



THE CHINESE TRADE AND INDUSTRY SERIES

ASSESSING THE EXTENT OF CHINA'S MARKETIZATION

EDITED BY
Xiaoxi Li



ASSESSING THE EXTENT OF CHINA'S MARKETIZATION

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List of Abbreviations

CBRC	China Banking Regulatory Commission
CPA	Certified Public Accountants
CPC	Communist Party of China
EU	European Community
FIE	Foreign-invested Enterprises
GDP	Gross Domestic Product
HSBC	Hong Kong and Shanghai Banking Corporation Ltd
I&E	Import and Export
IFC	International Finance Corporation
IMF	International Monetary Fund
IPR	Intellectual Property Rights
IRC	Interest Resolution Committee
IT	Information Technology
JCCT	Joint Commission of Commerce and Trade
MES	Market Economy Status
MOI	Market-oriented Industries
NME	Non-market Economy
NPC	National People's Congress
PBC	People's Bank of China
PE	Private Enterprise
PRC	People's Republic of China
QFII	Qualified Foreign Institutional Investors
RMB	Chinese Yuan Renminbi
SARS	Severe Acute Respiratory Syndrome
SASAC	State-owned Assets Supervision and Administration Commission
SME	Small- and Medium-sized Enterprises
SOS	State-owned-sectors
TRIPs	Trade-related Aspects of Intellectual Property Rights
WTO	World Trade Organization

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Introduction

This project has taken us more than a year's effort and devotion, but as a result we hope that our readers may obtain a better understanding of China's market economy.

By endeavoring to take China's current reality as the foothold while keeping in line with international practice, we hope to give a description of the latest development of China's market economy by means of facts and figures, highlighting key points to drive home the message. The book is an outcome of the coordinated efforts by all members of the research team, and we will proceed to keep close watch on China's market economy as it develops.

The research program from which the book resulted was headed by the Director of the Institute of Economic and Resources Management at Beijing Normal University, Professor Li Xiaoxi. The research group held many meetings to agree on the research framework, main contents, definition of marketization and measuring indexes. The outcome is the result of our collective researches and most authors are the young scholars from the Institute of Economic and Resources Management with Beijing Normal University as well as some other research institutions.

Preliminary Details

Ever since China's accession to the World Trade Organization (WTO), the international scope for her economic development has been constantly broadened, yet at the same time, the number of antidumping cases against her has multiplied. The major reason held by initiating countries for their antidumping measures against China is that the country falls into the category of "non-market economy" (NME) countries. This discriminatory treatment has seriously hindered China's export and the development of enterprises and has affected the growth of her national economy and increase in employment. Actively responding to trade frictions and resolving the NME issue have drawn an intensified concern from the Chinese government, enterprises and academic circles.

Notable progress was made in 2004 in regard to resolving the NME issue. With the driving force coming from the State under the efficient leadership of the Ministry of Commerce, as well as with the efforts made by various other parties, substantial results have been obtained. The European Commission, in its response to the formal request for China's market economy status (MES) by the Ministry of Commerce of the People's Republic of China (PRC), set up an expert team on NME and made a preliminary assessment of the documents submitted by the Chinese. At the Fifteenth Session of the Sino-US Joint Commission of Commerce and Trade (JCCT), the two sides agreed to consult on China's MES issue and had an in-depth exchange of views over the working group's work plan. Canada decided to presume all Chinese

industries to be market-oriented industries (MOI), which basically resolved the NME issue. By the end of 2004, there were 34 countries in total which had publicly recognized China's MES.

Results of China's Market Economy Assessment

Based on the major characteristics of modern theories of market economy and in view of the history and reality of international and domestic market economy development, this book sums up five market-based criteria of common natures, namely, standardization of government behavior, liberalization of economic entities, marketization of production factors, fairness of trade environment and rationalization of financial parameters. These five criteria, as the key factors for judging a market economy, are within the context of fair trade, particularly based on the market economy criteria contained in the antidumping rules of the EU, the US and Canada.

Also based on these five criteria, the book presents a comprehensive analysis on the development of China's market economy after its accession to the WTO, with the basic conclusion that China's market economy was developing in both breadth and depth.

