

China's Economic Census

——Speech on the International Workshop on Economic Census

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Distinguished guests, ladies and gentlemen:

Good morning.

First of all, please allow me to extend the warm congratulations to the International Workshop on Economic Census jointly held by U.N. Statistics Division and the National Bureau of Statistics, P.R.China (NBS) in Beijing on behalf of NBS and myself. I would like to express the sincere welcome and heartfelt gratitude to all the directors of the statistical bureaus, statistical experts as well as the delegates coming afar from various countries and regions for your attendance.

China is at the new development stage of building a well-off society in an all-round way, adopting and implementing a scientific concept of development and speeding up socialist modernization. The official statistics is asked to be raised to a higher level in the new situation and it is confronted with arduous tasks and stern challenges. In order to adapt to the new situations, China's statistical departments have adopted a series of reform measures aiming at perfecting statistical system, establishing a sound GDP accounting system, improving the statistical survey system and methods, strengthening the statistical organization and statistical information system. Adjusting the national censuses and the periodical arrangement is one of the most important reform measures. Approved by the central government, the first national economic census was undertaken in 2004. It was a census of the national conditions and national strength with the largest scope, widest coverage and most complicated content ever in China's statistical history. It was not only a big event in China's social and economic life, but had also attracted the international attention. I'd like to take this opportunity to give a brief account of the first national economic census in China.

1. History of China's Economic Census

1.1 A historical review of China's census system

China had undertaken 12 important national censuses on the national conditions and national strength in the period from 1949 to 2001, including 5 population censuses, 1 agricultural census, 3 industrial censuses, 1 tertiary industry census and 2 censuses on

basic units. Before 1994, there was not a standard setup for censuses or periodic arrangement due to the historical condition of that time. After 1994, in order to meet the requirements for establishment of socialist market economic system, the Chinese government has ascertained the fundamental status of census in the system of statistical investigation, and formally established the periodical national census system, which means that 6 censuses are to be undertaken every 10 years. A population census, a tertiary industry census, an industrial census and an agricultural census should be undertaken respectively in years ending in 0, 3, 5 and 7; 2 censuses on basic units should be undertaken in years ending in 1 and 6.

1.2 Main problems in the former census system

From the formal establishment of national periodical census system to 2003, a whole round of the censuses in the first period had been completed. Important achievements were made in this round. We had collected the rich basic data, deepened the understanding of China's national conditions and national strength and provided governments of different levels with important base for making scientific decisions, provided the general public with a large amount of statistical data and laid a solid foundation for improving the quality of national economic accounting and promoting the reform of statistical survey system.

However, there were also problems in the previous periodical census system: (1) Too many censuses were arranged. 6 censuses should be undertaken every 10 years. The tasks were relatively arduous and they had affected the routine statistical work in certain sense; (2) The censuses were arranged in different years in a too sparse way. As a result, no comparable and inherently related data of the same period could be produced and the data collected were not suitably linked with the timetable of the state five-year plan; (3) Not all aspects were covered in censuses. The construction sector, a pillar industry of China, was not included in the census scope, so that the situation of the national economy was not fully reflected; (4) The legislation of census lagged behind. The cooperation level and support level of respondents declined. Difficulties of organizing and practicing the censuses increased.

1.3 Reform and perfection of China's census system

According to the original schedule of the census system, censuses of the second and tertiary industries should have been undertaken in 2003, but the census data could hardly have reflected the real level of the tertiary industry in China, because the SAS (severe acute respiratory) epidemic had greatly impacted the service industry in the year. In this circumstance, China determined to reform and perfect its census system, so as to thoroughly solve the problems mentioned above. In 2003, approved by the State Council, the National Bureau of Statistics, National Development & Reform Commission and Ministry of Finance conducted a joint research and decided to make important adjustments to the scope of national censuses and their periodical arrangement. The specific measures were as follows: (1) The original population census and agriculture census are to be retained. They are scheduled to be undertaken

