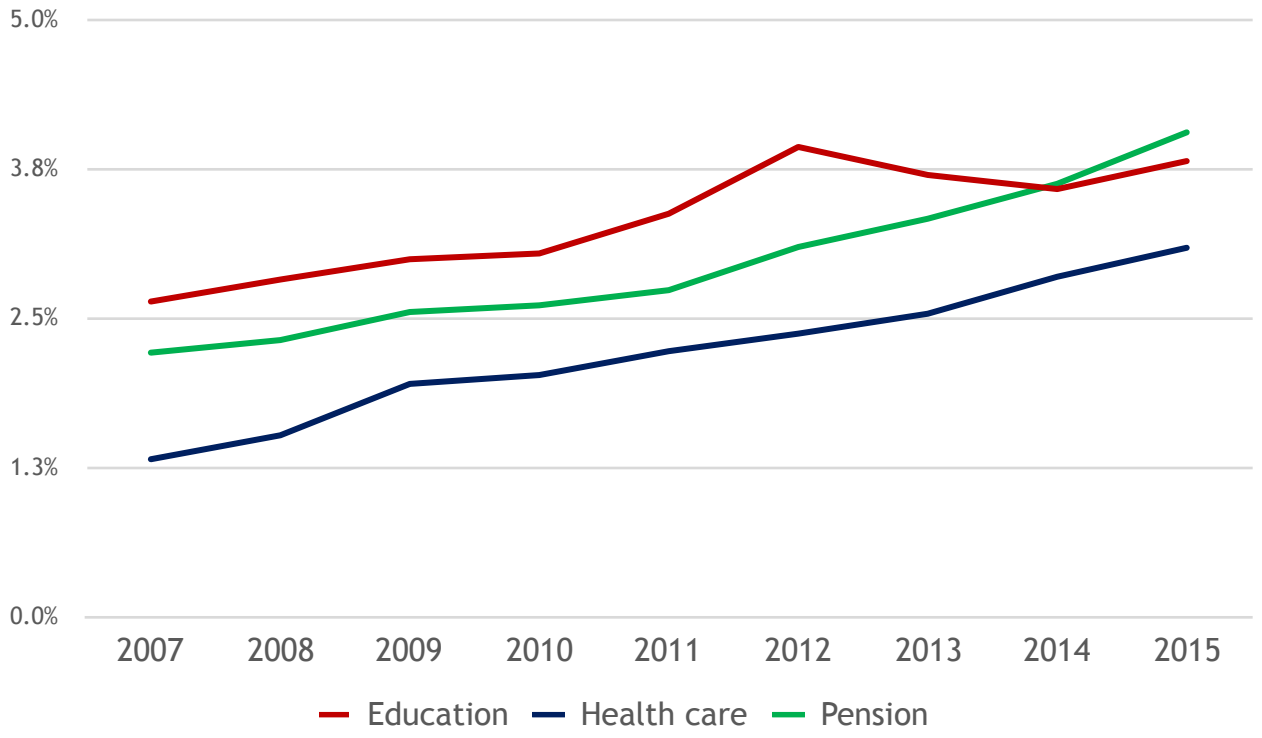
- One of the basic state policies in China
- One of the UNESCO's two global priorities
- Core of 1995 Beijing Declaration and Platform for Action (BPfA)
- The third Millennium Development Goal (MDG)

Pursuit of equal society: Growth with rising income Inequality



Rising public social spending as share of GDP, 2007-2015

- Increase in government social spending has outpaced GDP growth.
- Public education spending as a share of GDP rose from 2.6% to 3.8%, health care spending from 1.3% to 3.1%, and pension spending from 2.2% to 4.1%

