


# The Presents & Development Roads of China



Shanghai Administration Institute

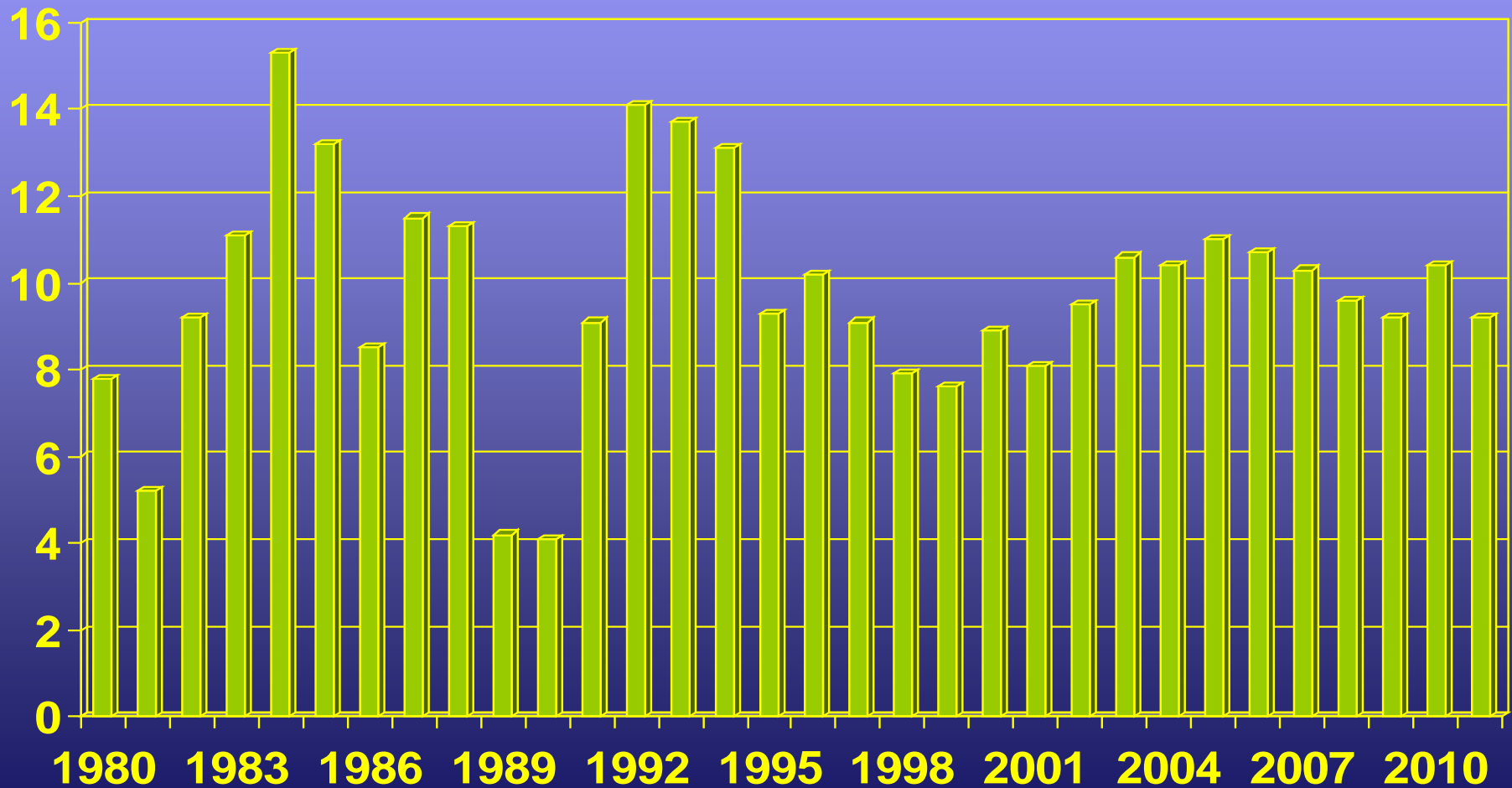
The Department of Economics

Ju Lixin

# I . The Great Achievements

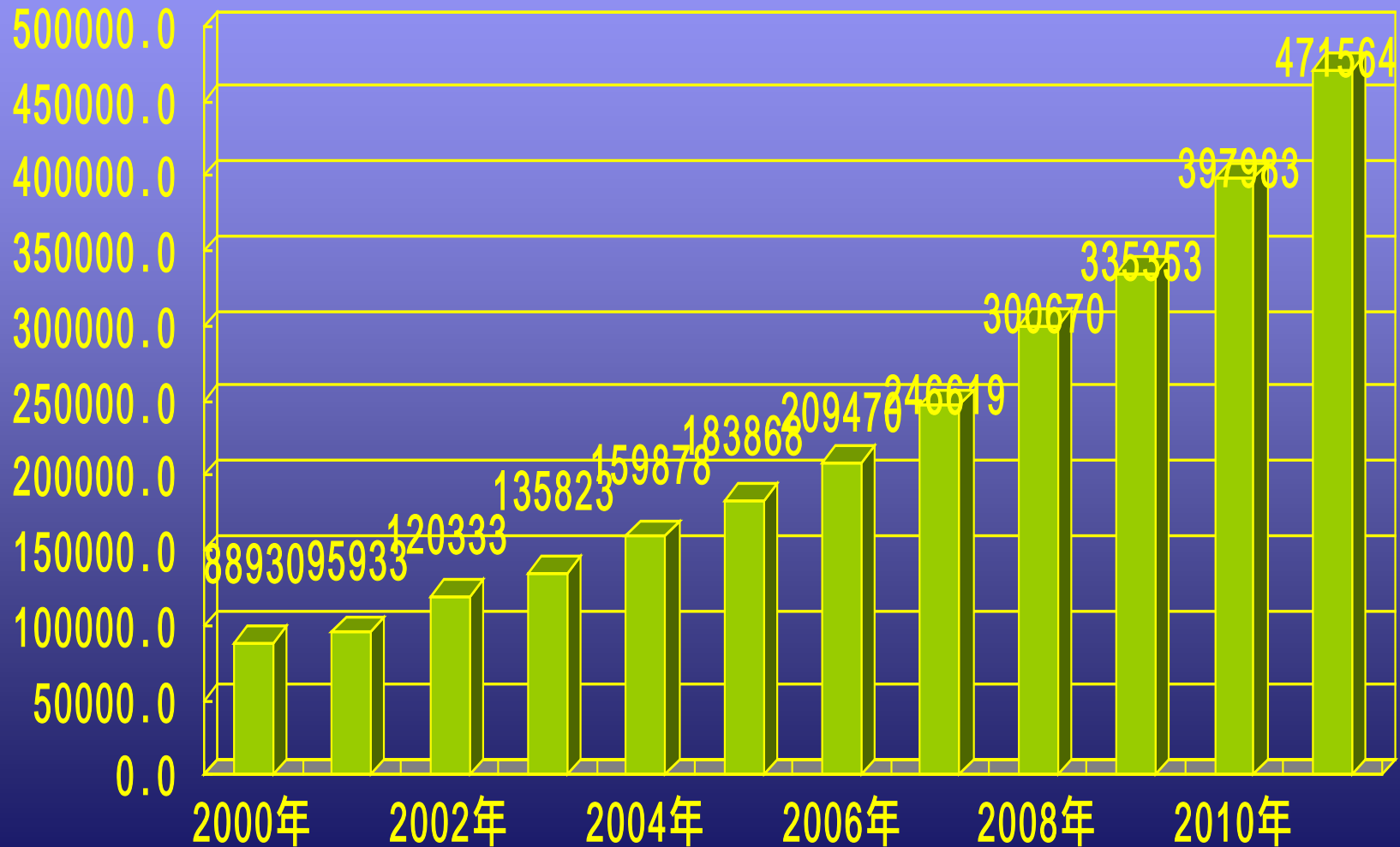
## 1, Sustainable Real GDP Growth

9.7% annual compounded, doubles every 7.4 years



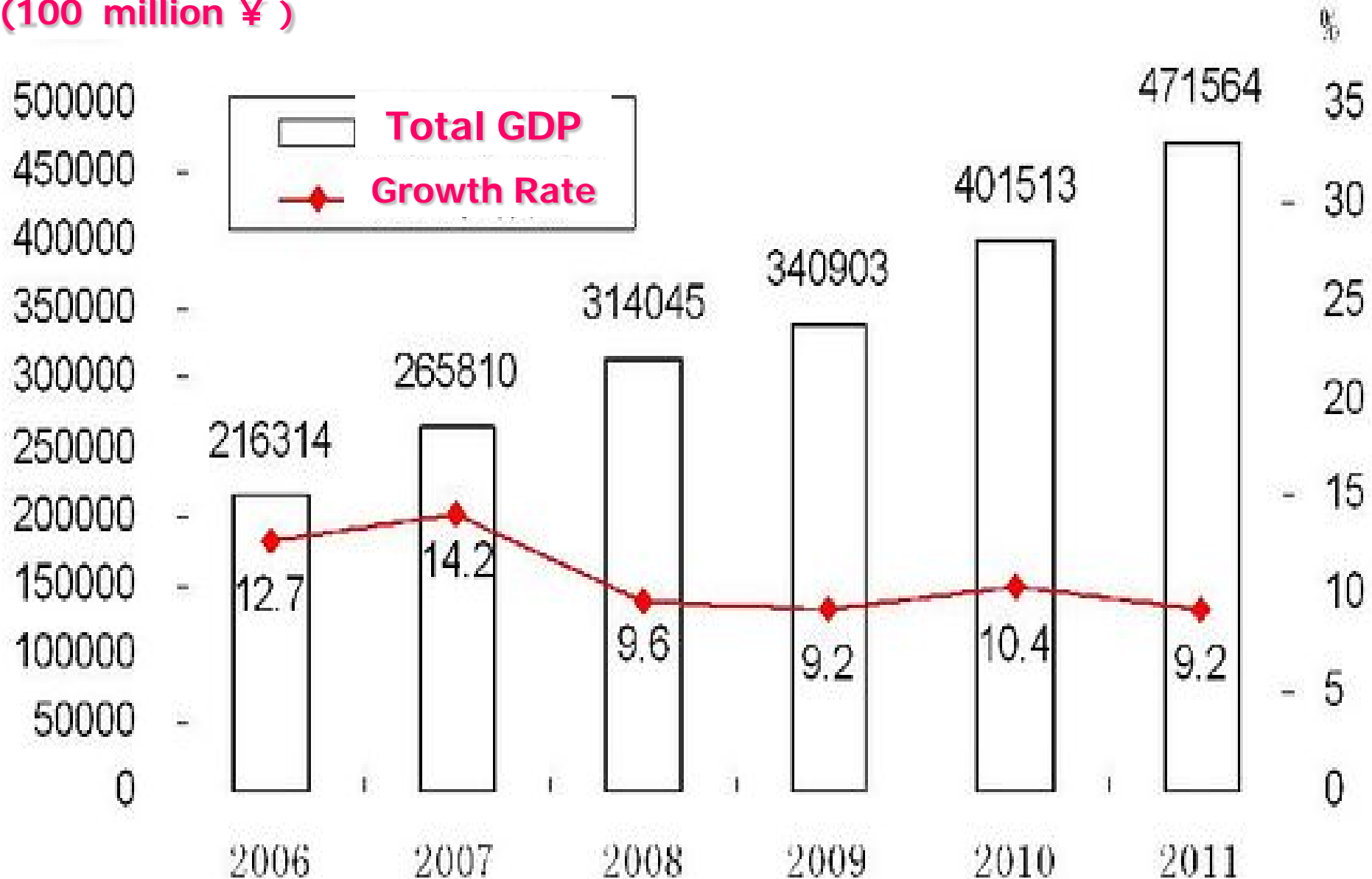
# Chinese GDP

(2000年—2011年, 100 million ¥)



# Chinese GDP (2006 ~ 2011)

(100 million ¥)