First, the size of the government has been more rationalized, and government behaviors more standardized. The departments under the State Council were cut from 40 to 29, and 1210 items subject to administrative approval were cancelled by the Council. Secondly, economic entities became more liberalized. Fresh achievements have been made in the restructuring of state-owned enterprises within the corporate system, and non-state-owned enterprises still maintain a rapid growth. Until now, 74.9 per cent of state-owned large enterprise groups have seen their parent company restructured within the corporate system, and the proportion of added value contributed by the non-state-owned sectors of the economy has accounted for 69 per cent of gross domestic product (GDP). The reform of state-owned commercial banks has been moving ahead at a faster tempo, and the restructuring of the Bank of China and the China Construction Bank with a joint-stock system is under way. A continued improvement has been seen in the scale, the degree of opening-up and maturity of various intermediaries.

Thirdly, the degree of marketization with regard to different kinds of production factors rose markedly. The faster speed of labor flow has become more apparent. The migration rate of the rural labor force went up from 20.6 per cent in 1998 to 34.9 per cent in 2003, and the number of inter-regional and cross-sectoral labor mobility rose remarkably. The system of land trading and market-oriented building advanced rapidly, and the right of transfer of land use with compensation rose from 50.6 per cent in 2001 to 67.6 per cent in 2003. The share of land use transfer by way of bidding, auctioning or listing rose from 7.3 per cent in 2001 to 28 per cent in 2003. The capital market mechanism and related rules have been increasingly improved. More than 20 new rules and regulations, such as qualified foreign institutional

investors (QFII), have been introduced and implemented, and the actual amount of foreign investment showed a dramatic increase.

Fourthly, the trading environment has become fairer. The Ministry of Commerce was placed in charge of domestic and international trade and international economic cooperation, which helped to speed up the integration of domestic and foreign trade. A pattern featuring diversified trading entities has begun to evolve. The domestic market has been further opened up so that approximately 40 of the 50 largest retailers in the world have found their way into China's market. The import and export tariff barriers as well as non-tariff barriers have been successively reduced. The arithmetic average tariff rate dropped to 11 per cent in 2003. The number of products under import license control in China fell from 26 to eight. The legal framework for economic cooperation and trade commensurate with a market economy and in conformity with the WTO rules by and large took form. Lastly, the formation of financial parameters has become more rationalized. The financial industry has been opened wider to the outside world, with the resultant increase in competition. By the end of 2003, the banking regulatory authorities of China had approved the establishment of 28 representative offices, 12 branches and six sub-branches of foreign-funded banks in China. The pace of marketization of interest rates has been quickened. The People's Bank of China (PBC) had expanded the loan rate floating band of financial institutions in March 2003, September 2003, November 2003 and December 2003 successively. The capital account became clearly more convertible, with an increase of 58 per cent for completely and basically convertible items, and a decrease of 60 per cent for strictly restricted items. The financial legal system has been further improved.

This book, pursuant to the five criteria and based on the 11 sublets and 33 variable indices, obtains the summary indices¹ measuring China's marketization degree in 2001–2003, as given in the following table:

Table I.1 Values of Component Index and Summary Index Measuring Marketization Degree from 2001 to 2003

Name of Indicator	2001	2002	2003
1. Standardization of government behavior	2.75	2.75	2.92
2. Liberalization of economic entities	2.2	2.27	1.84
3. Marketization of production factors	2.17	2.34	2
4. Fairness of trade environment	2.44	2.11	1.94
5. Rationalization of financial parameters	3	2.34	2.84
Summary index	2.51	2.36	2.31

¹ The details as regards indices, measurement and calculation are set out in Chapter 10, "Evaluation of the Degree of China's Market Economy Development in 2002–2003", Section 1 of *A Market or A Non-Market Economy? Assessing the Extent of China's Marketization*.

To give readers a more direct understanding, we have converted the above values based on the five-point-scale system into percentages, as shown in the table below:

Table I.2 Comparing Two Standards of Component Index and Summary Index Measuring Marketization Degree

Year	2001	2002	2003
Value based on five-point-scale system	2.51	2.36	2.31
Value based on percentage scale system %	69	72.8	73.8

It is shown in the table above that China's economy was marketized by 72.8 per cent and 73.8 per cent in 2002 and 2003 respectively, as opposed to 69 per cent in 2001, which proved China's marketization degree was on a steady rise.