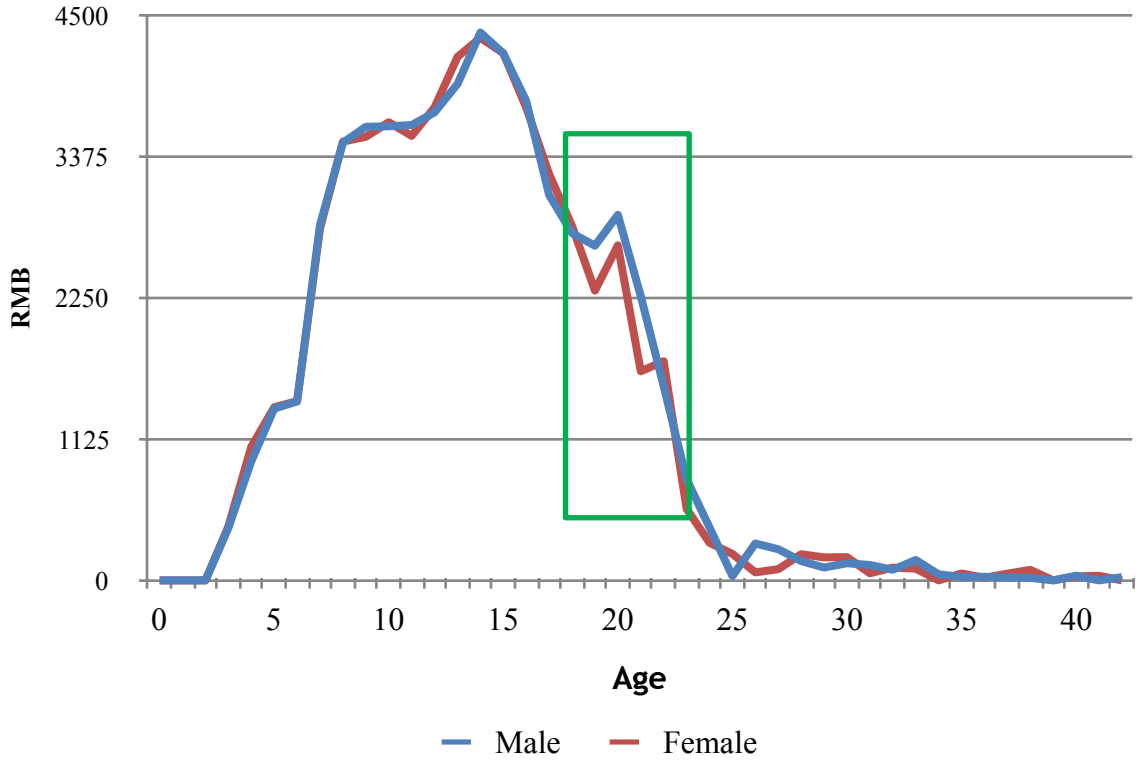


- How Public transfers are distributed among income groups and between males and females?

- Whether social welfare programs promote equality, or may rather consolidate the existing inequality?

