

Human development in China

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Twenty years ago I began my academic life as a researcher in Cambridge, and it is as an academic that I shall describe the progress China has made in human development.

I believe human capital is a crucially significant factor for a developing country. The world has before it a great opportunity to realize the promise of equality and freedom: all around the globe we can see the positive and active influence that globalization is having on human development. All societies have been influenced by the rapid progress of science and technology, especially information technology (IT), which gives people more information, more choice and more freedom.

China is the world's most populated country; indeed it has 20 per cent of the total world population. How does China interact with the international society, especially as it confronts both the rare opportunities and the severe challenges arising from population and human development issues? In China we are always looking for ways to further implement the Programme of Action from the International Conference on Population and Development and to realize the Millennium Development Goals, both at an international level and nationally. We reflect on how our country can respond to the opportunities and changes in the *xiao-kang* ("well-balanced" or "harmonious") society. This is a big challenge, not only for the politicians but for the whole country.

There is a consensus throughout the international community that in modern society individual happiness and well-being are not confined to the benefits arising from material prosperity, but also depend on having freedom of choice. They are linked to equality in development between one individual and another, and freedom for the overall development of the human being. Society as a whole also recognizes the need for harmonious balance between the individual pursuit of development and the social, political, cultural and economic components. Society, too, must ensure that there is coordinated development between people and the natural environment.

For these reasons, the world has begun using a different system of indicators – the Human Development Index – to evaluate the quality of development, to evaluate human life. Indicators for looking at human development include economic status; gross domestic product (GDP) per capita; poverty eradication; living standards, including housing and water supply and sanitation; educational status (in China, for example, we have nine years' compulsory education); adult literacy rates, and so

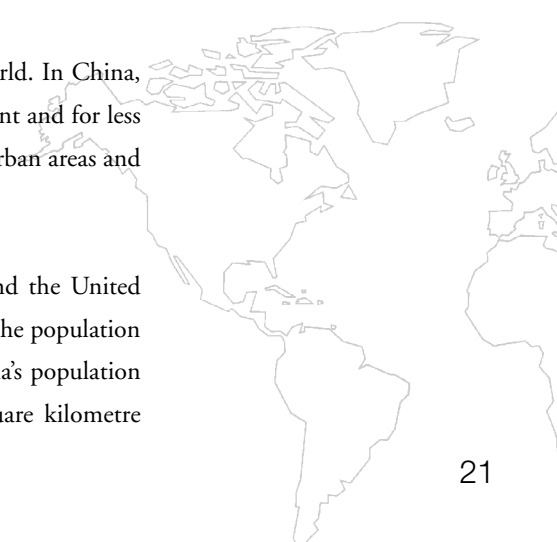
on. Personal indicators like life expectancy, and health indicators such as antenatal care, maternal mortality and infant mortality are all now incorporated, as well as statistics on labour, employment, women's status and reproductive health: this last has become an important component in measuring human development. The indicators used for evaluating reproductive health include the total fertility rate, contraceptive prevalence and incidence of HIV/AIDS.

What is the situation today in China? Let us compare the rankings of different countries on the Human Development Index. On this indicator, Norway ranks first, and is followed by a series of industrialized countries. Sierra Leone is bottom, in 175th place. China today is in 104th place. There are a number of reasons why my country, in spite of its very rapid economic development, is still in the middle ranks.

If we look at population statistics, we see that China has made great strides in improving life expectancy and lowering infant mortality. Take the infant mortality rate first: for the world the average is 54 infant deaths per 1,000 live births, and for the most developed countries it is 6. In Asia as a whole there are 51 infant deaths per 1,000 live births, but for China the figure is 27. Again, on life expectancy China does well among Asian countries, with a life expectancy of 72 years, compared with 68 for Asia as a whole and 67 for the world average (the most developed countries have life expectancies of around 76 years). The total fertility rate in China, too, matches that in the most developed countries, at 1.6 children per woman. This compares with averages of 2.7 children per woman for the world and 2.5 children for Asia.

Urbanization, however, is still very low in China compared with the rest of the world. In China, 37 per cent of the population live in urban areas, while the average for Asia is 38 per cent and for less developed countries 41 per cent. (In the most developed countries 76 per cent live in urban areas and in the world as a whole, 47 per cent.)

We can compare China with two industrialized nations, the United Kingdom and the United States of America. China today has the biggest population in the world, at 1.3 billion. The population of the United Kingdom is 60 million and of the United States 297 million. But China's population density is more than four times higher than that of the United States: 137 per square kilometre



against 31. This figure conveys the idea that China not only has a very big population – and every year we have an increase of 7-8 million people – but that the country is quite densely populated.