This conclusion that China's marketization degree rose constantly is strongly supported by the latest findings of the researches conducted by the US Heritage Foundation and the Canadian Frazer Institute. The findings of the US Heritage Foundation in its *Index of Economic Freedom* for 2005 indicated that China climbed 16 places from 128th in 2001 to 112th in 2002, and a rise of 10 places from 100th in 2001 to 90th in 2002 if measured by Frazer's results in its *Economic Freedom of the World Report* of 2004.²

As shown in Table I.2, the level of China's market economy development had reached 69 per cent by the end of 2001, which went far beyond the critical line as prescribed by market economy criteria, and the framework of market economy had already come into being. In 2003, it was up to 73.8 per cent. It can therefore be said that China has already become a market economy country. Of course, compared with developed market economy countries, there is still some scope for improvement.

By a developing market economy country, we mean two things. First, China is progressing from a primary market economy country to a mature market economy country, with an emphasis on institutional reforms and innovations, economic restructuring as well as overall transition. Secondly, China, as a developing country, has adopted the market economy system. The word "developing" conforms to the theory of "developing economics". "A developing market economy" stresses the meanings of economic development. Obviously, phases of development are closely related to an economic system. The market economic system will not come into being until the economy has developed to a certain stage. The level of economic development is, therefore, also related to the economic system though they are not on equal terms. To sum up, by a developing market economy country, we are looking at the economic system of a country through a combination of development and reform. Only when economy reaches a certain level of development, can the market economy system be established and perfected. And the complete accomplishment of

² *Index of Economic Freedom 2005* of the US Heritage Foundation and the *Economic Freedom of the World Report 2004* of the Canadian Frazer Institute.

a market economic system will serve as the important foundation for fast economic growth.

The Formation, Structure and Features of This Book

The book comprises two parts of 10 and 12 chapters respectively. This introduction attempts to outline the development process of China's market economy in 2002 and 2003, to analyze the efforts made and the results obtained by China when striving for a resolution of the non-market economy issue, to expound the researchers' basic views on this issue and to briefly present main contents and views contained thereof.

Part I is entitled "New Progress in Market Economy in 2002 and 2003". Chapters 1–9 give an empirical analysis on the latest developments in nine aspects of China's market economy in 2002 and 2003, namely, reform of government administrative system, marketization of enterprises, labour flow and market determination of wage rates, market-determination, capital transaction, market-oriented land transaction, marketization of trade, scale of intermediary organizations and their market-oriented operations, marketization of money and finance and improvement in China's market economy legal framework. Chapter 10 further improves the evaluation index system, and estimates that the degree of marketization in China reached 72.8 per cent and 73.8 per cent in 2002 and 2003 respectively. Part I, combining qualitative analysis with quantitative analysis, serves as a foundation for the book.

Part II is entitled "The Development of China's Market Economy by Western Standards". In light of the needs of both research and negotiations and the European and American criteria for MES, it sums up those major theoretical and practical points of contention during the process of China's market economy development and particularly the questions the EU and the US have for China's MES. They include the extent of *renminbi* convertibility, the independence of the financial sector, the freedom of labor in bargaining with employers for wage rates, the extent of admittance of foreign investment, the extent of government ownership or control of the means of production and enterprises, the extent of government control over the output, price and sales decisions of enterprises and over the allocation of resources, the protection of property rights and the bankruptcy law, implementation of laws and regulations relating to investment and taxation, company law and corporate governance, laws on accounting and auditing standards and their enforcement, the use and disposal of the assets of state-owned enterprises and others (including corruption and trade ties). This Part explains and replies to the 12 questions stated above.

The book has the following three features: Firstly, it focuses on the changes and problems that took place after China's entry to the WTO. The calculation on the degree of marketization in China in 2002 and 2003 with the latest data, combined with the results of 2001, makes it possible to reflect the development and changes in China's market economy during this period of time.