Per capita public education transfer by gender, 2010

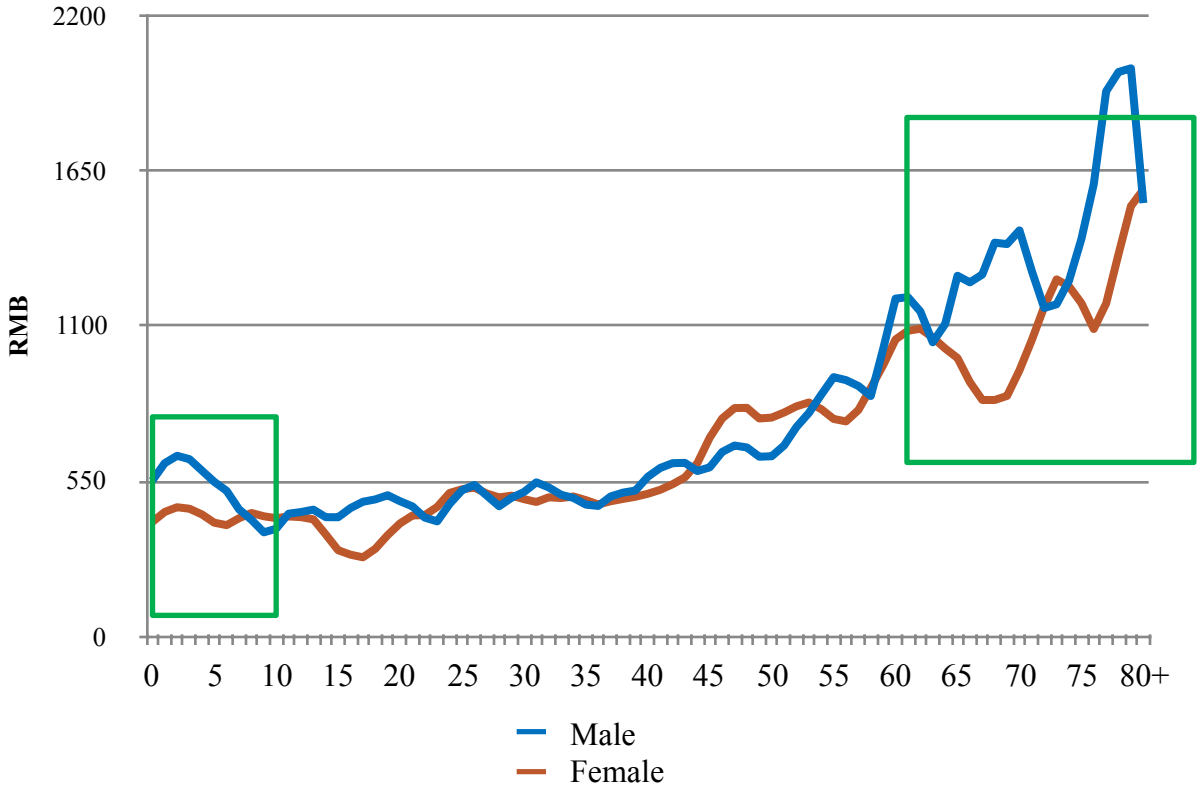
- Education transfers are evenly distributed among boys and girls on a per capita basis.
- Females receive almost the same transfers as males at the tertiary education level.



Source: Shen, K., Wang, F. and Cai, Y. (2016). Patterns of inequalities in public transfers by gender in China. *The Journal of the Economics of Aging*.