Other comparisons with the United Kingdom and the United States show that all three countries have similar birth rates – 12 births per 1,000 of the population for China and the United Kingdom, and 14 for the United States – although the latter has a higher total fertility rate, at 2 children per woman compared with 1.6 for China and the United Kingdom.

Turning now to China's economic development, there has been rapid economic growth since 1990, with a dramatic increase in gross national product (GNP), which reached 9,023 yuan (\$1,100) in 2003, a more than fivefold increase on the 1990 figure. Between 1984 and 1993, gross domestic product (GDP) grew by about 9 per cent each year and between 1994 and 2003 by about 8 per cent each year, indicating the very real improvement in the economic situation.

However, these figures hide some significant differences between urban and rural areas. The average net income of urban residents quadrupled between 1990 and 2003, but growth was much more modest for rural residents, whose income in any case was much lower. Another qualification to China's economic success is the amount of public expenditure going to social, cultural and educational development. This remains at only 5.5 per cent of GDP, against 4 per cent in 1990, and we should regard this allocation as a very low investment in social and cultural development.

The disparity between different sections of society is worrying, especially as in some respects it is increasing, and may signal the possibility of potential social unrest. Not only are there growing inequalities between the urban and rural areas, but also between the eastern and western regions, and between men and women. While the estimates vary, the Gini coefficient (a measure of inequality in which 0 equals perfect equality and 1 equals perfect inequality) now stands at 0.44. To give one example, the proportion of villages with a clinic dropped from 87 per cent in 1990 to 74 per cent in 2003.

We can also look at some recent demographic data. China's population was 1.29 billion in 2003, and due to reach 1.3 billion in 2005. At the same time the population structure shows some signs for concern. The percentage of the population over the age of 65 is currently about 7 per cent. The sex ratio

at birth is rising: it was 111.3 boys to every 100 girls in 1990 but in 2003 was 117. There is now a large migratory population of about 140 million. This has been called the biggest migration in the whole world, and how the government manages this group in terms of education and public services, and goes about managing the younger generation, presents a very big challenge.

China has made great progress in improving the health of its population. Not only has life expectancy increased (by three years since 1990) and infant mortality dropped (from 50 infant deaths per 1,000 live births in 1990 to 25.5 in 2003), maternal mortality has been falling as the number of hospital deliveries has risen and the contraceptive prevalence rate has increased. The maternal mortality rate is now 51.3 deaths per 100,000 live births, compared with 88.9 in 1990. Eighty per cent of deliveries take place in hospital, up from 50 per cent in 1990. The contraceptive prevalence rate is now 87 per cent.

However, we now have to face several new problems, especially HIV/AIDS. Today in China we have 840,000 people infected with HIV/AIDS, and this figure is expected to grow to 10 million by 2010 unless extraordinary measures are taken. Another current concern is that medical services in the countryside and rural public health services have declined. Thirty years ago China had an excellent system of “barefoot doctors”, but they have gradually disappeared. Services in the countryside have suffered as more attention has been given to health services in the cities.

Although there have been great improvements in education, there is still a need for more investment in this area in China. Since 1990 there have been positive signs in an increase in the adult literacy rate, from 77.7 per cent then to 89.1 per cent in 2003. In particular, the literacy rate of 15-24 year olds is a pleasing 98.6 per cent. However, education expenditure is still very low. In 2003, investment stood at 3.28 per cent of GDP, up from 2.85 per cent in 1990, but still not enough. This proportion is below international standards and also below the government’s goal of 4 per cent for 2003.

What about the situation in gender equality? One indicator, the proportion of seats taken by women in the national congress, is reasonable, at 20 per cent, a figure which has been stable since 1990. The ratio of women to men aged 15-24 years who are literate is satisfactory, too, at 95 per cent. However, we have two important problems concerning gender equality. First, the sex ratio at birth is



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skewed in favour of boys, with an unusually higher number of boys born than girls. Secondly, we find that of all the school-age children who withdraw from school after two or three years because of family issues or the economic situation, and go back to the family to work, most are girls. As far as gender issues are concerned, therefore, we must look not only at the seats of power and the political situation but also at the status of girls and women, especially in the countryside.

The environmental situation is a big issue in China. High population densities and the demands created as a result of rapid economic growth over the last two decades have put considerable pressure on the environment. It is reported that more than 90 per cent of China's grasslands are degraded and several cities are cited as among the most polluted in the world. Both arable land area per capita and freshwater resources per capita are declining, while energy consumption per capita is going up at a significant rate. Protecting the environment is an enormous challenge for China.