in the years ending in 0 and 6; (2) The tertiary industry census originally scheduled in 2003 was postponed and integrated it with the industrial census scheduled in 2005 and the census of basic units scheduled in 2006. The first national economic census was scheduled to be undertaken in 2004 that brought the construction into the census scope. The national economic census should be undertaken twice every 10 years and in years ending in 3 and 8. After the readjustment, the number of censuses was reduced; the periodic arrangement was more reasonable; the coverage was more complete; the data updating was speeded up and was more closely linked up with the formulation of the national five-year plan; and the data would become noticeably more useful. These adjustments were also advantageous to the coordination and unification of different census standards and the consistency among the contents of various censuses. As a result, the periodic censuses, regular sample surveys and key-item surveys will organically complement one another.

2. Correspondents, Contents and Methods of China' s Censuses

2.1 The purpose of the economic census

The purpose of undertaking economic censuses is to collect the information on the second and tertiary industries in terms of their development scale, structure and economic benefit, establish and perfect the business register and database system, lay a solid foundation for research and formulation of the national economic and social development plan and for improving decision-making and management. It will also play an important role in reforming the statistical system, perfecting the national economic accounting system and perfecting the statistical monitoring, warning and forecasting system.

2.2 Respondents and scope

Respondents in the first national economic census include corporate units, establishments and self-employed enterprises of the second and tertiary industries in China. The census scope covers 19 national economic sectors except agriculture, which are classified into 90 major groups, 378 groups and 875 small groups. According to the preliminary tabulated results of this economic census, more than 5 million legal units, more than 7 million establishments and approximately 40 million self-employed enterprises participated in filling out the census questionnaires. This shows the large coverage of this economic census.

2.3 Methods used in the economic census

The method of complete enumeration was used in the first economic census. In other words, respondents were surveyed one by one by the enumerators. During the stage of complete registration, the number of the self-employed enterprises and their employees were also registered one by one in the enterprises. However, due to the large number of self-employed enterprises and the different situations in different regions, sample survey was also used in parts of regions so as to reduce the workload and improve the data quality, although the method of complete enumeration was used in a number of other regions.

2.4 Contents of the census and the questionnaires used

The census contents cover the basic characteristics of units, the number and composition of employees, assets and other financial situations, business situations, product output, main raw materials and energy consumption and technical activities. According to different types of respondents, census questionnaires are classified into three categories: questionnaires for corporate units, questionnaires for establishments and questionnaires for self-employed enterprises. For the corporate units, there are 17 kinds of questionnaires designed for them according to different trades and business scales.

2.5 Statistical standards used in the economic census

One of the objectives of the economic census is to establish the modern statistical system in line with China's practical situations and consistent with the internationally adopted practice. 18 statistical classification standards and catalogues were applied in the census so as to ensure the unification and comparability of the census data. The *Classification of National Economic Sectors and Their Codes* worked out by the National Bureau of Statistics of China is basically consistent with the *International Standard Industrial Classification of All Economic Activities* edited by U.N. Statistics Division (revised in 1989, the third version, for short: ISIC/Rev. 3). The National Bureau of Statistics of China had also newly worked out *The Output, Sale and Inventory Catalogue of Main Industrial Products* for this economic census.

2.6 Schedule of economic census

The reference time of this economic census was December 31, 2004, and the period data covered the year 2004. The stages of census operation consisted of the following ones: (1) the stage for census preparation: the period before December 31, 2004; (2) the stage for filling out census questionnaires: the period from January 2005 to May 2005; (3) the stage for census data processing and reporting: the period from May 2005 to August 2005; (4) the stage for census data evaluation and release: the period from September 2005 to December 2005; (5) the stage for census data development and application: the period from September 2005 to June 2006.