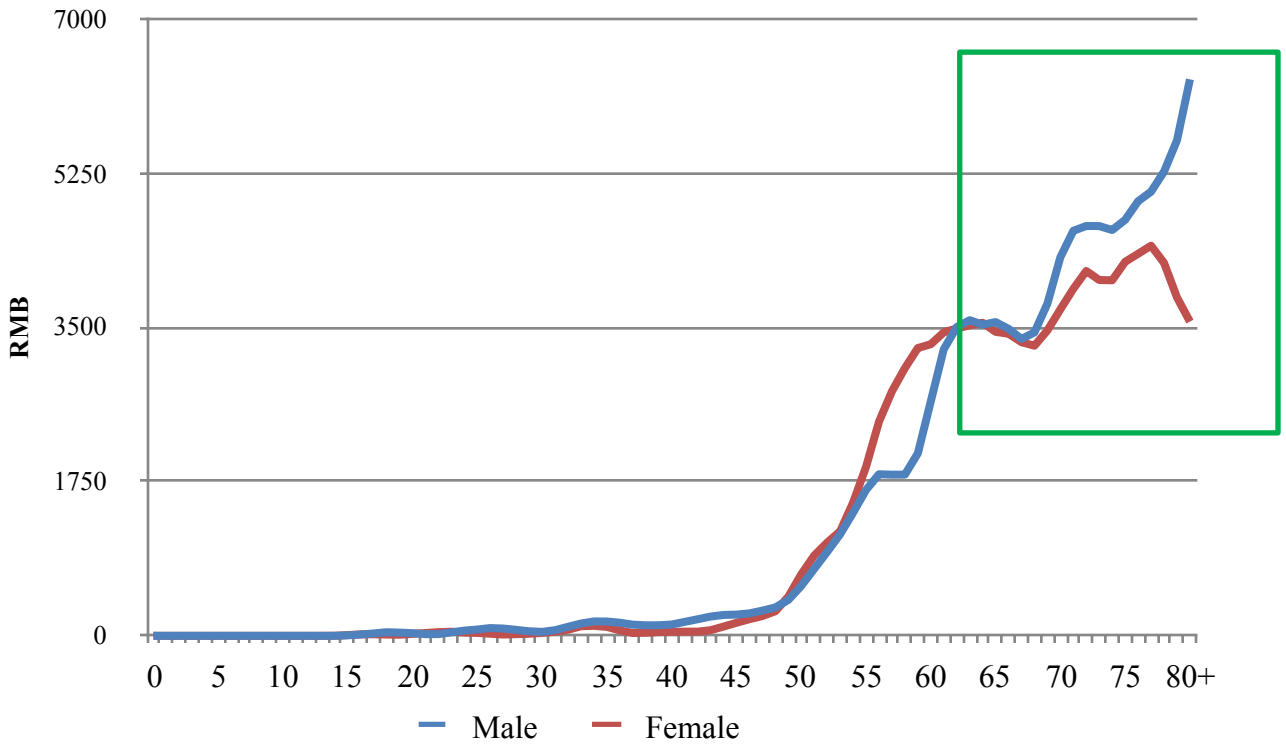
Per capita public health care transfer by gender, 2010

- In infanthood and childhood, health care transfers are biased against girls, partially due to a son preference in China.
- Gender gap in health care transfers widens over age 60, largely resulting from increased disparity in entitlement to health insurance programs among older cohorts.



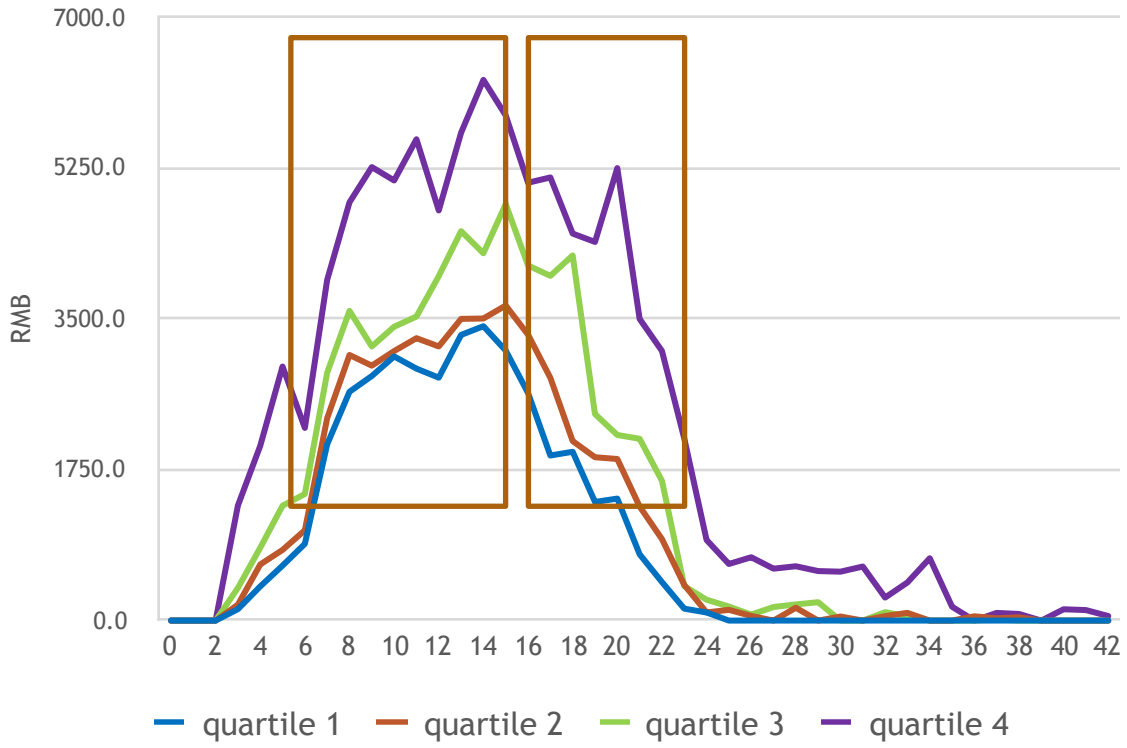
Per capita public pension transfer by gender, 2010