## 2, Longterm: International Comparison

### ▣ China V.S. Developing Countries

1980

China

Brazil

India

Mexico

#### 3. Economic output measures at PPPs

(a) PPP GDP per capita (2000 international \$)	749	6,776	1,348	7,271
(b) Price level (PPP/\$ER), United States = 100	67	54	39	73
(c) PPP GDP per capita growth, annual 1965–1980 (%)	3.1	4.8	1.9	3.1
(d) PPP GDP per worker growth, annual 1965–1980 (%)	2.8	4.0	2.1	2.5
(e) PPP GDP per worker (2000 international \$)	1,365	17,285	3,094	22,290

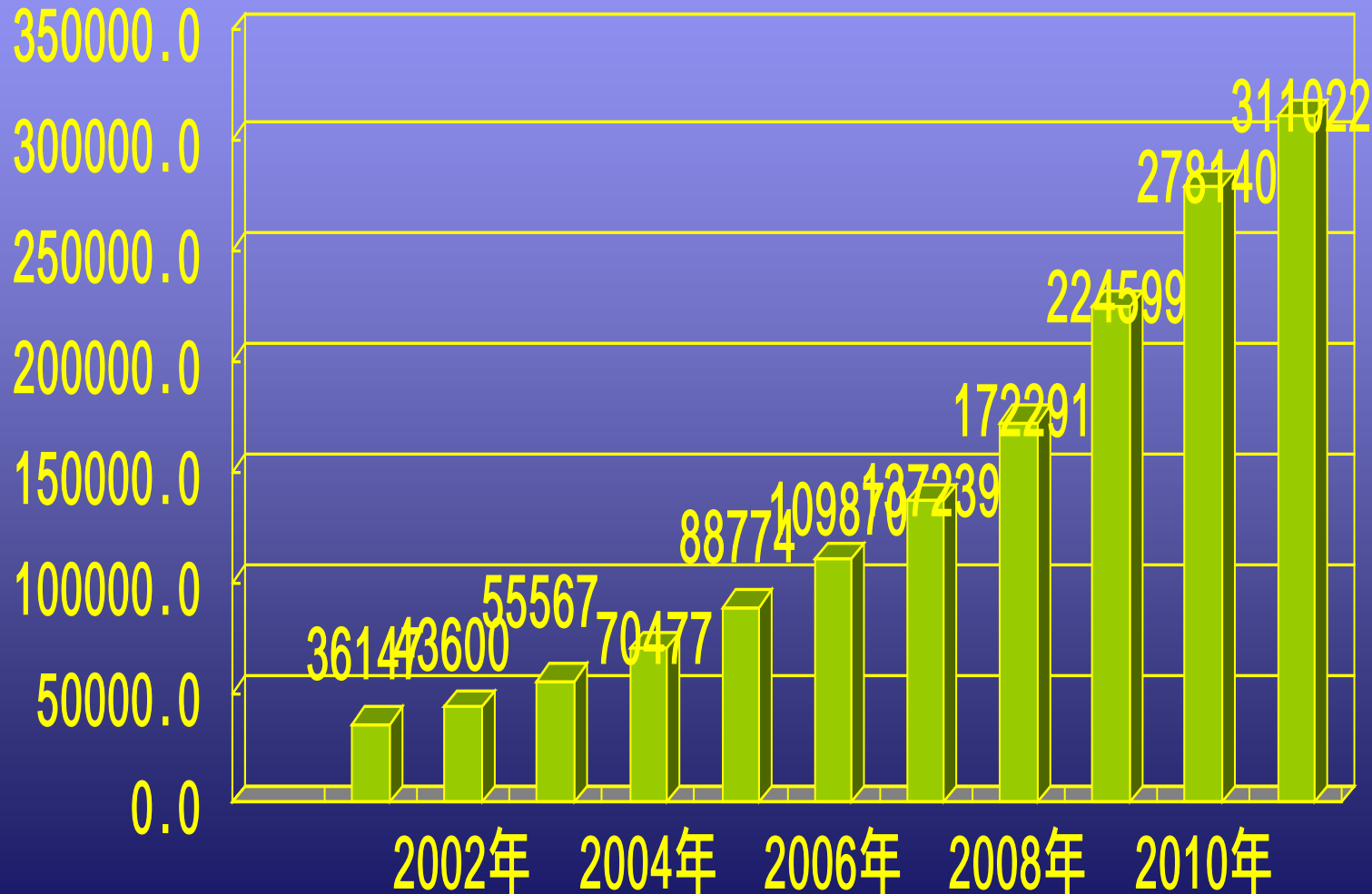
2004

#### 3. Economic output measures at PPPs

(a) PPP GDP per capita (2000 international \$)	5,333	7,492	3,180	8,165
(b) Price level (PPP/\$ER), United States = 100	26	39	18	72
(c) PPP GDP per capita official growth, annual 1980–2004 (% , at constant national prices)	8.5	0.1	1.8	0.2
(d) PPP GDP per capita growth, annual 1980–2004 (% , at 2000 international \$)	8.2	0.4	3.5	0.5
(e) PPP GDP per worker growth, annual 1980–2004 (% , at 2000 international \$)	7.8	0.2	3.4	0.1
(f) PPP GDP per worker (% , at 2000 international \$)	8,889	16,078	7,152	19,098

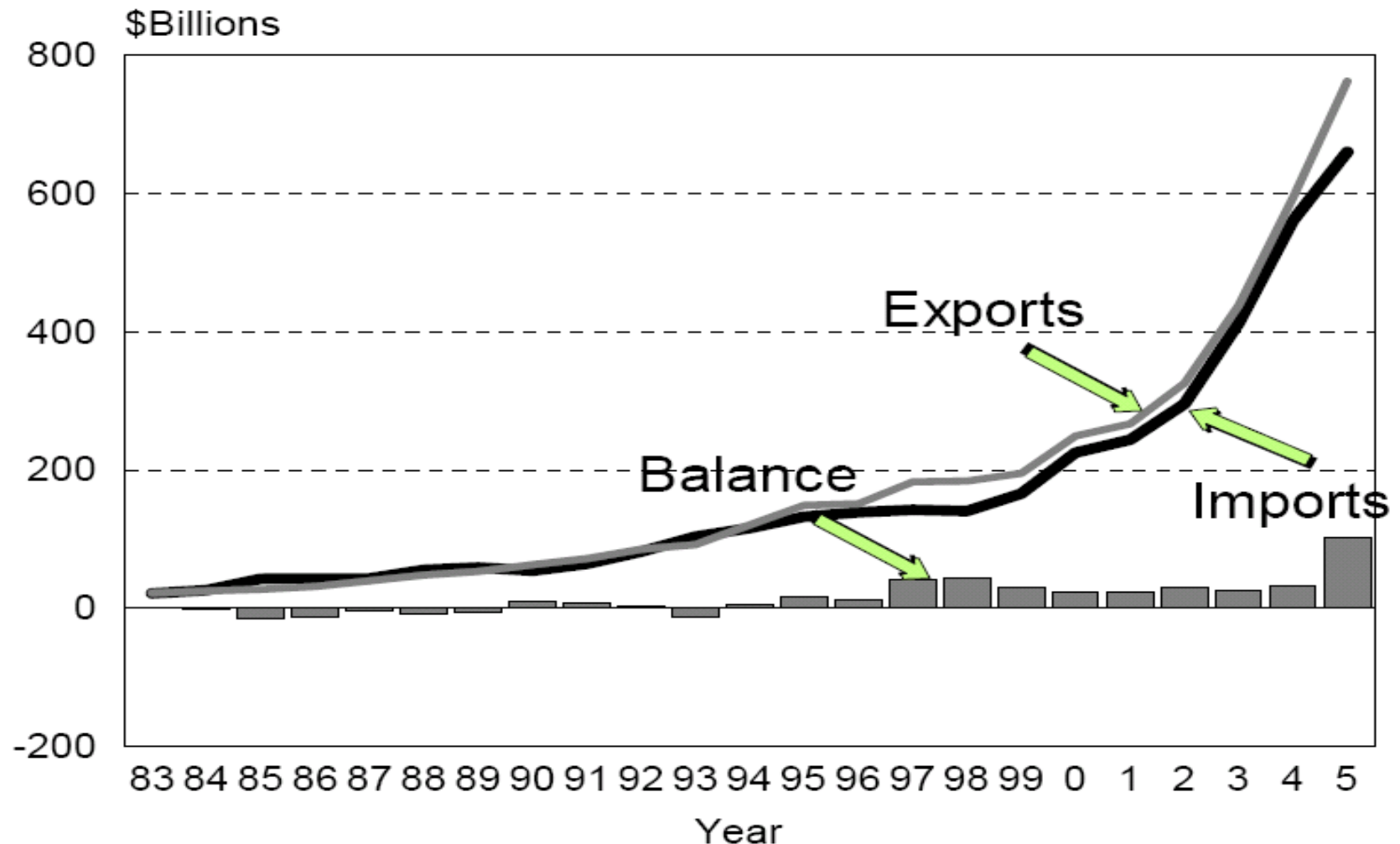
# 3, fixed assets invests in China

(2001—2011, 100million ¥)



# 4, Chinese Foreign Trade

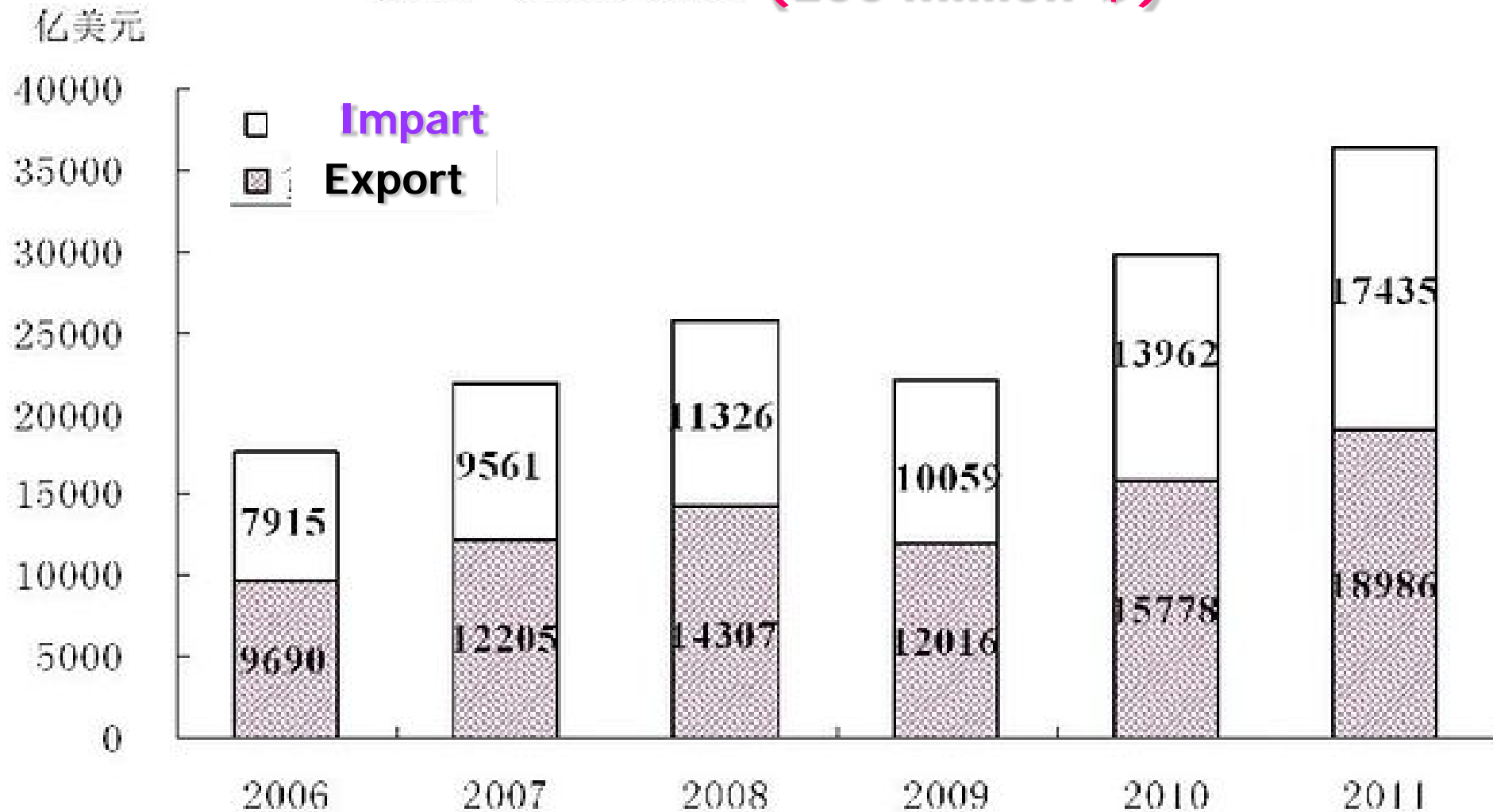
**Figure 1. China's Exports, Imports, and Balance of Merchandise Trade, 1983-2005 (PRC data)**



Sources: PRC General Administration of Customs; Global Trade Atlas (PRC data).