The last area of human development I want to cover is the extremely important one of employment. As already mentioned, 7 million new people are born every year, and the same number are also entering the labour market. In 2003, nearly 7 million new employees began to work in different fields. The unemployment rate in urban areas stands at 4.3 per cent (against 2.4 per cent in 1990). Although there has been a rise, China is in quite good shape compared with Germany, except that in Germany there is a somewhat different concept of what employment means. For example, a lot of farmers who work in the countryside feeding their chickens have a stable job, but when we measure employment we really mean that you not only have a very stable job but also good pay for that job.

In China, 64 per cent of employment is still in primary industry, though this proportion has shrunk from 72 per cent in 1990. But it means that a lot of manufacturing work is still using muscle, not technology. The remainder are employed in secondary and tertiary industry combined. In the future, especially the next ten years, I think there will be major changes in these fields of industry, and China is well prepared for this.

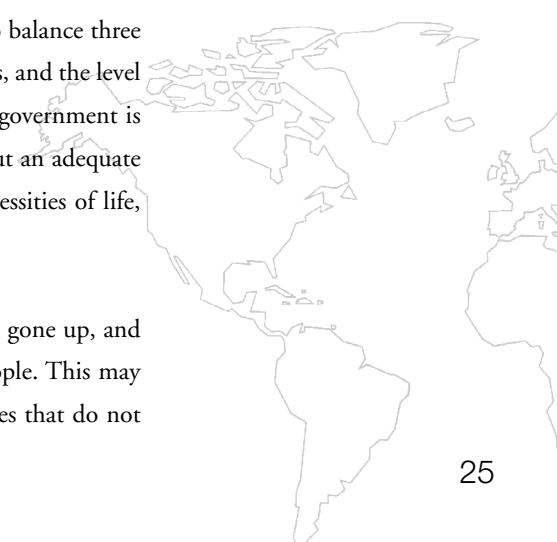
Now we have looked at this background data, I want to turn to China's accomplishments. I believe China has already become one of the strongest developing countries, strongest because it has been the

fastest to change. When we use the term “developing countries”, we are talking about a widely different range of countries, some of which are still very poor. In China, 200 million people have got out of poverty, per-capita economic growth has reached 8-9 per cent a year, and about 70 per cent of the population now have a standard of living better than that of other countries in the world. The eradication of poverty is a great success story for China. In addition, life expectancy has been extended to 72 years. However, the Human Development Index still puts China in the category of a medium level of development. The reason, as I mentioned before, is the imbalance between regions, between east and west, and between men and women.

China still faces serious challenges, and I have already referred to some of them. I believe the government is deeply concerned, firstly about growing inequality, and secondly about the large number of poor people, especially in rural areas. Today we still have 30 million people who are living below the poverty line and many who remain outside social safety nets. Other issues include the addition of 7 million extra people to the population each year, the 140 million internal migrants and the 840,000 people infected with HIV. We also have a steadily ageing society. In the UK and other European countries, many demographic and social developments evolved gradually, with the change from high to low fertility taking place over a span of perhaps a hundred years. But in China it has happened in only 30 years. And the ageing society is coming – to repeat, 7 per cent of the population is currently over 65 years old. A further challenge is the pressure that China’s high population density and rapid economic growth are putting on the environment.

Decision makers have a difficult time when it comes to population issues, having to balance three different levels: the macro level of population and the environment, the level of resources, and the level of individual rights in which people want more children and big, happy families. The government is aware that the environment needs protecting and that resources are lacking. But without an adequate social security system or enough opportunities for people to work and pay for the necessities of life, how can the government ask its citizens to have only one child?

We have carried out an in-depth study of why the ratio of boys to girls at birth has gone up, and there are a number of reasons for it. First, family policy presents a challenge to the people. This may be one reason, but it is not the only one, as we find quite high ratios in other countries that do not



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have similar family planning policies – India, the Republic of Korea and Singapore, for example. I think in India in the 1990s the boy-to-girl ratio reached about 113, but today in China it is a high 117. We have identified several other factors. There is the cultural reason that people prefer to have a boy; there is the fact that in China the social security system is poor, especially in the rural areas; and thirdly, when family size is limited to only one or two children, parents prefer to have boys to provide strong labour.

What actions does the government intend to take on this important issue? It will try to form a social security system, especially covering the countryside area. We will gradually enlarge coverage for the rural areas, with local and central government each contributing a third of costs and the people themselves the remaining third. We are still at the pilot study stage and I hope later on it will improve. A second action we want to take, as with education, is to use social policy to make it easier for girls to have land, a house, and equal rights with boys. There is now in China a large programme called “Girl Care”, through which the government is trying to educate people to value girls as well as boys. Things are changing. I can give you an example. Two families in a village were fighting over rights to some land. One family had two boys and the other had two girls. The boys’ family tried to use muscle to secure the land but the girls’ family took the case to court, and won.