- Gender gap in public pension transfers at the per capita level is most pronounced.
- Women's disadvantage in pension benefits can be traced to their employment histories and fragmented pension system in China.



Per capita public education transfer by income, 2010

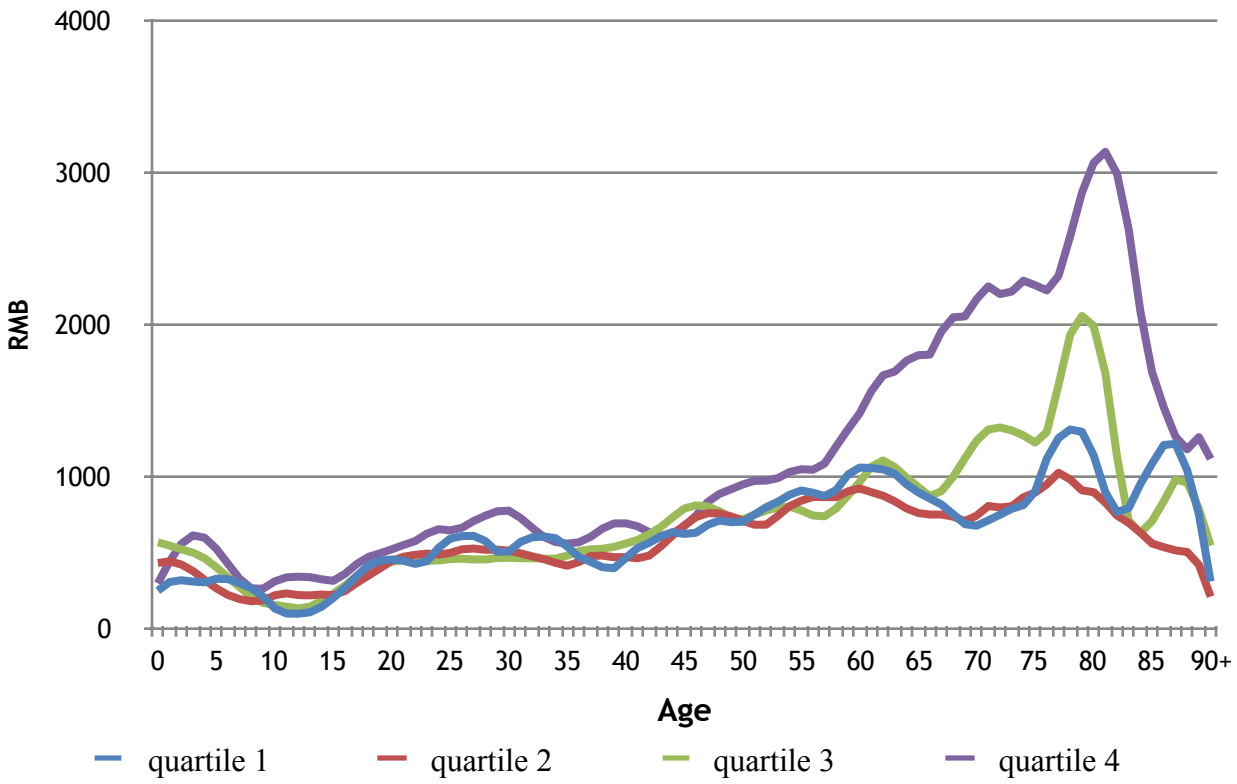
- Public transfers at various level of education favor higher income groups.
- At compulsory education stage, public cost per students varies substantially across provinces, thus students from higher quartiles receive more from the government.
- At tertiary education stage, the gap in public transfers is a result of differential in enrollment rate and in public cost per college student.