# 4, Chinese Foreign Trade

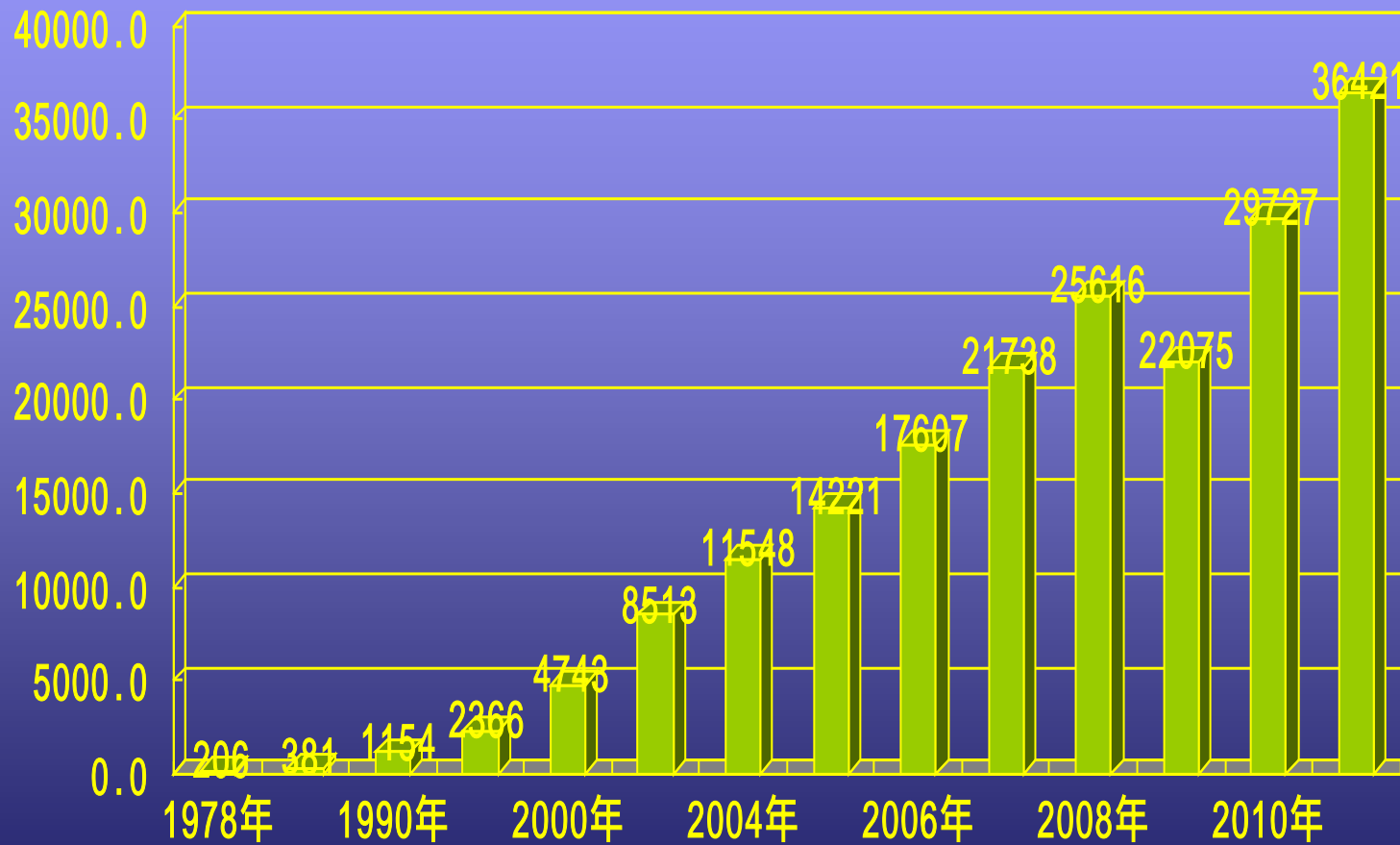
图12 2006-2011 (100 million \$)





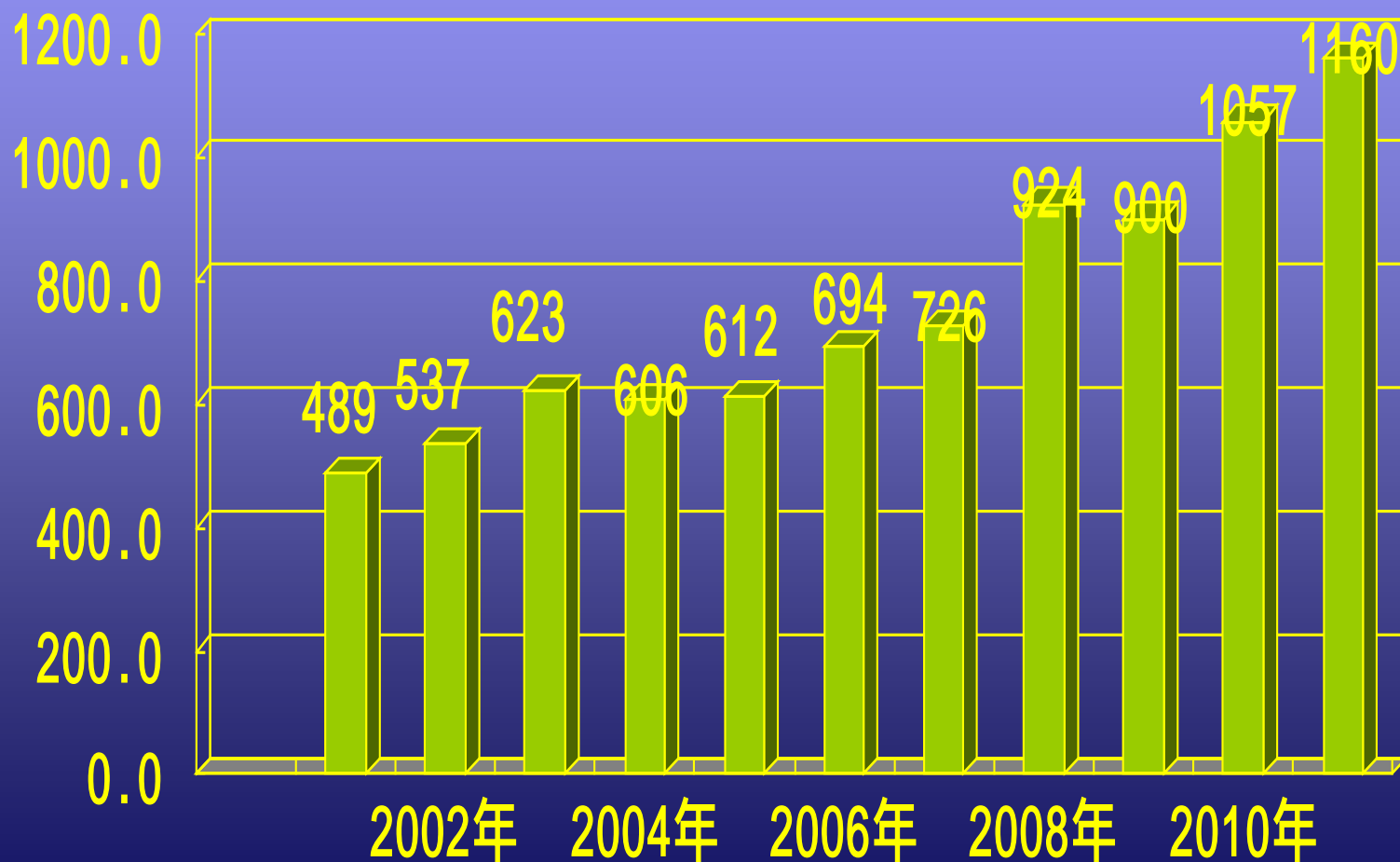
# 5, Chinese international trade

(100 Million \$)



# 6, FDI in China

(2001年—2011年, 100 million \$)



# 7, Foreign reserves (100 million \$)

图5 2006-2011

## Chinese Reserves



# ▣ Source of Economic Growth

## ▣ Capital Deepening: $k$ ( $K/L$ )



# ▣ Source of Economic Growth

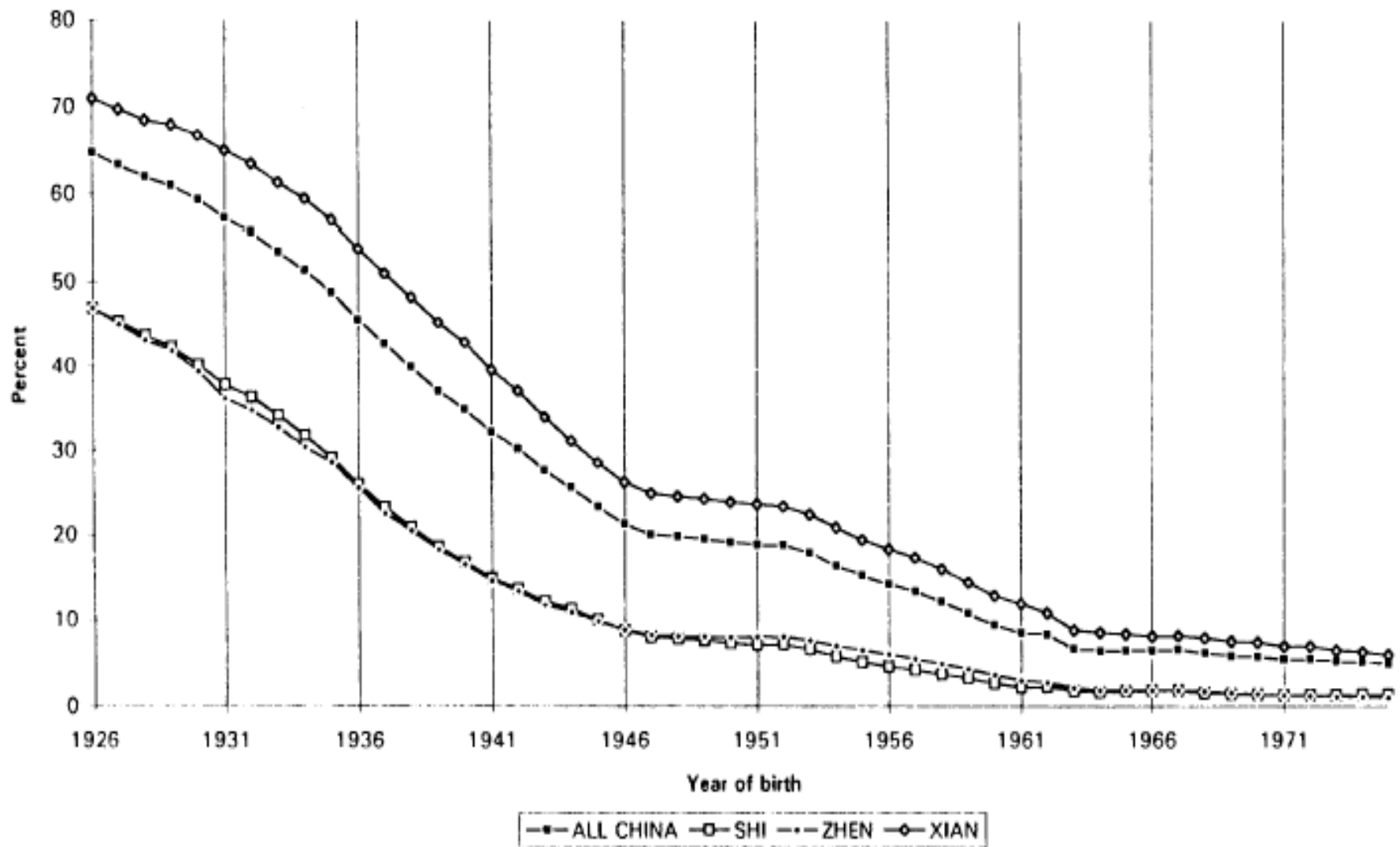
- ▣ TFP: *ultimate* and *sustainable* source
  - ▣ **Ultimate source of growth and development in economic history**

