



The Main Approach of Proposed Integrated Household Survey of China

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On-going Rural Household Survey

• Current Status

- China started its rural household survey in 1954.
- Characterized by relatively
 - Sound survey organization,
 - Standardized survey method,
 - Timely data release,
 - User needs being basically met.



On-going Rural Household Survey

• Coverage:

- 31 provinces (Whole country),
- 896 counties (about 1/3 countries).
- Over 7000 villages
- 74000 households



• Concepts

- Income and expenditure
- demographic characteristics and employment of members
- housing and consumer durables owned
- savings and loans of household and etc.
- the information of rural migrant workers
- production, selling and self-production for own consumption of main agricultural products,
- agricultural technology application,
- development of village and etc.



• Sample

- To meet the representativeness of major indicators at the national and provincial levels.
- the whole sample rotate every five years.



• *Rural Area*

- All the areas in China could be divided into village committees or neighborhood committees. We define all the village committees as the rural area.



• *Organization*

- The questionnaire of the RHS is designed by National Bureau of Statistics of China (NBS)
- Be implemented by Provincial and county office of China.
- About 10000 interviewers are employed to carry out the survey.



• *Data Collection*

- Frequency: quarterly
- Through the combination of diary-keeping, questionnaire and face-to-face interview.
 - Diary-keeping
 - income and consumption
 - Questionnaire interview
 - demographic characteristics
 - employment status
 - housing conditions, owned consumer durables



• *Data Release*

- Quarterly:
 - cash income and consumption
 - employment of rural migrant workers
- Annually:
 - detailed information on the rural residents' living by various income levels.
- The release channels:
 - Press conference
 - NBS website
 - *China Statistical Yearbook, China Yearbook of Urban and Rural Household Survey* and so on.



Problems in On-going Survey

- There were some differences in the definition of income and consumption indicators for urban residents and rural residents, and corresponding data results are not entirely comparable.
- There is no official income and consumption data for all the Chinese residents
- It is highly difficult for the survey to cover the floating population and accurately obtain their income and consumption information.
- High-income families generally refuse to accept the survey.



Proposed Integrated Household Survey

• *Principles*

- Survey outcomes should sufficiently meet key user needs. Such as, government, research institutions, the public and NBS internal users (CPI, SNA).
- The core concepts should be consistent with international standards.
- Survey scheme should adapt to China's national conditions.



- ***Establish nationally unified indicator system of residents' income and expenditure***

- Establish a unified income and expenditure indicator system consistent with international standard.
- Improve the income statistics for floating population, adopt the concept of permanent population in compliance with population census.



- ***Improve and unify the survey method of urban and rural household survey***

- Unified sampling method and unified sampling frame
- Unified data collection methods and uniform questionnaires and diary format
- Unified data processing program
- With administrative record data related to income, calibrate income data of urban and rural residents especially for high-income group



- ***Sampling***

- Sampling frame: the sixth national population census, which is Including name, gender, age, nationality, household registration, education, occupation, job, migration, marriage status, birth, and death.
- Sampling rotation: every 2 years



- ***Disposable income***

- Consistent with international standards and income concept with China's urban residents, we will adjust the net income of rural residents to disposable income of rural residents.



- For the disposable income, it will be divided into 4 items

- Employee income
- Net business income
- Net Property income
- Net transfer income

- Here, net property income is derived from property income subtracting property expenditure, while net transfer income is derived from transfer income subtracting transfer expenditure.



- ***Classification of some small income items will also be adjusted according to Canberra standard.***

- In the past, we regard the income from land expropriation compensation as the part of property income, while we will adjust the money received from land expropriation compensation as a item belonged to non-income earning.
- We will adjust the classification of payment for renting farm land as operating cost for agricultural business rather than property expenditure as before..
- Adjust the classification of reimbursement of medical expense as negative expenditure rather than transfer income as before.

• Data release

- the proposed integrated household survey will quarterly release cash disposable income and cash consumption expenditure data. And annually, besides cash disposable income and cash consumption expenditure data, disposable income (including income in kind) and consumption expenditure (including consumption in kind) data will also be released.

- As shown in table 5, we can see the impact of adjustment of income concept on the income level of China's rural residents. In 2008, annual net income per capita of rural residents was 4761 RMB, while if adjusting the net income to disposable income, we can see that after adjustment, income will decrease by 5.2%.

Table 5 The impact of adjustment of income concept on the income level of China's rural residents for the year of 2008 (unit:RMB)

Before adjustment		After adjustment		Change
Annual Net Income Per Capita	4761	Annual Disposable Income Per Capita	4515	↓5.2%
1. Wage Income	1854	1. Wage Income	1854	-
2. Net Business Income	2436	2. Net Business Income	2410	↓1.1%
3. Property Income	148	3. Net Property Income	109	↓26.4%
		# Property Income	116	
		# Property Expenditure	7	
4. Transfer Income	323	4. Net Transfer Income	142	↓56%
		# Transfer Income	293	
		# Transfer Expenditure	151	

Table 3 Net income of China's rural residents in selected years (unit:RMB)

	1995	2000	2005	2006	2007	2008	2009	2010
Annual Net Income Per Capita	1578	2253	3255	3587	4140	4761	5153	5919
# Wage Income	354	702	1175	1375	1596	1854	2061	2431
# Net Business Income	1126	1427	1845	1931	2194	2436	2527	2833
# Property Income	41	45	88	101	128	148	167	202
# Transfer Income	57	79	147	181	222	323	398	453

Challenges

- Firstly, in order to realize exclusive and exhaustive sample coverage, besides on-going surveys mainly on the households living in the conventional dwellings, we plan to implement survey on those large amount of migrants workers living in the non-conventional dwellings in urban areas, such as staff dormitories of factories, work sheds on the sites of real estate construction, and workplace accommodations in the integrated household survey. Although NBS conducted a mini-test on the survey of non-conventional dwellings, there still existed realistic difficulties on *implementing the survey of non-conventional dwellings in the national range and combining the survey of conventional dwellings and the survey of non-conventional dwellings to obtain the income and consumption estimate for all Chinese residents.*
- Secondly, in the integrated household survey, unified sampling, unified data collection, unified data processing and unified data release will be adopted. However, *especially for the data collection, due to large difference on the educational attainment of respondents, income sources, survey environment for the urban residents and rural residents, there need some flexibility on the specific practices within the unified data collection framework,* so as to cater for the different situations. In this regard, NBS still need accumulate more experience and continuously improve the survey scheme in the future.



- Thirdly, due to the relatively large change on various aspects such as the definition of rural area, definition of disposable income, and sample coverage, we could expect that there will emerge the break of statistical series for income data of China's rural residents. Thus, we will face the challenges on *how to reconcile new data with historical data for China's rural household survey and how to manage the series break for the income data of rural residents*. On the one hand, we need analyze and decompose the impact of each factor such as new sampling and new concept on the income estimates, and further adjust historical data series to assure the continuity and the consistency of data series. And on the other hand, we need communicate the data users on the possible changes and their impacts in advance, so as to facilitate the smooth reform of integrated household survey.



• **THANK YOU!**