

Main Findings

The main findings in the 2016 report are summarized below. (All real values are based on 1985 prices and growth rates are based on real values unless otherwise specified.

1. China's human capital reached RMB 1503.6 trillion in 2014. Urban and rural human capital was RMB 1223.0 and RMB 280.6 trillion, respectively, accounting for 81% and 19%, respectively of the total human capital.
2. Human capital per capita reached RMB 1,327,000 in 2014. Urban and rural human capital per capita were RMB 1,930,100 and RMB 561,900, respectively. Human capital per capita for males and females was RMB 1,623,900 and RMB 988,500, respectively.
3. Total human capital in 2014 was 6.80 times its level in 1985 (RMB 318.06 trillion compared to RMB 40.74 trillion). Total human capital grew at a higher annual rate than human capital per capita (7.08% and 6.5% average, respectively).
4. During 1985-2014, rural human capital grew at an average annual rate of 3.24%, while urban human capital grew at 9.40% annually. Growth rates of both urban and rural areas accelerated since 1997, to annual rates of 11.80% and 4.98%, respectively, for 1997-2014. Total urban real human capital surpassed total rural human capital in 1990, and has remained higher since then.
5. Rural human capital per capita grew at an average annual rate of 4.54% over the period 1985-2014, while per capita urban human capital grew at an annual rate of 5.67% reflecting China's rising rural-urban economic gap.
6. At the national level, the ratio of human capital to physical capital decreased rapidly up to 1995 and then began to rise slowly, as human capital growth began to exceed the growth of physical capital.
7. At the national level, the ratio of China's GDP to human capital has grown over time, suggesting growing efficiency of human capital in production.
8. Human capital at the provincial level generally displays a trend similar to that of national human capital. However, since provinces differed in their population, education structure and market mechanism, and their human-capital dynamics in human capital also showed some differences.
9. Among the 31 provinces of Mainland China for which we have estimated, the top

three provinces in terms of real human capital stock in 2014 were Guangdong, Shandong and Jiangsu; ranked by per capita human capital, the top three were Beijing, Tianjin and Shanghai.

10. While China has a large total human capital stock, its human capital per capita is relatively small compared to that in developed countries.
11. During 1985-2014, the national labor force average age increased from 32 to 36 years. Rural labor force average age increased from 32 to 37 years, while the urban counterpart increased from 32 to 35 years.
12. During 1985-2014, the national average labor force schooling years increased from 6.38 to 10.05. Rural average labor force schooling years increased from 5.67 to 8.61, while that of urban counterpart increased from 8.53 to 11.17.
13. During 1985-2014, the proportion of workers with education at the level of high school or more increased from 14% to 36%; that of the rural labor force increased from 8% to 14%, while that of the urban labor force increased from 31% to 50%. The national labor force population proportion of college graduates and above also increased substantially, from 2% to 16%. For the rural labor force, the proportion of workers with at least a college degree increased from 0.2% to 3%, while that of the urban population grew from 5% to 25%.
14. In Taiwan, during 1985-2014, the average annual growth rate of real human capital was 1.87%. The average annual growth rate of real human capital per capita was 1.60%.
15. In Hong Kong, during 1985-2014, the average annual growth rate of real human capital was 3.95%. The average annual growth rate of real human capital per capita was 3.23%.
16. During 1985-2014, in Hong Kong and Taiwan, average labor force age grew from 34 to 38 years and from 32 to 37 years, respectively.
17. During 1985-2014, for all of China, the real stock of physical capital grew from RMB 1.68 trillion to RMB 39.50 trillion, respectively, in 1985 prices, reflecting an average annual growth rate of 10.90%. The ratio of the nominal human capital stock to that of nominal net wealth stock of physical capital reduced from 24.28 in 1985 to 8.1 in 2014.