## ▣ Source of TFP

- ▣ Human Capital (Education)
- ▣ Technological Progress
  - ▣ Innovation
  - ▣ Institutional Effect
    - ▣ Firm Organization
    - ▣ Patent Protection
    - ▣ Corruptions

# 8, Human Capital in China

## Illiteracy and Semi-Illiteracy Rates by Age Cohorts



## ▣ Human Capital in China

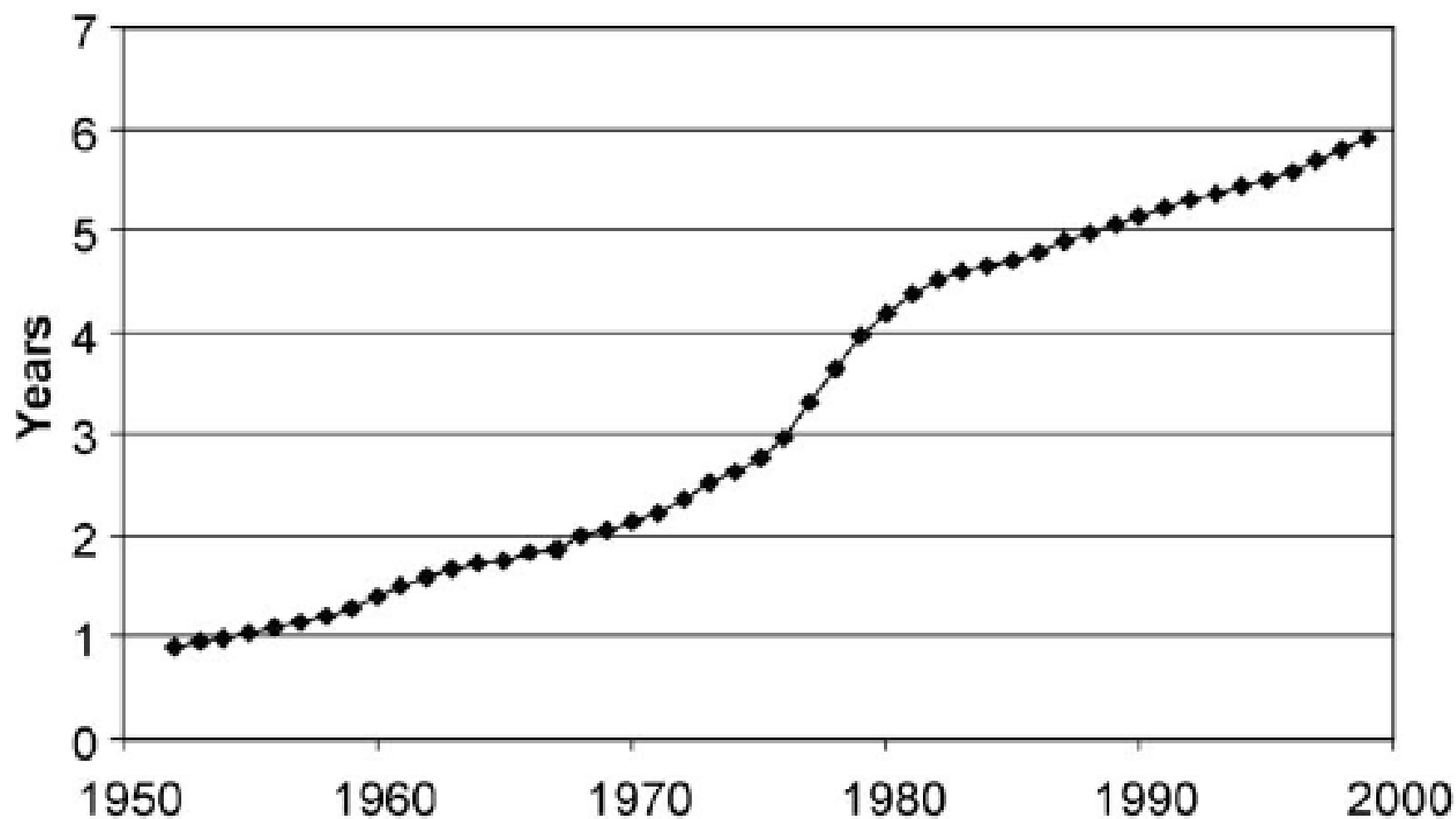
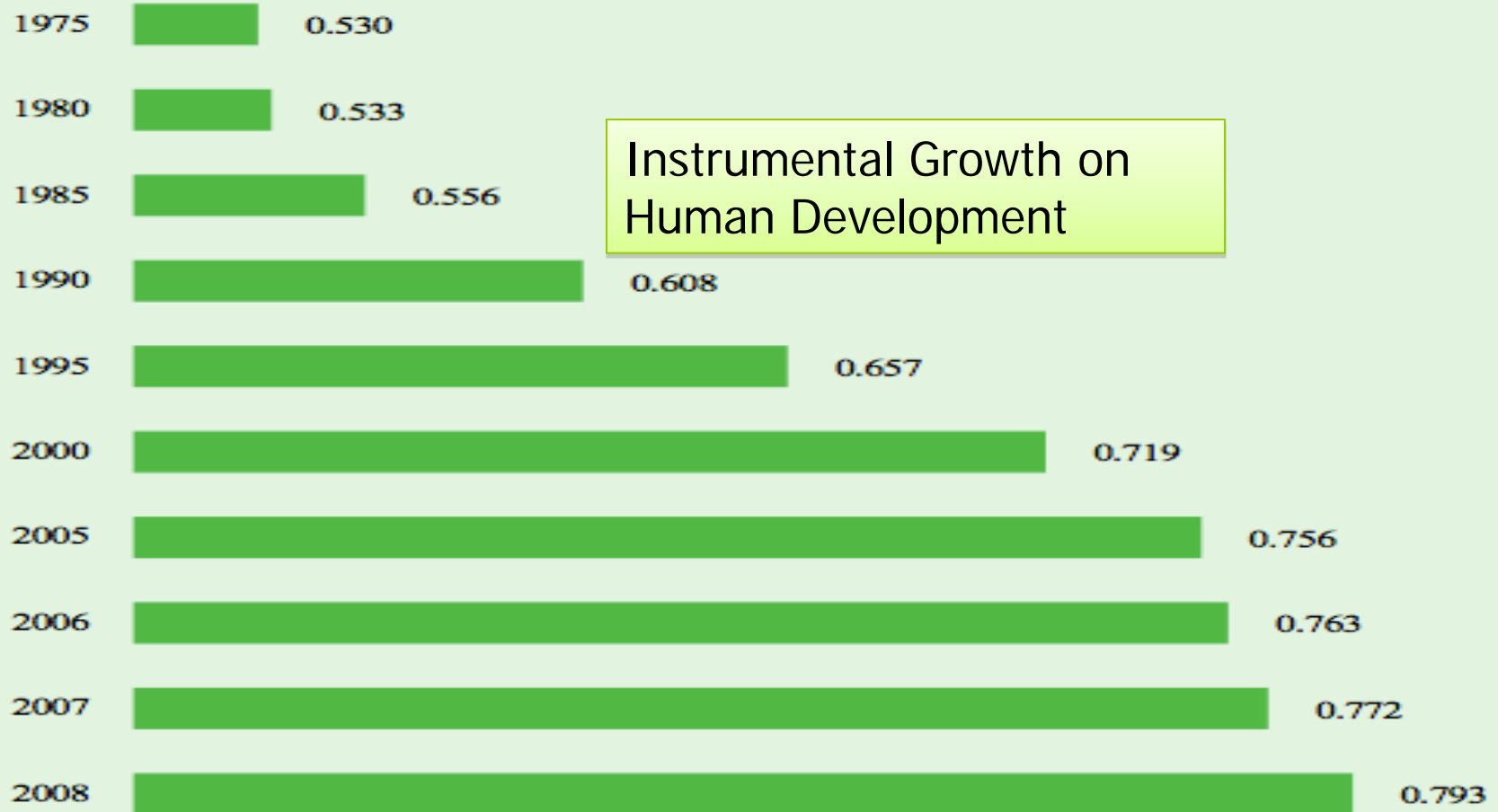


Fig. 1. Average schooling years of the population aged 15–64 in China, 1952–1999.

# Data and Great Achievements

**Figure 1.1**

**China's rise on the human development index (1975-2008)**



*Source: Data of 1975 is from UNDP, 2008, Human Development Report 2007/2008—Fighting climate change: human solidarity in a divided world;  
Data of 1980 to 2007 is from UNDP, 2009, Human Development Report 2009—Overcoming barriers: Human mobility and development;  
Data of 2008 is adapted by Taskforce on NHDR 2009-2010 based on China Statistical Yearbook 2009.*



# 9, Data and Achievements

**Table 1.1: Human Development Indicators in China**

Literacy, age 15 and over, can read and write (2000 census)	Total population: 90.9% Male: 95.1% Female: 86.5%
Education, school life expectancy (2006 census)	Total: 11 years Male: 11 years Female: 11 years
Life expectancy at birth (2009 est.)	Total population: 73.47 years Male: 71.61 years Female: 75.52 years
Infant mortality rate (2009 est.)	Total: 20.25 deaths/1,000 live births Male: 18.87 deaths/1,000 live births Female: 21.77 deaths/1,000 live births
Percentage of population with electricity access (2008 est.)	National: 99.4% Rural: 99% Urban: 100%

# Great Achievements

- Data about "Chinese miracle"
  - GDP: annual growth 9.3%(2010); GDP in 2010 18 times that in 1978; rank 2<sup>rd</sup> in the world
  - GDP per capita: annual growth 8.7%; national income per capita grew to 4,700 USD in 2010 from USD 190 in 1978
  - Total trade: annual growth 17.4%, rank 2<sup>rd</sup> in the world
  - Foreign Reserve: In January, 2012, the People's Bank of China announced China's foreign exchange reserve had reached \$3.18 trillion by far the largest holders of foreign exchange reserves and the first time a country had surpassed the \$3 trillion
  - Fiscal income: annual growth 14.1%
  - Disposable Income: annual growth more than 7%
  - Urbanization: 17.9% in 1978; 51.27% in 2011

# 10, Data and Great Achievements

- All the successes are based on efforts
  - Labor-abundant (20% of world)
  - Land-scarce (7% of world)
  - Resource-scarce
    - Coal: 11% of world
    - Petroleum: 2.3%
    - Natural gas: 0.8%
  - Capital: scarce or abundant?