Source: Shen, K., Wang, F. and Cai, Y. (2017). A Benevolent State against an Unjust Society? Inequalities in Public Transfers in China. *Chinese Sociological Review*, forthcoming

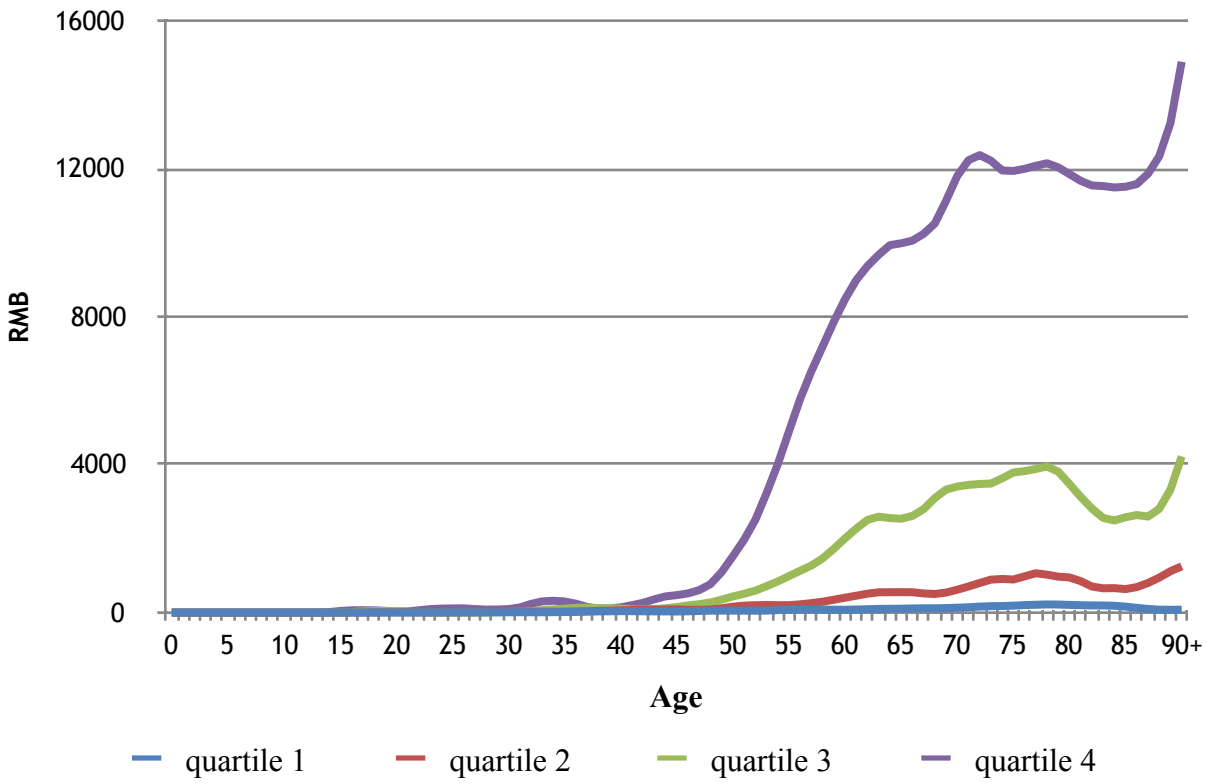
Per capita public health care transfer by income, 2010

- Public health care spending is evenly distributed across income groups at earlier ages.
- Public health care spending is highly skewed in favor of those in the top income quartile over age 60.