3. Main Characteristics of Organizing and Undertaking China Economic Censuses in China

3.1 Establishing powerful leading organizations

The Chinese government had attached great importance to undertaking economic censuses. The 28th executive meeting of the State Council in November, 2003, chaired by Premier Wen Jiabao, passed the decision to undertake the first national economic census in November, 2003 and circulated a notice to the whole country. The Leading Group of the First National Economic Census under the State Council, was set up with Zeng Peiyan, Vice premier of the State Council, as the leader of the leading group and the deputy secretary-general of the State Council as well as chief officers from NBS, National Development and Reform Commission, the Propaganda

Department, the State Commission Office for Public Sector Reform, General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ), the Ministry of Civil Affairs, the Ministry of Finance, the State Administration of Taxation, the State Administration for Industry and Commerce as members of the leading group. The Leading Group was responsible for organizing and implementing the first economic census in an all-round way. The Office of the Leading Group of the First National Economic Census under the State Council was set up in the National Bureau of Statistics of China in charge of the day-to-day work of organizing and coordination of economic census. Corresponding leading groups of economic census and their offices at local government level were also set up in charge of organizing and coordination of economic census at local levels. Economic census agencies were also set up in subdistrict offices, neighbourhood committees and large-scale enterprises in charge of economic census operation of local districts or units. The concerned departments under the State Council and local governments at all levels clearly defined what their respective responsibilities about census operation were and were urged to well accomplish their respective jobs.

3.2 Working out scientific and precise census plans

In accordance with the principle of being scientific and feasible in line with China's practical situations, after research and drawing on the experiences of economic census plans of countries such as USA and repeated inquiries for comments from related organizations, the First National Economy Census Office under the State Council worked out *The First National Economic Census Plan* in April, 2004, and carried out the comprehensive pilot censuses in some selected areas. Then the First National Economic Census Office under the State Council adjusted and perfected the plan in the light of the problems emerging during pilot censuses and views of Chinese and foreign experts. In September 2004, the First National Economic Census Plan was formally approved by the Leading Group of the First National Economic Census under the State Council and was officially arranged by its Office to the different regions and related departments for implementation. A comprehensive training of the enumerators and supervisors was organized level by level. On the basis of the First National Economic Census Plan, the various regions had worked out the procedures for implementing the plan in line with their own actual situations.

3.3 Carrying out the propaganda and mobilization great in strength and impetus

In order to convey and spread information about the economic census undertaking and especially to make all corporate units, establishments and self-employed enterprises in the second and tertiary industries fully aware of the importance of the economic census and actively participating in the census and well cooperating with the enumerators, economic census agencies and departments of propaganda at different levels fully utilized medias like newspaper, radio, TV, internet and outdoor advertising to carry out the propaganda and mobilization great in strength and impetus and to spread the knowledge about economic census. Slogans like 'by undertaking the economic census, we check yesterday, grasp today, and make plans for tomorrow' were made and advertised to every household. The central and local media all made full reports on the progress of census undertaking aiming at creating a good social environment for the smooth undertaking of economic census.

3.4 Financial and materials support

According to the *National Economic Census Regulations*, the expenses of economic census undertaking should be shared by the central and local governments at different levels, and should be listed into annual government budgets. Taking the hard economic situations in the central and western regions, the First National Economic Census Office under the State Council had arranged special funds from the budget of the central government for the central and western regions and purchased computers and the necessary accessories used for economic census data processing and necessary vehicles for census agencies in some counties and districts, so as to overcome the practical difficulties for agencies in these regions and ensure the smooth work of the national economic census. According to the preliminary estimation, the central and local governments had paid the expenses for the census totalling approximately 3 billion yuan.