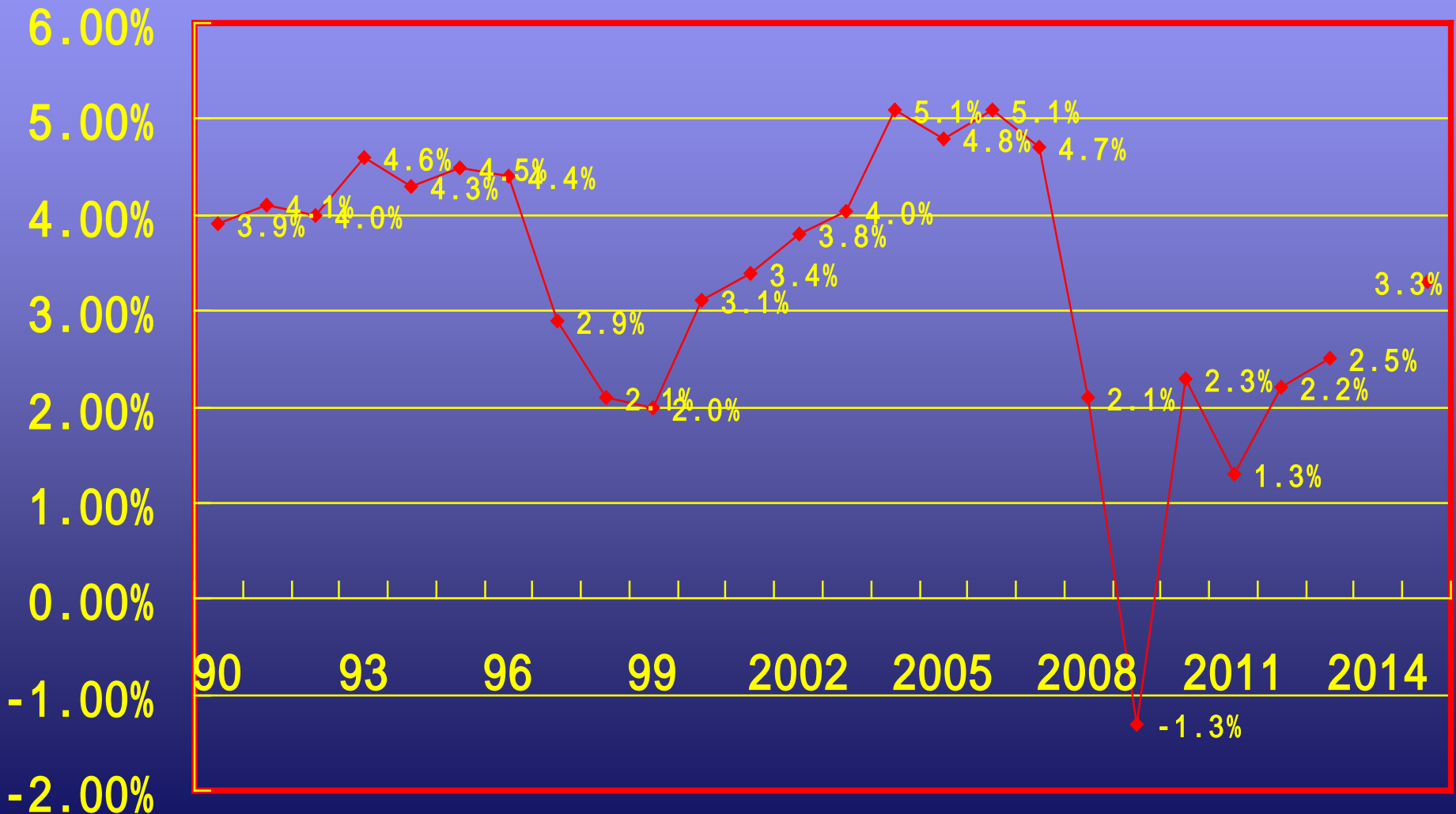
II、 Hold new trends and new challenges ,  
Research scientific strategy ,make new progress

1、 Recently years, the international  
financial crises are very heavy



# The growth rate of world economy

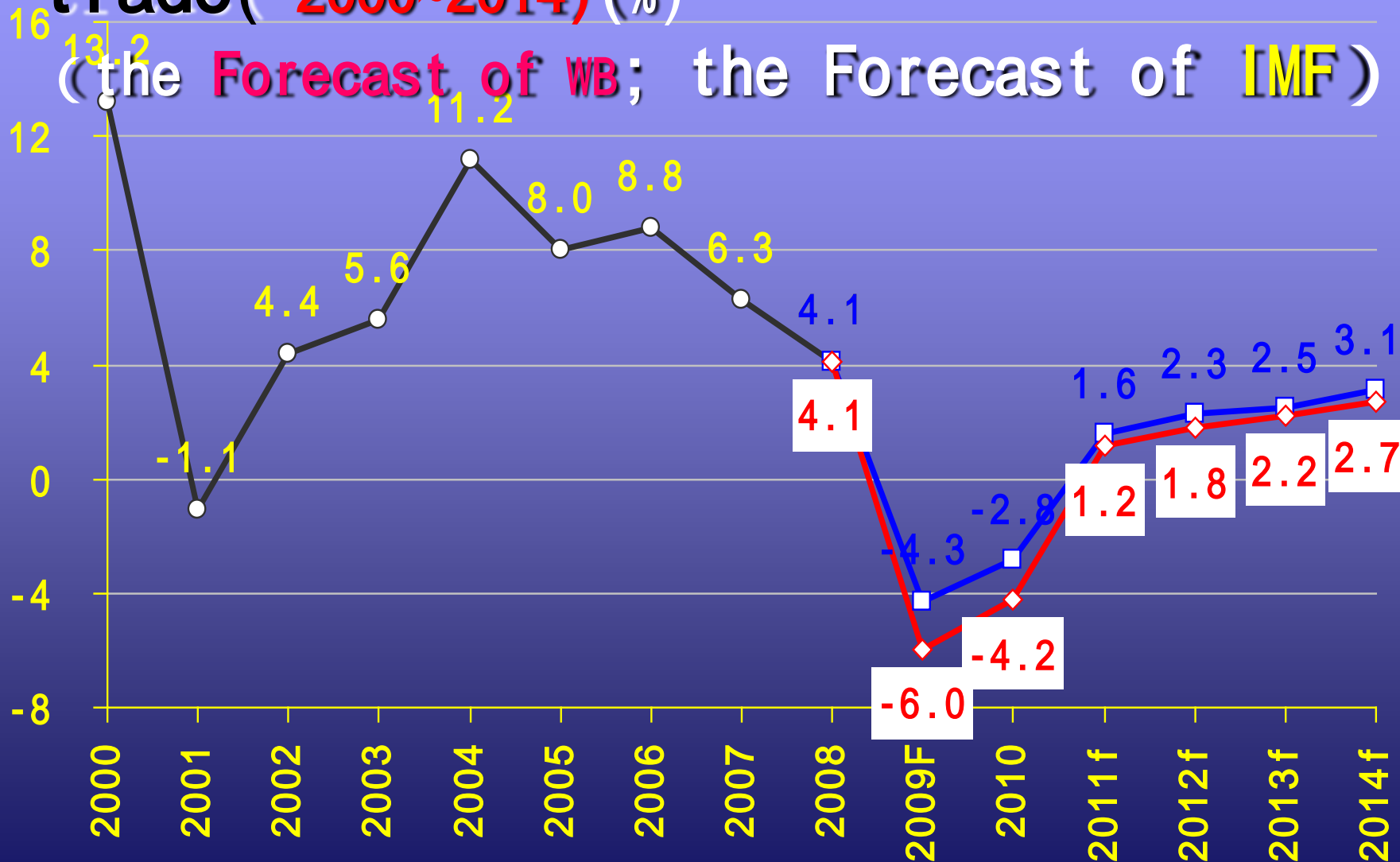
(1990—2014; 2011—2014 :Forecast)



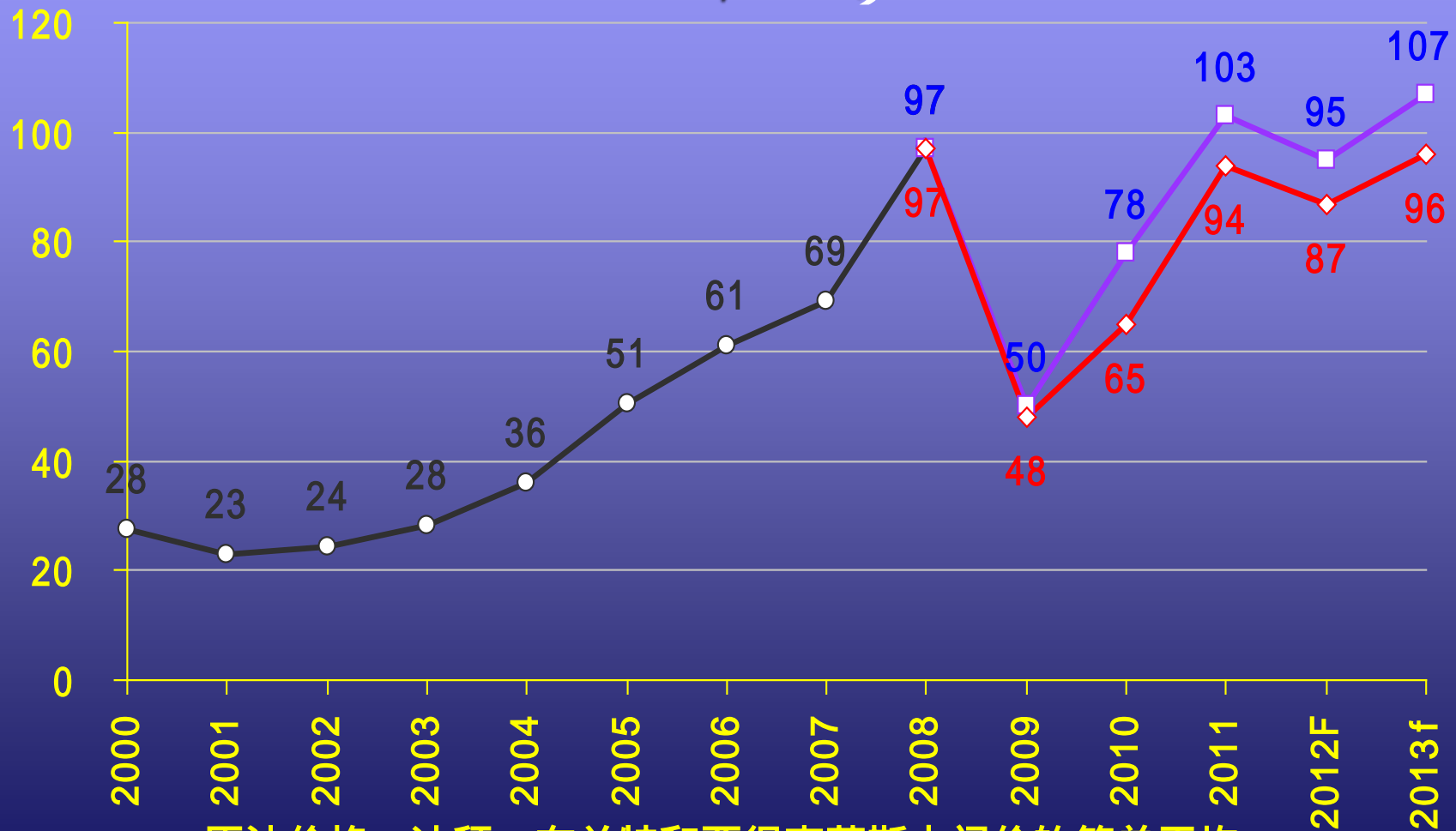
# The growth rate of world

trade( 2000~2014) (%)

(the Forecast of WB; the Forecast of IMF)