The government has to consider three points in its decision making. First, with respect to human development, there must be greater education and greater opportunities for people, especially for women, and people have to recognize why this matters. Second, the new generation must appreciate the importance of taking responsibility for children, rather than having a large number of children who just survive, with barely enough food or clothes. And at the same time the government has to think about the macro level and ask people to limit their families in order to be able to balance the various needs, to provide education for everyone and to protect the environment.

As China faces all these challenges, we must always consider what is the right way to deal with them, and what are the true principles on which we should set our new strategy. In this respect, China has adopted four important strategic principles. The first is that we believe that “development” refers to comprehensive development, of the economy, society and culture. In future we will use human development indicators rather than just GDP to assess development. Some 25 years ago the only

evaluation system for development was GDP, but now these other indicators are coming much more to the fore.

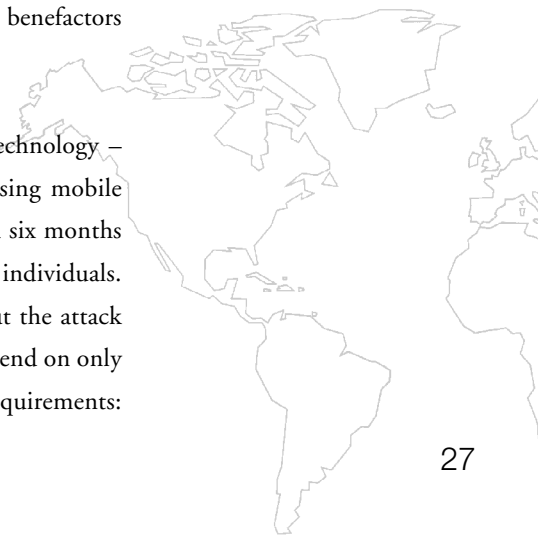
The second principle is that it is the individual human being who is the subject, participant and beneficiary of development. People's well-being and benefits should be the most important parameters for developmental achievements.

Thirdly, in the next ten years or more, we believe that in our pursuit of development equity should be stressed. We will pay more attention to the poor, and to disadvantaged areas and sections of the population, including women, children, the elderly, the disabled and rural migrants.

The fourth and final point is that we believe that the government is the prime promoter of development. They own the resources; they have the power to promote the whole society. However, the government is not the only player in development: we would like to involve the whole of society, including the government, non-governmental organizations, citizens, enterprises, the media, everything which we define as part of civil society. The most important transition in the 21st century is realizing that the whole of society can no longer depend only on government. There are so many needs and demands and the government must now work with civil society.

There is a relationship between people's rights and needs and how these are met, and in China I believe we now feel that people's rights and needs should become the top priority in the whole system, because it is not possible to promote development and make everybody participants and benefactors of development without considering people's rights and needs.

One of the important changes of the 21st century is the rapid development of technology – especially information technology. In China this year, we have 120 million people using mobile phones and 60 million people using the Internet. While, in the past, it may have taken six months for information to spread, it is now transmitted straight away – to villages, families and individuals. A good example of this occurred on 11 September 2001: overnight, information about the attack travelled not only to urban areas but also to rural ones. A society such as this cannot depend on only one power, the government. The more information there is, the greater are people's requirements:



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another reason why the government cannot operate in isolation but must also use the resources of civil society.

In China, civil society has progressed, though there is still some way to go. There will be more space, freedom and representation for individuals. We can say that we are halfway and are heading in the right direction. We have an idea of what perfection would be, and can look at the process of achieving it. Civil society has three important functions: first, to represent society's citizens; second, to help monitor and check the system of government; and third, to limit the government's powers. Civil society is gradually coming to play an important role in China.

And how is the government working? Some of us are currently studying in Cambridge University and we feel very excited about the principles of good governance. As you know, responsibility, legitimacy, accountability, transparency, the rule of law and efficiency will in the future, if not today, become the guidelines for the government to be a good government.

Our government system is working to provide a good service in terms of public goods and information. We believe that in the future information will itself become power, a resource for the people. If we can provide more information, people will have more choice and so have more freedom. As for the government, in the future we will be continuing with our work on planning, regulation, investment and, of course, evaluation.

Finally I should like to quote our President, Mr Hu Jintao. He said: "Social harmony and a happy society is an ideal that mankind has always aspired to." We recognize that here we have a perfect goal; we recognize that we may never attain perfection, but it is our mission to progress towards that perfection.

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