Secondly, observing the development of China's market economy by western standards and trying to respond to questions of foreign governments particularly those of the leading developed countries concerning China's MES in a more direct and focused manner, we take special care to integrate the book's research aspects with practical purposes. Part II discusses the related issues of China's market economy status by the European countries and the US. Answers to the questions concerning the convertibility of *renminbi*, the degree of wage rate marketization and the extent of government intervention in pricing are provided collectively. In light of each and every MES criterion by Europe and America sides, the book presents an analysis, assessment and description of the actual situation in China. It pertinently responds to some of the major theoretical and practical controversies concerning the development of China's market economy and addresses with balanced comments some of the doubts and criticisms of western scholars in particular. In its analysis, it tries to address some of the "difficult issues", such as the convertibility of *renminbi* and the independence of China's financial sector. Given China's specific conditions and the way academic issues are presented, and in order to make the communication as effective as possible, this book tries to use the concepts and statistics that are comprehensible to all sides to explain the current state of affairs in China. It is an attempt to give an objective analysis of the efforts and progress China has made over the recent years in building its market economy system through a comparative international study and an in-depth examination of its actual situation, rather than to emotionalize the controversy on China's market economy status.

Thirdly, as far as the analytical method is concerned, this book is more scientific and standardized as it combines both quantitative and qualitative analyses, and Chinese characteristics with international standards. It is based on much research and study, and draws upon various methods of research and calculation from both home and abroad, which are then improved and readjusted in light of China's national conditions and features so that the methodology and indices are more scientific and complete. Regarding the adjustment of assessment indices, particular attention is paid to dealing with issues of the comparability of indices system by providing special explanation on comparability of indices. For those incomparable indices, targeted research has been conducted to improve the persuasion. In the meantime, it pays special attention to harmonizing the international standards for analyzing the development of market economy by fully absorbing the outcomes of relevant research efforts both at home and abroad. In other words, the issue of the development of China's market economy should first and foremost be viewed within the context of China while international standards must be applied when it comes to assessing and analyzing the degree of such development. This book once again measures the marketization degree of main components of China's economic system such as the standardization of the government administrative system and the degree of marketization in terms of the enterprises, means of production and the financial sector and, on such basis, assigns a value to the overall progress in China's market-oriented development process and identifies the development degree of China's market-oriented reforms in recent years. As previously stated, the increases in the

market development degree in 2002 and 2003 over that of 2001 demonstrates to the world that China has already become a market economy country. By enumerating large amounts of facts, statistics, policies as well as laws and regulations, the book gives an institutional exploration and a well-structured theoretical explanation to the development level of China's market economy which is consistent with the results of quantitative calculations. Such detailed empirical analysis has provided timely and comprehensive information for judging the development level of China's market economy and an objective basis for identifying the level of such development.

We have endeavored to be as accurate as possible in the completion of this book although we accept that some inconsistencies and/or opinion differences are probably inevitable. We shall appreciate communication and exchange of views with counterparts from home and abroad so as to make future improvements.

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PART I

New Progress in Market Economy in 2002 and 2003

The years 2002 and 2003 saw China's market economy continuing to develop towards a higher level. Part I is composed of 10 chapters, of which the first nine give a detailed description and analysis of the new progress in China's market economy in 2002 and 2003 from such aspects as government administration, enterprises' operation, market environment and legal framework, and so on. Based on the analysis of the first nine chapters, Chapter 10 evaluates the degree of marketization with regard to China's economy in those years.

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Chapter 1

Reform of Government Administrative System

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The development of China's market economy is a process comprising the change of government functions, the downsizing of the government, the reform of the economic management method and the improvement of the market economy system. Before 2002, centering on the goal of reform for the establishment of a market economy system, the Chinese government pressed ahead with reforms in finance, taxation, price management, foreign exchange control, government administration, and so on, bringing about an initial macro control framework geared to the needs of the market economy. In 2002 and 2003, in order to further adapt to the needs of development of the market economy, the reform of China's government administrative system continued to increase, leading to the establishment of a series of new goals and the continued introduction of various reform measures, as well as the development of China's government administrative system towards a higher market-oriented level. In order to determine China's market economy status it is important to have an accurate understanding and view of the advancement in the transformation of government functions and the reform of the government administrative system during the process of the country's market reform.

Reform of the Government Administrative System

In 2002 and 2003, the government administrative system was further reformed. Great strides were taken towards market-oriented government administrative functions, the reform of administrative management system deepened continuously, and government functions shifted further. What and what amount to produce have been subject to decision-making by the manufacturer independently according to market demands, and the market has played an essential role in allocation of resources.