# The price of international oil (petroleum) (2009~2013) ( \$ /Tub )



原油价格：迪拜、布兰特和西得克萨斯中间价的简单平均。



## 2 , Transition the mode of economy development

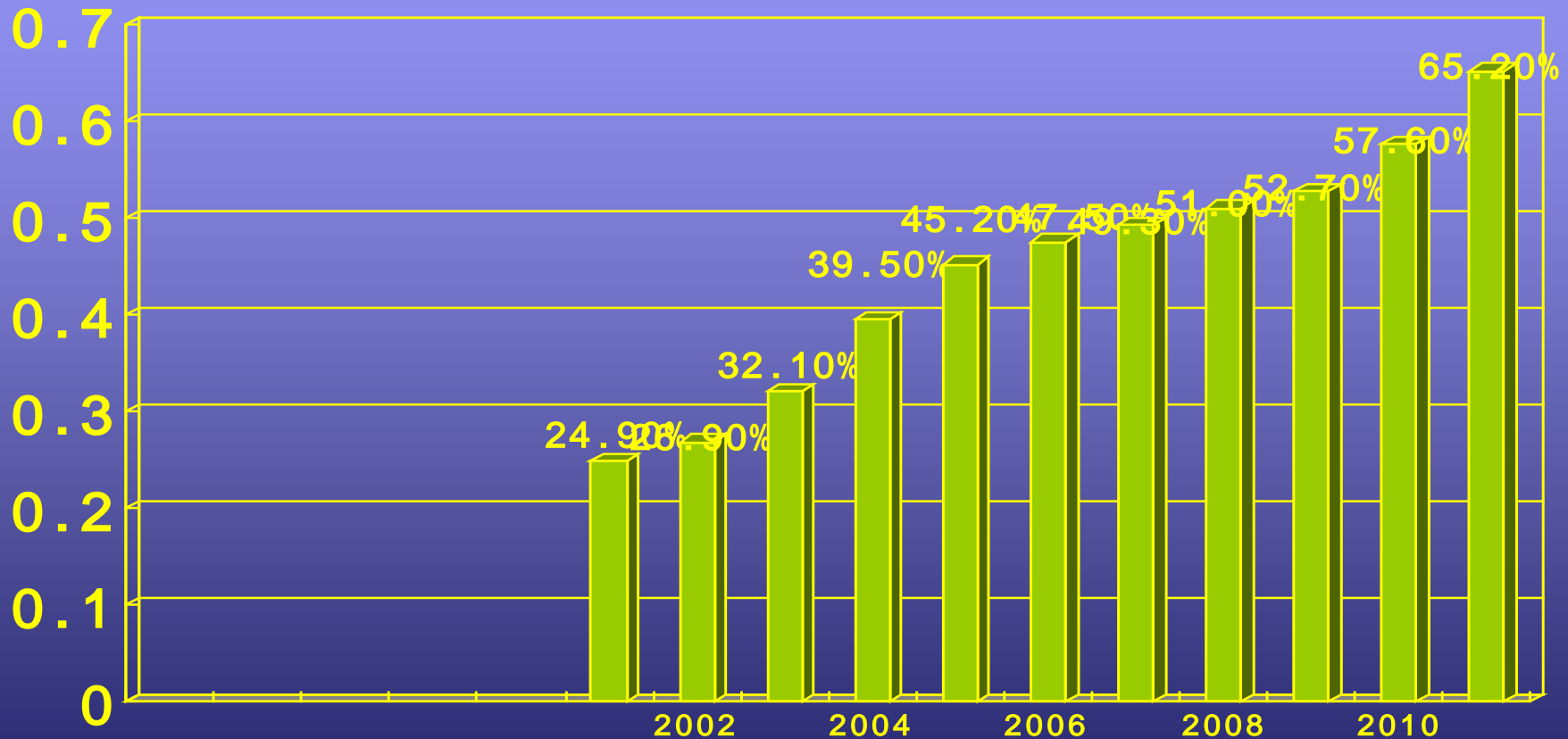
### The Motives of GDP in China (2009)

	contribution	to GDP Growth Rate
Domestic consume	53.4%	4.6%
Invest	87.6%	6.8%
Net Export	—36.0%	—2.4%



# 3, Solve the troubles of energy and environment

The Import Rate of petroleum (2001~2011)



# 4, keep with stable and health development in economy

## The China economy growth curve

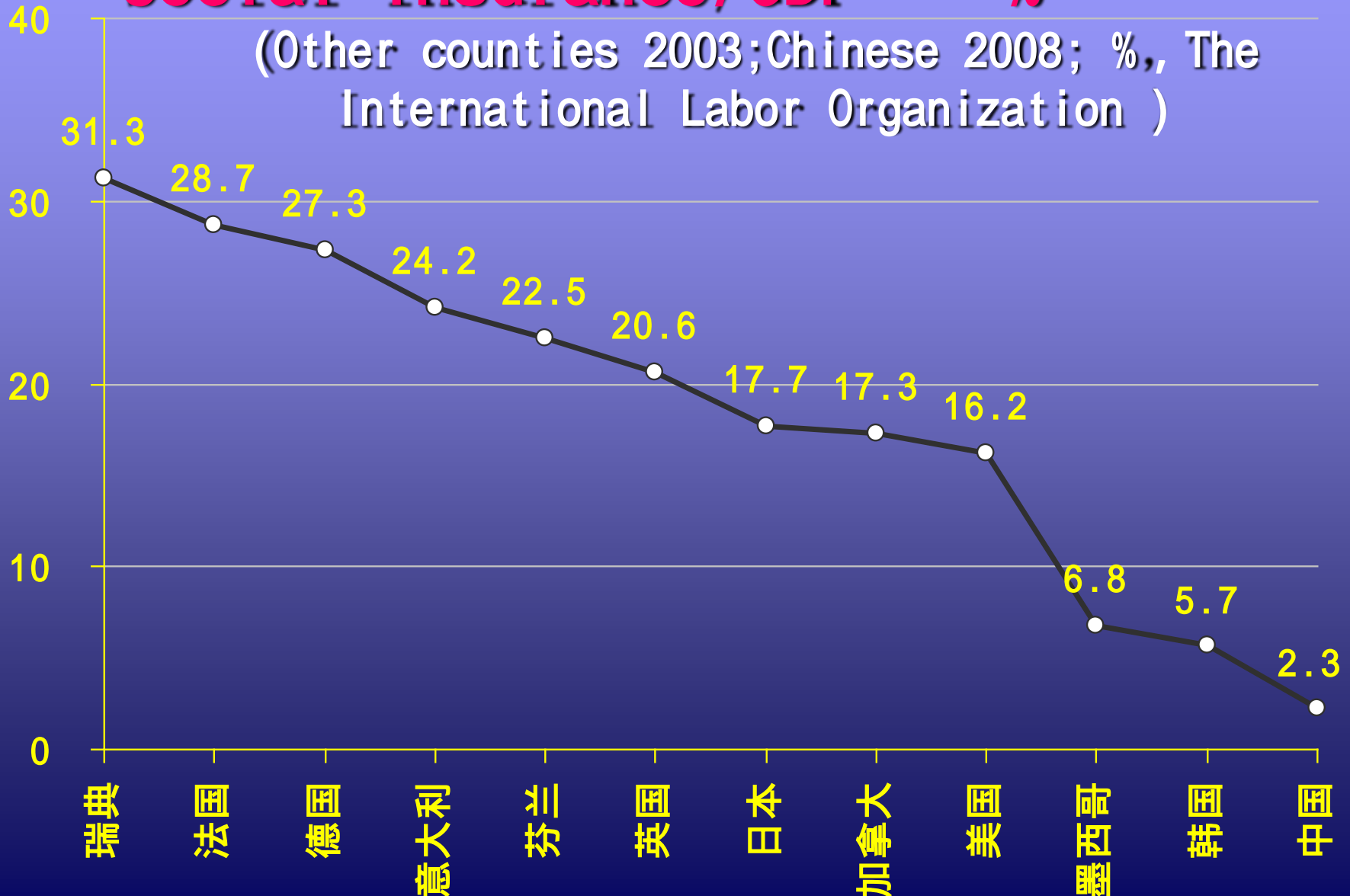
((1979~2015, 2012~2015, forecast))



# 5, The welfare & the social insurance

## Social insurance/GDP %

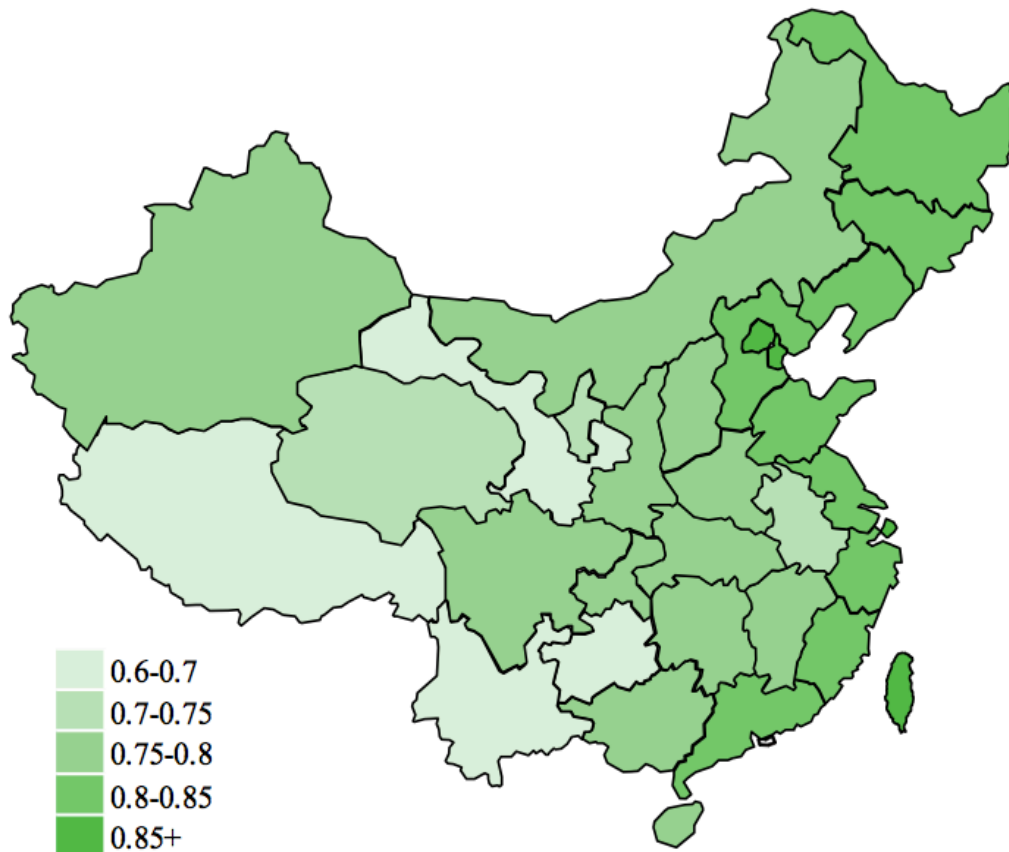
(Other countries 2003; Chinese 2008; %, The International Labor Organization )



# 6, Hold the equilibriums to all people

▣ But growth has not benefit all...

**Figure 1.2** Regional HDI disparities in China (2008)



Source: Data from China National Bureau of Statistics, 2009, "China Statistical Yearbook 2009", Beijing, China Statistics Press, adapted by Taskforce on NHDR 2009-2010, Renmin University of China.

▣ China now has one of the most uneven income distributions of all Asian countries.