3.5 Undertaking the economic census strictly in accordance with the law and regulations

The *National Economic Census Regulations* were particularly enacted by the Chinese government in accordance with the *Statistics Law of PRC*. On September 5, 2004, premier Wen JiaBao of the State Council subscribed the State Council Order No. 415 that was promulgated. The *National Economic Census Regulations*, not only clearly defined the purpose, respondents, scope, organization and implementation, tasks and the principles which should be followed in the economic census undertaking, but also strictly stipulated the rights and obligation of respondents and census agencies and census staff as well as the legal liability if any illegal behaviors take place. After that, the Economic Census Office under State Council, NBS and Ministry of Supervision of PRC jointly issued the *Announcement on Penalties for Principle-breaching and Illegal Behaviors during the Economic Census* and the *Notice on Seriously Treating the Principle-breaching and Illegal Behaviors in the Economic Census* and promulgated the report phone number and e-mail address. During the entire process of this census, we continuously kept the flag of *census undertaken in accordance with law and regulations* high. On the one hand, we were committed to keep commercial secrets and personal privacies; on the other hand, those who do not cooperate or filling in false data received sever penalties. These measures had achieved effective results and made this economic census an important practice of administration in accordance with law and regulations.

3.6 Strictly organizing and undertaking the economic census

According to the requirements of the *National Economic Census Regulations* and its plan, China's national economic census was undertaken in the flowing steps:

- (1) **Selecting staff and providing proper training.** Over 3 million people were recruited from society or temporarily transferred from departments within statistical system or other concerned departments so as to form a strong contingent of census enumerators and supervisors. Over 7 million statistical and financial

staff in government agencies and enterprises was mobilized to participate in the census questionnaires filling-in process of this census. Thus over 100 million people were involved in the census undertaking. All the staff of different levels were properly trained for census business, enumeration and filling-in skills, and they had to work with certificates which were given after passing certain examinations; All levels of census Organization (especially the census staff in the front-line) are all in earnest to do the work which have arises a lot of impressive story.

- (2) **Enumerating units one by one.** Before filling in census questionnaires, grassroots census agencies should enumerate units one by one in census districts according to the business register and registration data provided by relevant local departments so as to form comprehensive and systematic business register data and lay a solid foundation for census registration;
- (3) **Conducting census registration in an all-round way.** The stage of census registration began on Jan 1, 2005. Enumerators began to conduct census registration, collect the census questionnaires, check and accept them. The respondent rate of the census questionnaires was almost as high as 100%. During the stage of registration in an all-round way, the census agencies at all levels established the system for data quality control, implemented a checking and accepting system on every aspect of quality control, and carefully analyzed and evaluated data received.
- (4) **Carefully processing the data.** In the light of the practical situations of data processing equipment and skill level of staff in local economic census agencies, the First Economic Census Office under the State Council and some technical agencies had jointly developed a economic census data processing software with two versions—network version and single PC version, and provided training of technicians from provinces, autonomous regions and municipalities. Census agencies at various levels of government implemented unified data processing procedures and operational standards, tabulated the census questionnaires directly from the grassroots units, and reported economic census data to higher authorities in accordance with the requirements such as unified timetable and data format.
- (5) **Conducting sampling survey for quality control.** In accordance with the overall arrangement of the national economic census work, the economic census questionnaires and their tabulated data (electronic version) collected from all local governments had been submitted to the First Economic Census Office under the State Council in two batches before June 10, 2005. In order to evaluate the data quality, the Economic Census Office under the State Council worked out *Sampling Survey Measures for Data Quality of the First National Economic Census*, transferred about 200 staff from economic census agencies of provinces, autonomous regions and municipalities, and organized 31 sampling-survey groups for checking the data quality in the latter half of June. They conducted sampling survey on economic census data of provinces, autonomous regions and municipalities. The method of stratified systematic sampling was adopted during process of sampling check. The sampling check covered the omission and false

reports of respondents in census and the quality in filling in the census questionnaires and the quality in data entry. The work of sampling check had provided reference base for evaluating the data and using the data.