With the improvement in the restructuring of the country's administration, the government continued to be downsized. Following the principle of simplification, uniformity and efficiency and exercise of administrative functions according to law, a number of organizations were established by the State Council including: the State Development and Reform Commission, the Ministry of Commerce, the state-

owned Assets Supervision and Administration Commission, the Banking Regulatory Commission and the State Administration of Food and Drugs. The functions of the People's Bank of China, the Family Planning Commission, the State Administration of Work Safety and the Insurance Regulatory Commission, were also improved and it was decided to introduce the vertical management system for land and resources departments at and below provincial level. Taking into account their actual conditions, the localities also developed programs for institutional reform, in order to push these reforms forward. By the end of 2003, over one third of the programs for the restructuring of government administration at provincial level were approved and implemented. This top-to-bottom institutional reform has further improved China's administrative management system.

With the continuing reform in the administrative approval system, the items subject to administrative approval in the field of economic activities have been markedly reduced. In many nations in the field of economic and social affairs, there are a variety of special items subject to approval by central governments, generally referred to as being with administrative approval. Under the planned economy, there were excessive items subject to approval by the government. As a breakthrough point for change of government functions and exercise of administrative functions according to law, China attained initial achievements in the reform for canceling items subject to administrative approval in 2002 and 2003. With more items removed from the approval list and the approval procedures streamlined, there has been a noticeable improvement in the environment for business operations. It is worth noting that the *Administrative Licensing Law of the People's Republic of China* (2003) standardized by law the procedures for administrative approval.

The means of macro control was improved further. In response to the overgrowth in China's money supply, the imbalance between supply and demand of key resources and commodities, excessive development zones and contradictions in economic activities such as unfavorable publicity caused by the Severe Acute Respiratory Syndrome (SARS) outbreak, the Chinese government decided to apply financial, monetary and industrial policies more flexibly. They attached more importance to standardization of the legal system, the release of information and strict implementation of market access, and took the initiative in conducting comprehensive and emergent coordination, thereby bringing about the improvement of macro control in its ability, pertinency and efficiency.

Government functions were further changed. While improving functions such as "economic regulation" and "supervision and administration over the market", the Chinese government further intensified the functions of "social management" and "public service", resulting in continued improvement in exercising administrative functions according to law, as reflected in the following major aspects: the reform of the administrative enforcement system and mechanism was introduced, the supervision over administrative enforcement tightened, particularly the administrative law-enforcement responsibility system, the check-up and appraisal system and the mechanism for investigating and prosecuting law enforcement improprieties were instituted; the *Regulation on Handling of Public Health*

Emergencies and its supporting documents were devised, the medical treatment system on public health emergencies established, and the economic and social early warning and response system improved in various fields. Under the latest *Measures for Assisting Vagrants and Beggars with No Means of Support in Cities*, their acceptance and repatriation was replaced by aid service, thus improving the social relief system. A series of reform measures regarding making government affairs known to the general public, enterprise registration, market access, major policy decision-making hearings, and the protection of rights and interests of farm workers and so on were developed. This continuously intensified service functions, simplified procedures, promoted transparency, and separated government functions from enterprise management. The functions of institutions and asset management systems were greatly streamlined.

The program for reform of the investment system was ratified. Since the beginning of 2002, with the expansion of the investment by the Chinese government and the deepening of the reform of the government investment system, the investment by the government were more geared to the requirements of the market economy. In December 2003, the State Council adopted the *Program for Reform of Investment System* by the State Development and Reform Commission, which was enforced from 2004. The basic orientation for the reform of the investment and financing system is to establish the position of an enterprise as an investor and standardize government investment in line with the principle of “whoever is the investor and whoever has the decision-making power, benefits from the profits, and bears the risk”. This will gradually form a new investment and financing system featuring decision-making by investors independently, examination of loans by banks independently, including diverse forms of financing, disciplined intermediary services, and powerful macro control by the government.

The administrative ties between the government and enterprises were severed further. In March 2003, the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council was established as the representative of investors of state-owned assets. In May 2003, the State Council promulgated the *Interim Regulation for Supervision and Administration of State-owned Assets of Enterprises*, which standardized by law the government’s intervention in state-owned enterprises, clarified the duty and responsibility of the central government and local governments as investors, and established the basic system for division, consolidation, bankruptcy, equity exchange, and so on of state-owned enterprises by putting forward the requirements for ensuring that enterprises operate independently and their production and management activities are free from intervention. The State began to implement five price laws for standardizing the pricing of major public utility and public welfare services. The *Interim Provisions on Preventing the Acts of Price Monopoly* especially specifies that operators shall not dump goods at a price lower than their cost, the government and its subordinate departments should protect operators’ autonomy in pricing according to law and shall not impose illegal intervention in market regulated price.