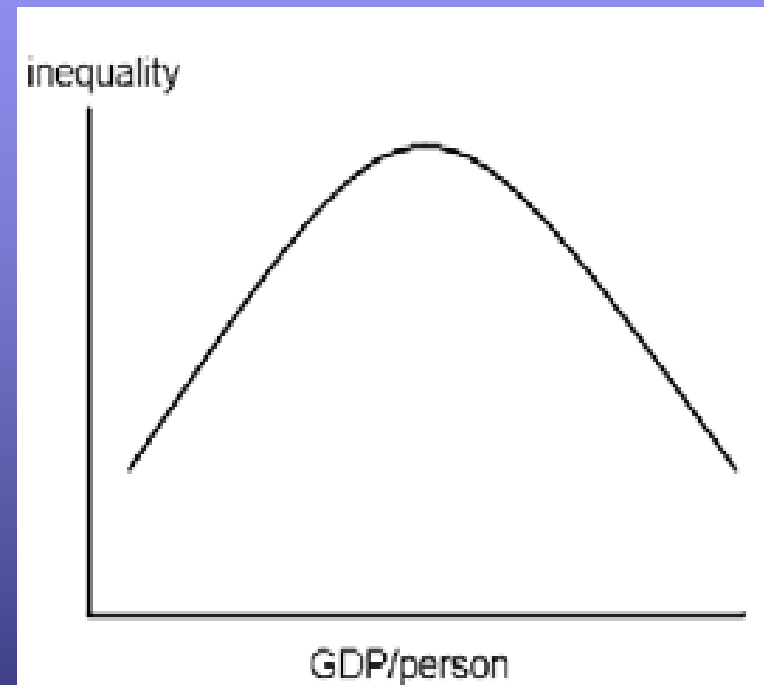
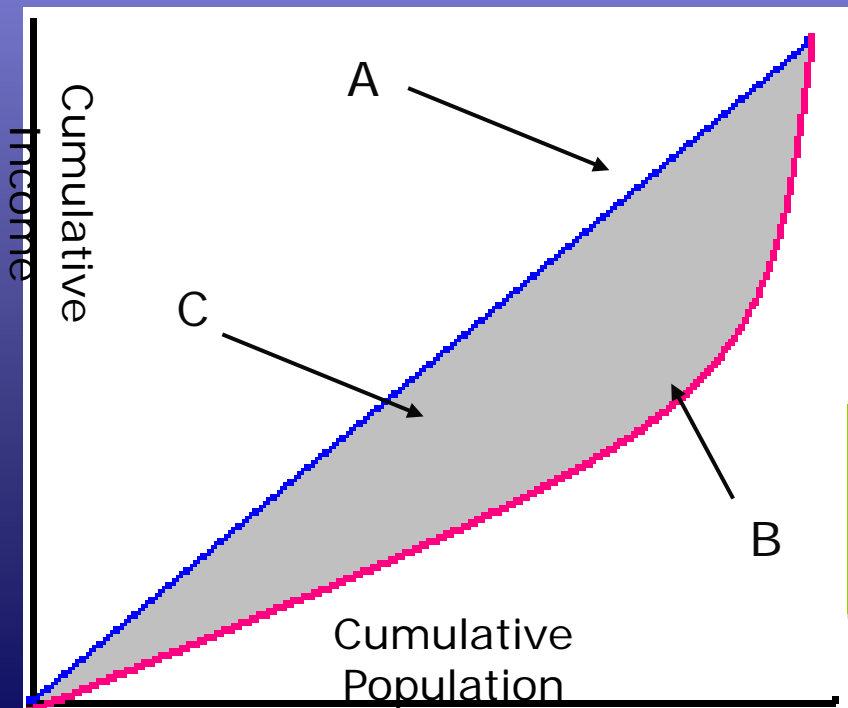
# Negative Side: Pending problems

▢ But growth has not benefit all...

▢ How to measure the inequalities?-Gini Coefficient

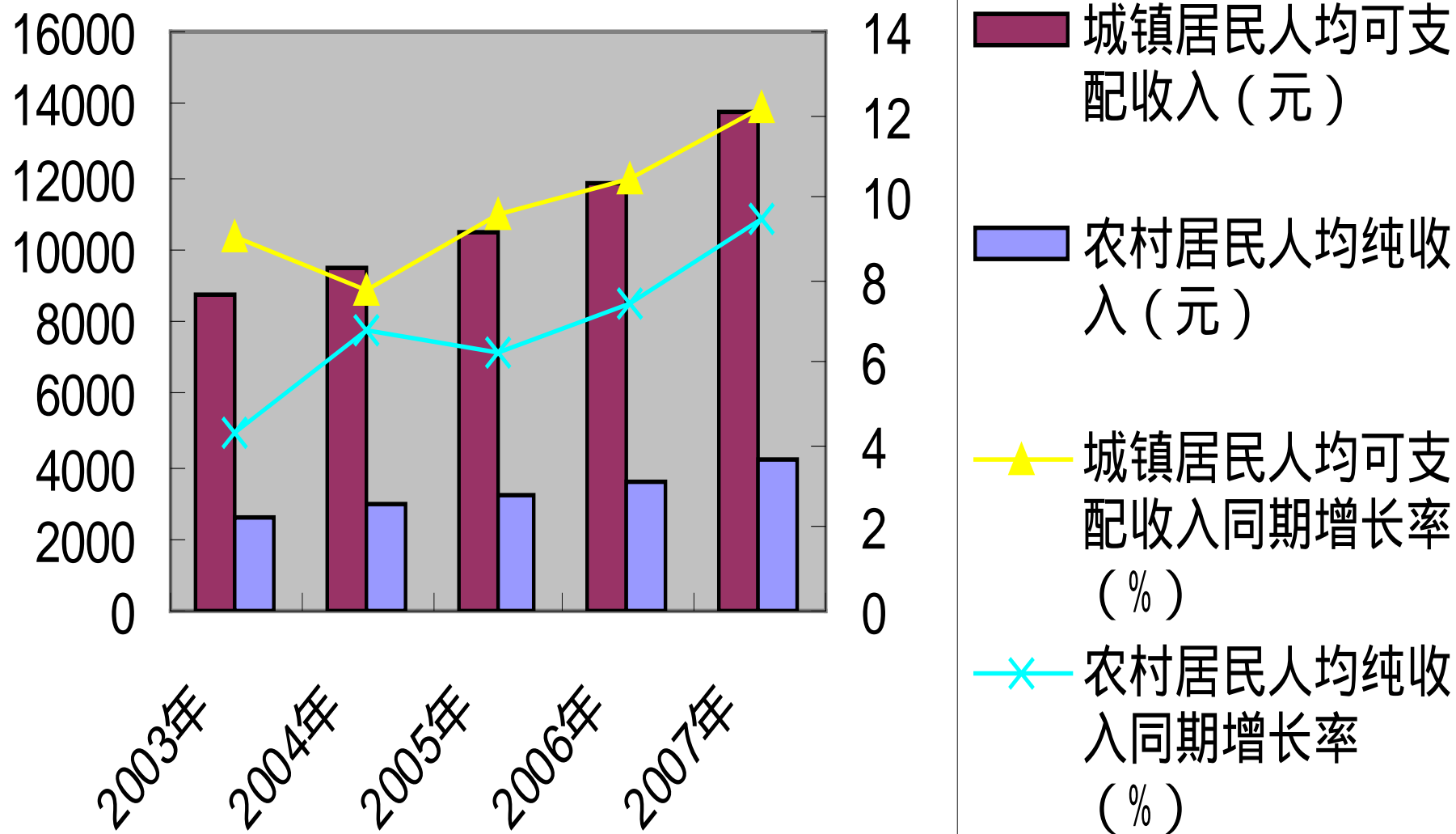
▢ Kuznets Curve

▢ Gini v.s. Kuznets

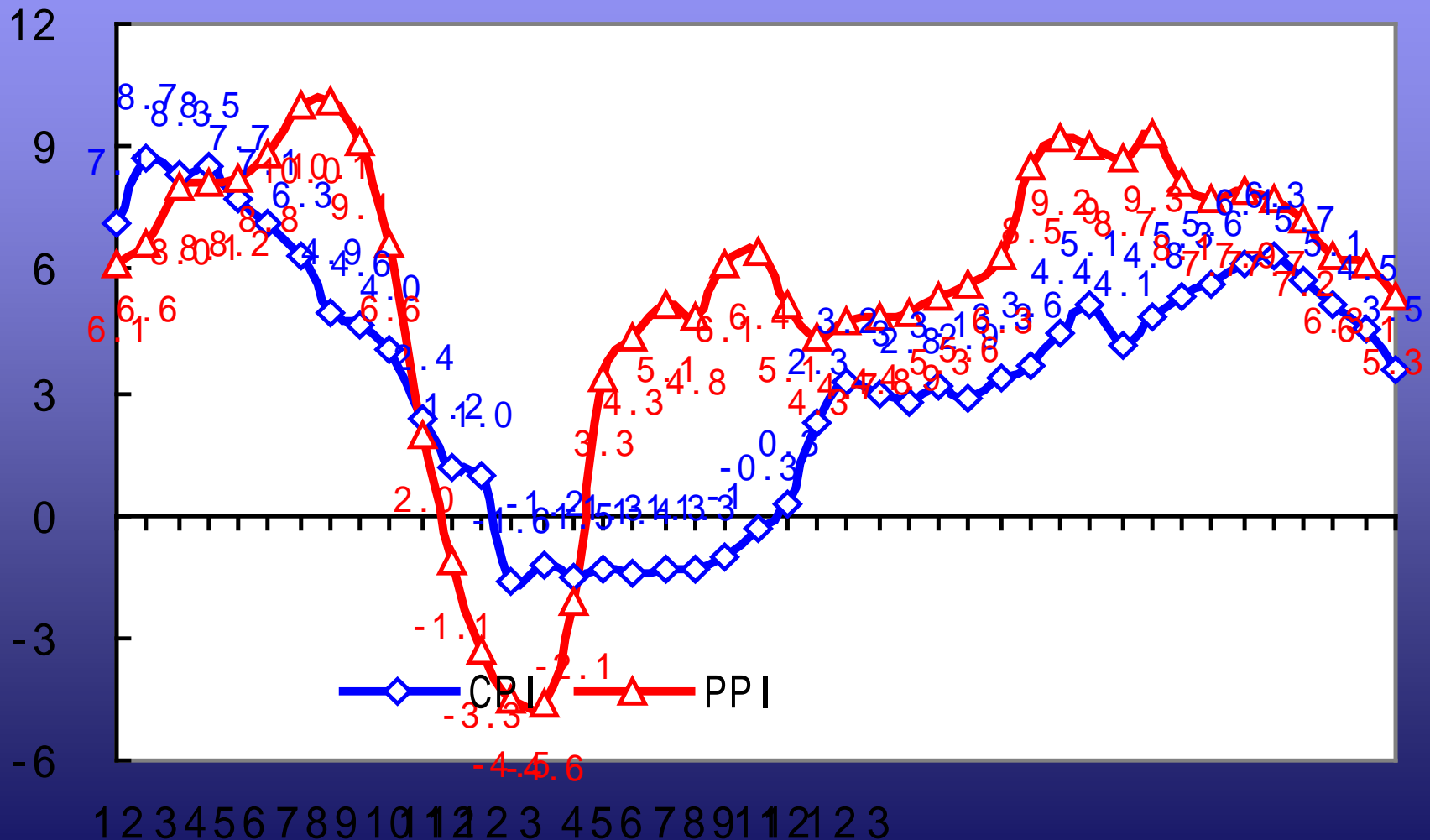


- ▢ A – Equality Diagonal Population = Income
- ▢ B – Lorenz Curve
- ▢ C – Difference Between Equality and Reality