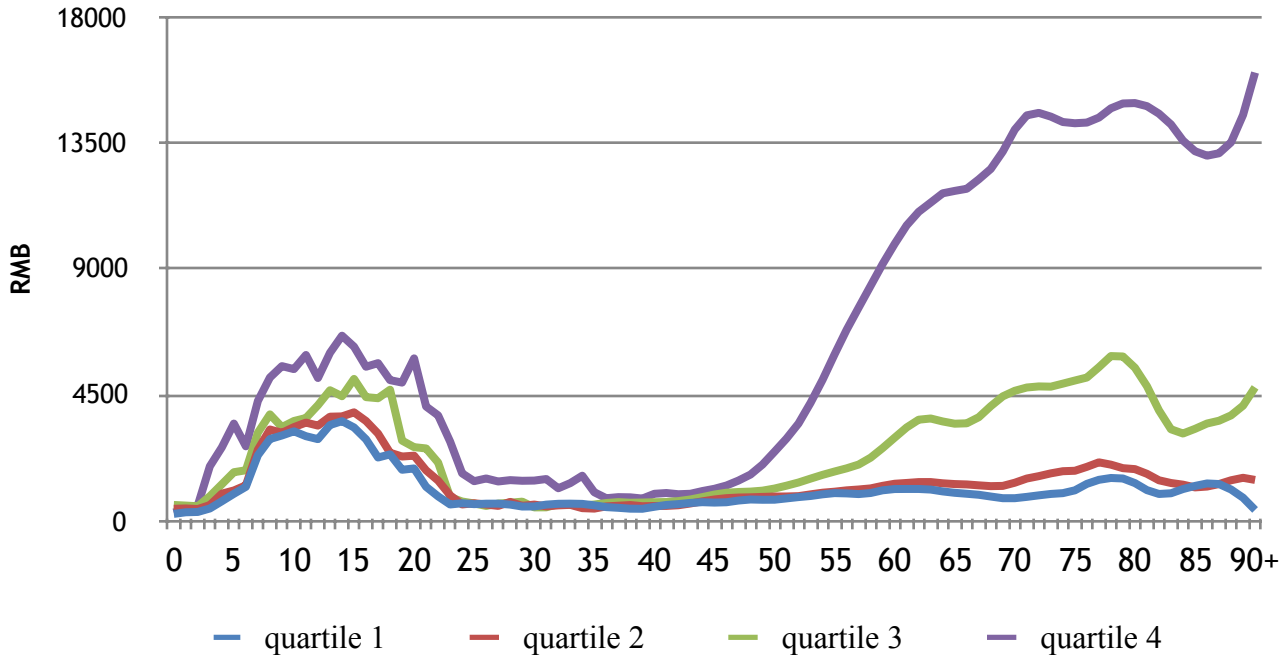
Per capita public pension transfer by income, 2010

- Public pension benefits are strongly regressive.
- Elderly aged 75 in the top quartile receive a pension of 11,793 RMB on average, in contrast with 4,000 RMB for those in the second quartile and only 250 RMB in the bottom quartile.