This national economic census has the following characteristics: (1) Bringing the capacity of the Chinese governments in administrative mobilization into full play. (2) Censuses of this kind were unprecedented in the large-scale and wide coverage in the history of China and were also rarely seen in the world. (3) Having international successful experiences to go by and envisaged a good census plan. (4) Insisting on undertaking the censuses in accordance with law and regulations, which not only made it an important practice of administration in accordance with law and regulations, but also spread the knowledge of law and enhanced people's perception of law. (5) The fifth aspect is full and positive cooperation among different departments. In the whole census process, State Administration for Industry & Commerce, State Administration of Taxation, Ministry of Civil Affairs of China, the Committee of Organization Planning and General Administration of Quality Supervision, Inspection and Quarantine of China cooperate quite well to conduct the census together, especially the seven departments that separately organize the economic census. Such departments as Ministry of Finance, Development and Reform Commission, Publicizing and legal departments also provide strong support. (6) Fully utilizing the modern information technologies. The entry and tabulation of data were achieved by using computers and Internet with higher efficiency. Although some false reporting the census questionnaires or refusal to fill-in them, and even interference with the census work happened in some areas, the overall census work was undertaken smoothly and these problems were always solved once occurred. Therefore, in our opinion, the data collected in this economic census were reliable and able to reflect objectively the situation of China's second and tertiary industries.

4. Schedule of the later stage of the economic census

At present, most of the census registration and data processing work has been basically accomplished. Now comes the season of harvest and feeding back to the government and society. In this stage, we plan to work on the following aspects:

4.1 Establishing and perfecting the business register.

This is a continuous work in economic census and is an objective that must be achieved. A complete business register should be established and systemized on the basis of the business register acquired by undertaking economic census, and maintained and updated timely by authorities like NBS, the General Administration for Industry and Commerce, the State Administration of Taxation, the State Commission Office for Public Sector Reform, the Ministry of Civil Affairs, AQSIQ, and etc. so as to make it a dynamic. This is important and useful to government economic supervision, science research and statistical operation. For this purpose, it is

necessary to link up and unify the different standards and codes admitted in different departments and gradually standardize and unify the relevant information technologies and standards so as to standardize and systemize the maintenance and updating of the business register in non-census years. On this basis, we can gradually improve the business register system so as to ensure the unification and coordination between upper and lower level agencies, improve mutual interconnection among departments and complement them one another and share the information and timely update it.

4.2 Revising the historical data.

Compared with the annual statistical data, the economic census data are more accurate and complete. There must be some difference between these two kinds of data. According to experiences of US and other countries, the revision on the historical data should be conducted on the basis of the examined and verified economic census data. It is not to revise history, but to reflect the economic and social development more objectively and accurately and reveal the real features in history. It is the work that should be developed in the next step. We sincerely hope that the experts in this seminar can give us some guidance on how to revise the historical data and link up the relevant data well.

4.3 Establishing and perfecting the system of the statistical survey of the tertiary industry. During the years of planned economy, importance was usually attached on the statistics of sectors of material production rather than on the development of service sector and its statistics. Till now such historical sequelae has not been completely removed. Some omission in statistical coverage and statistical units of the tertiary industry results in the obviously low proportion of the tertiary industry in GDP. Through this economic census, we will try our best to build and gradually perfect the statistical indicator system, methods of statistical survey and channel of data collection. We will implement them strictly afterwards so as to reflect the real level of our tertiary industry.

4.4 Exerting efforts to develop and utilize the economic census data

The large amount of data collected in this economic census is precious to our country and must be fully utilized. After being examined and verified, the collected data will be officially released to home and abroad in September by the National Economic Census Office and NBS. After that, communiques on census data will be released successively by the local governments and census agencies. In addition, we will organize research institutes and colleges to conduct researches on major subjects by way of inviting tenders. The key points of data application are (1) Providing detailed information for the formulation of the 11th national five-year plan; (2) Conducting in-depth research on Chinese economic situation and providing reference for macro-economic decision making; (3) Processing and providing the census data according to the requirements of the general public, especially the requirements of industrial and commercial enterprises. (4) At the same time, integrating the Chinese

economic census data with electronic geographic information so as to establish a China economic geographic information system. As a result, all the information will be provided to various users in a more visual way.

Ladies and gentlemen, this is the first economic census undertaken in China. We are lack of experiences and some aspects of the economic census may be inadequately considered. We are sincerely expecting the valuable advises and criticism from the delegates and experts from other countries.

Thank you!