# The peasants incomes



# 7, Control the inflation troubles



**CPI and PPI /month from 2008 (%)**

# 8, Raise technology innovation

## ▣ R&D and Productivity (Jefferson et al. 2003)

Table 6

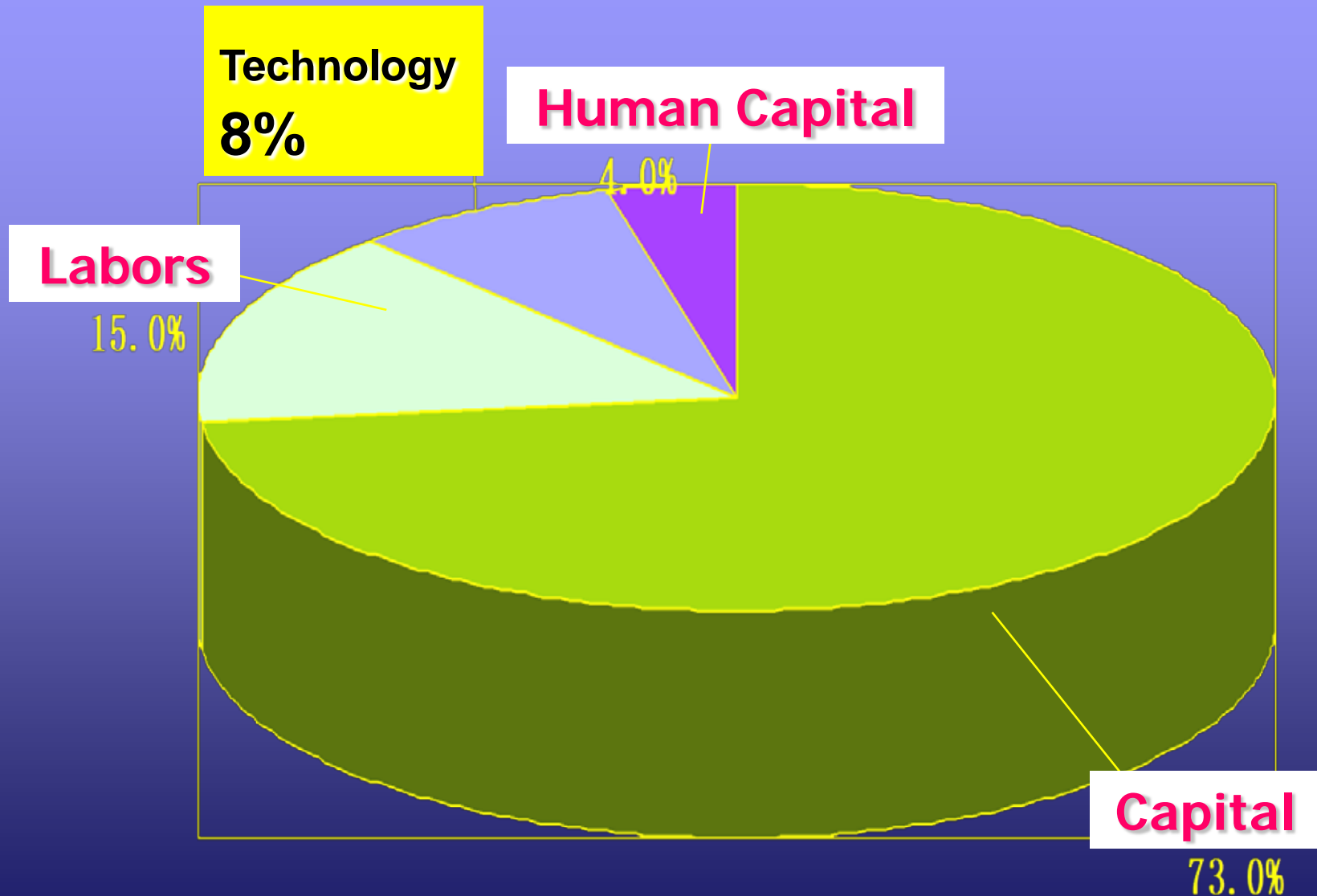
Comparisons of national level innovation intensities and capabilities

Country	R&D/GDP (%)	R&D expenditure in business (as a % of total)	Scientists and engineers in R&D (per 100,000)	Hich-tech Exports (as a % of total in 1999)	UNDP technology achievement index
Korea	2.8	84.0	2,193	33	0.666
Singapore	1.1	62.5	2,318	58	0.585
Malaysia	0.2	8.3	93	52	0.396
Thailand	0.1	12.2	103	30	0.337
Philippines	0.2	1.9	157	26	0.300
China	0.7	-	454	21	0.299
Indonesia	0.1	76,4	182	7	0.211

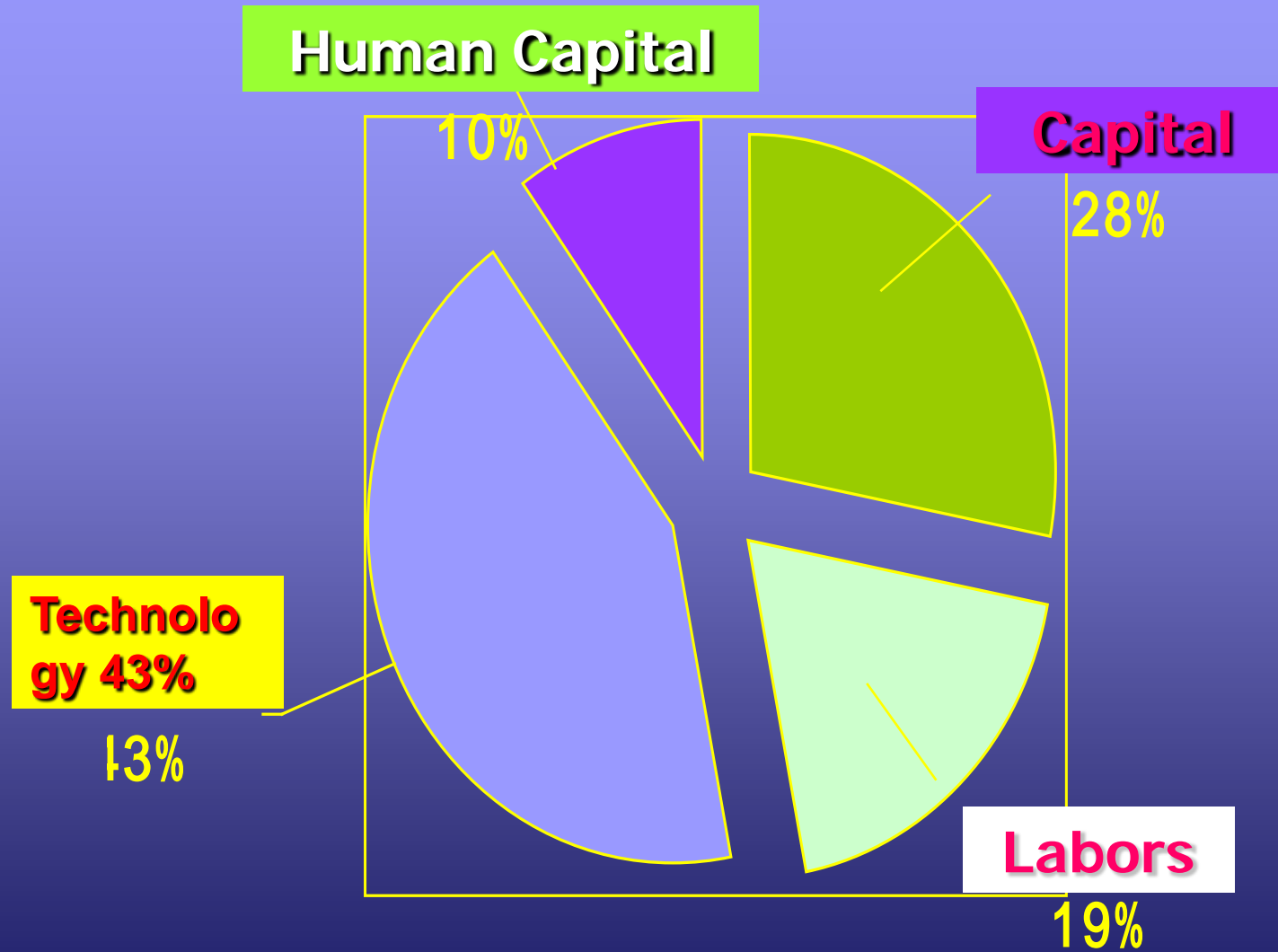
Source: UNDP (2001), pp. 48-55



# The Factors contribute to economy in South East Asia ((%))



# The Factors contribute to economy in USA (%)



# 9, Promote the service industry

## The world service trade Precedent 10 G

( 2008 , million \$ )

N O.	Country	E-I	Export	In World%	NO.	Country	Import	占世界%
1	USA	1535	5214	13.8	1	USA	3679	10.5
2	British	878	2830	7.5	2	Germany	2830	8.1
3	Germany	-414	2416	6.4	3	British	1962	5.6
4	French	211	1605	4.2	4	Japan	1674	4.8
5	China	-116	1464	3.9	5	China	1580	4.5
6	Japan	-10	1464	3.9	6	French	1394	4.0
7	Spin	383	1426	3.8	7	Italy	1317	3.8
8	Italy	-98	1219	3.2	8	Ireland	1062	3.0
9	India	190	1026	2.7	9	Spin	1043	2.9
10	Netherland	108	1016	2.7	10	Korea	918	2.6

# Promote Urbanization

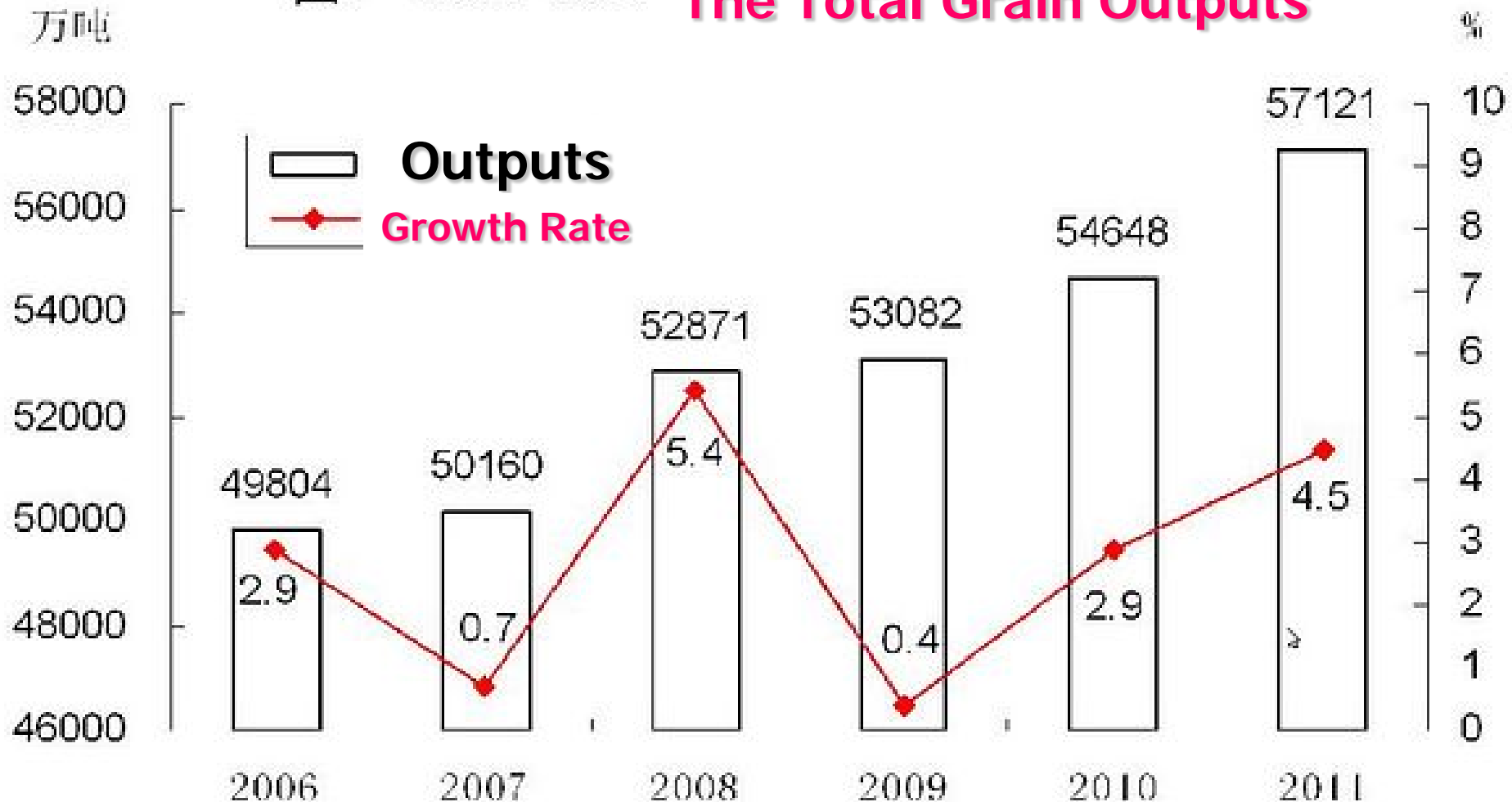
## The Urbanization of new China (1949—2011)

Year	Population of City/town (million)	The rate of Urbanization (%)	Cities
1949	57.65	10.6	135
1960	130.73	19.8	211
1963	104.7	14.6	
1966	120.8	17.8	
<u>1978</u>	<u>125.6</u>	<u>17.9</u>	193
<u>1999</u>	<u>379.0</u>	<u>30.4</u>	668
<u>2001</u>	<u>480.64</u>	<u>37.7</u>	675
<u>2009</u>	<u>612</u>	<u>46.3</u>	672
<u>2011</u>	<u>637</u>	<u>51.24</u>	672

# 9, Agriculture and the Grain Security

[The output of grains (10,000 ton) ]

图7 2006-2011 The Total Grain Outputs



**Thank You !!**