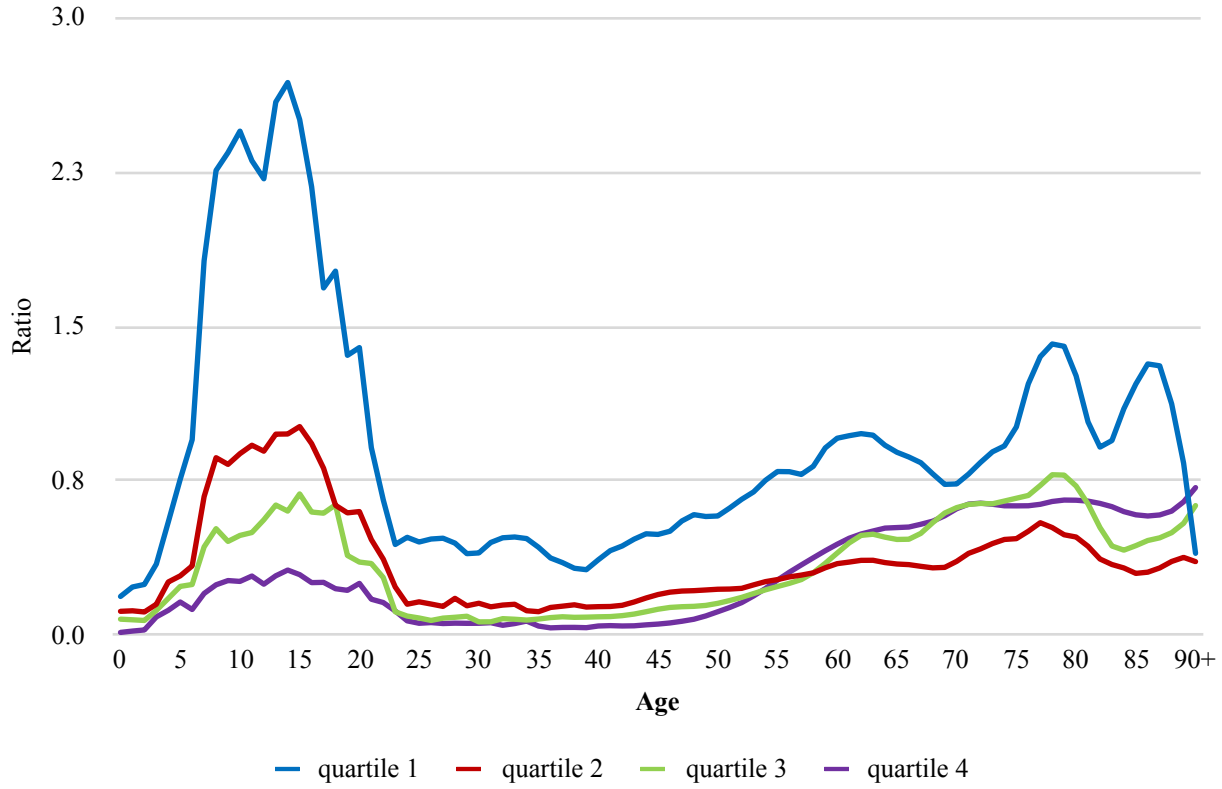
Per capita total public transfer by income (Absolute value), 2010

- Per capita public spending is roughly equal across income groups at young and middle ages, but tilts towards the rich at old ages.
- For the bottom quartile, public spending per child is more than twice the spending per elderly.
- For the top quartile, public spending per child is only one third the amount spent on elderly.



Per capita total public transfer by income (relative to household income per capita), 2010

- At young ages, public transfers are clearly progressive, with its share as per capita household income higher among lower income groups.
- Beyond these young ages, the lowest income group enjoy the highest share, but the other three income groups do not show much difference.
- Overall, while the poorest benefit more from recently increased public transfers in relative terms, in absolute terms, public transfers still heavily favor the better-off.



Policy Implications

- In the last decade and half, the Chinese government has made great efforts to restore the social welfare system and to provide a social safety net to its population.
- Public transfers, particularly health care and pension transfers, however, still favor the privileged groups (males and higher income groups), largely resulting from the fragmentation of social welfare system.
- Public spending is roughly equally distributed across income groups at young ages. In particular, gender equality in receiving education transfers have been realized.
- The success of a more inclusive and equitable social welfare system in China matters not only for making China a more equal and just society, but also political legitimacy of the socialist society.

Thank you for your attention!