The legal means of economic management employed by the government was increasingly improved. In 2002 and 2003, two government administrative laws, the *Government Procurement Law of the People's Republic of China* and the *Administrative Licensing Law of the People's Republic of China* were introduced. These specifically clarified the code of conduct for managing economy by the government under market economy, greatly encouraging the transformation of government functions, and playing a stimulative role in further deepening the reform of the administrative system.

Analysis of the Rule-based Government Administration

In order to give a relatively complete and objective description of the status quo of the Chinese government's adaptation to marketization, the following section gives an analysis of the degree of standardization required with regard to government administration mainly from the aspects of the size of the government and government intervention, and in order to understand the influences produced by acts of government on the market economy.

The government has been in a more rational size

Previous research suggests that the size of the government of a nation is closely related to its degree of marketization. The two well-known reports on research of economic freedom, the *Index of Economic Freedom* by the Heritage Foundation, and the *Economic Freedom of the World Report* by the Fraser Institute of Canada, both used the size of the government in measuring its intervention in market economy, and both believed that the size of the government and the degree of marketization are in reverse relation, that is, the greater the size of the government, the lower the market-oriented development of the economy. There are different criteria for measuring the size of the government. We measure the size of China's governments in terms of government revenues, government institutions and staff, government expenditures, government investment, government subsidies, and so on.

Government revenues The percentage of government revenue in gross domestic product (GDP) represents the share directly controlled by the government, and forms its influence on the national economy. China's government revenues as a percentage of GDP reached 22.3 per cent from 1993 to 2003. Compared with other market economy countries' percentage of government revenue in GDP (generally around 30 per cent – for example, the figure for the US was 28.4 per cent), China's percentage of government revenue was moderate. As far as the trend in 2002 and 2003 is concerned, China's government revenues fluctuated at times but remained stable on the whole (as shown in Table 1.1). This reflects that the market has become the basic means for allocation of resources and the principal function of the government has gradually been turned to regulation of the economy and provision of public goods.

Table 1.1 Percentage of Government Revenue in GDP

Year	2001	2002	2003
Budgetary revenue (in RMB billion yuan)	1,638.604	1,890.364	2,171.525
Extra-budgetary revenue (in RMB billion yuan)	417.311	447.900	466.264
Non-budgetary revenue ¹ (in RMB billion yuan)	417.311	447.900	466.264
Government revenue (in RMB billion yuan)	2,473.226	2,786.164	3,104.053
Percentage in GDP (%)	25.78	26.4	26.5

Source: China Statistical Yearbook of relevant years, China Statistics Press.

Extra-budgetary revenue for 2003 is an estimated value.

Government institutions and staff In order to establish an administrative management system featuring efficient, coordinated and disciplined operation geared to the socialist market economy system, China's government was further downsized. In 2002, the departments under the State Council were reduced from 40 to 29. In March 2003, when the new government administration was formed, the restructuring of administration was carried out once again, leading to the departments under the State Council being cut from 29 to 28 and the review and coordinating agencies and temporary agencies under the State Council from 33 to 27. Administrative staff was cut by a big margin with a total of 74,000 posts eliminated at the provincial level of government, 890,000 posts or 19.4 per cent in Party, governmental and mass agencies at the city, county and township levels with another 430,000 extra-budget posts disappearing. Government employees as a percentage of the urban employed dropped from 17.86 per cent in 1992 to 12.59 per cent in 2003.

Government expenditures Government expenditure refers to the expenses made by the government as a consumer in purchasing the final products and services, including expenditures on law system, regulation administration, fire fighting, police, national defense, education, science, culture, public health, and so on. Appropriate government expenditure provides the economy with services such as national defense, education and macro economic control for economic stability and long-term development. From 1992 to 2003, the percentage of China's government expenditure in GDP has been kept at a relatively low level, fluctuating slightly (as shown in Table 1.2).

¹ Estimated on the basis of the 1996 investigation on typical cases, the percentage of non-budgetary revenues in the government revenue is in general similar to that of the extra-budgetary revenues. The figures of the non-budgetary revenues are derived on the basis of this estimation.