Unpacking and Understanding the Family as a Collective Socio-economic Actor in China

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Abstract

This thesis aims to unpack and understand the role of family in China both as a welfare but primarily as an economic actor. It does so by exploring Chinese families' familial strategies and practices on mobilising, accumulating, and coordinating household resources. To achieve this, it conducts an extensive analysis on the composition and distribution of family assets, income, expenditure, and debts among Chinese families, by using the data from China Family Panel Studies (CFPS).

The majority of the welfare state literature focuses on family as a welfare provider or at the end of state support. Fundamentally, this thesis explores the role of the family within the wider socio-economic conditions in China, as family, as an institution, is neither isolated nor reduced to welfare functions alone. This thesis conceptualises the family as a collective socio-economic actor by adopting the analytical framework developed by Papadopoulos and Roumpakis (2017; 2019). In doing so, the thesis contributes towards the empirical identification of the strategies that families use to mobilise, accumulate, and redistribute resources. The findings indicate that family remains a key socio-economic institution often underpinning financial transactions that can crowd out the role of banking and welfare institutions. The findings have important implications for understanding the role of family in China but equally for policy makers as they need to incorporate in their decisions the extensive role and trust that familial relationships carry to the Chinese society. Finally, the thesis highlights the need to locate and map familial strategies in the context of a developing welfare state in China and theoretically contributes towards the identification of family not merely as a welfare provider, as often assumed in comparative social policy literature, but as a cultural institution that underpins trustful and reciprocal relationships of support with direct implications even to the formal economy.

Author's Declaration

I hereby declare that this thesis entitled *Unpacking and Understanding the Family as a Collective Socio-economic Actor in China*, which I submit for the degree of Doctor of Philosophy in Social Policy and Social Work at the University of York, is a presentation of my original research and I am its sole author. This work has not been taken from the work of others, except where due reference is made, and all sources are acknowledged in the text. This thesis has not previously been presented for any degree or other qualification at this University or elsewhere.

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Acknowledgement

This is probably a section within this thesis that I spent the least time to write down, but it is also a part that I have been always drafting deep in my heart during the past four years. Because the accomplishment of this thesis would not have been possible without the constant, unwavering support, and invaluable guidance of many individuals.

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Chapter 1 Introduction

1.1 Capturing family as a socio-economic actor

This thesis aims to capture the importance that family plays both as social as well as an economic actor in China. The welfare state literature offers a rich narrative on the importance of family as a welfare provider, primarily in the field of care. The comparative social policy literature has also been developing both analytical and theoretical tools on capturing the importance of family and gender for welfare regime studies. Often gender based approaches have pointed out the shortcomings or short-sightedness of key theoretical approaches within comparative social policy, and primarily the typologies that aims to causally explain the existence of diverse welfare regimes and welfare systems across the OECD countries (Esping-Andersen, 1990) and globally (Gough et al, 2004). As part of these ongoing discussions, scholars have aimed to develop new conceptual tools for typologising and empirically producing new categories of welfare state based on how family (and women) are taking the majority role in welfare and care provision. Theoretical approaches and categorisations that map the familialism and de-familialisation thesis (Lister, 1994; Mclaughlin and Glendinning, 1994) along with debates on genderisation and degenderisation of care services (Saxonberg, 2013), position the family as an institution in the welfare capitalism that negotiates and produces different provisions of care.

The welfare modelling business the expanded towards regional focus (see for example Pierson, 1991; Leibfried, 1992; Castles and Mitchell, 1992; 1996; Siaroff, 1994; Ferrera 1996; Sainsbury 1996; Gallies and Paugam 2000), including East Asian countries (Jones, ,1990; 1993; Esping- Andersen 1997; Holliday, 2000; Gough, 2001; Holliday and Wilding 2003a; Lee and Ku, 2007), but there are also fewer noticeable attempts to relate gender and family role within East Asian welfare regimes (for example see Sung and Pascall, 2014).The East Asian welfare regime debates however have offered a key contribution to comparative social policy, that is nonother than the importance of culture for welfare provision. The work of Jones (1990) highlighted the key role of the family within the political economy of welfare in East Asia and offered a cultural explanation for the development of East Asia welfare with many scholars identifying the role of the family among East Asian welfare (Wilding, 1997; 2000; Walker and Wong, 2005).

One of the common features shared by the East Asian welfare literature is that the family as a unit has been accorded a key welfare function with the state focusing on sustaining economic growth and playing a limited role in welfare provision. From a productivism thesis, Holliday (2000) argues that the role of the welfare state in East Asia is subordinated to the needs of

economic and economic growth (see also Holliday and Wilding. 2003). This is to say, rather than the state or market, the family is supposed to and required to take more welfare responsibility for social services and social care for its individual members, in the absence of an extensive network of public provision in East Asia. In this sense, the problem of understanding the East Asian welfare is in essence inseparable to develop a comprehensive understanding of the family.

In this thesis, the conceptualisation of the family expands beyond its welfare dimension as provider of care. In fact, it focuses on the importance of the family as a collective economic actor which is not only on the receiving end of social policy intervention as often implemented by the state or government regulations, but also more importantly as a collective actor who often redistributes resources among its members and according to both a household need and family members' needs. The focus of this thesis is the importance of family both as a welfare but primarily as an economic actor in China.

1.2 understanding the role of family in China

The role of family in China has long attracted considerable interests and attempts at explanation, especially in recent years with the introduction of several nationally representative social survey projects which making it possible for scholars to track the dynamic changes to families in China within a wide variety of lens. These studies generally mainly centre on the structural and transitional changes of the family from a demographical or sociological scope (Ma et al., 2011; Yang and He, 2014; Peng and Hu, 2015; Zhang and Xie, 2022a, 2022b), the intergenerational relations and supports (Bian et al., 1998; Chen et al., 2011; Logan et al., 2003; Esther, 2006; Goh, 2006; Guo, 2012; Xu, 2013, 2015, 2017; Wang et al., 2023), and household wealth or income from an economic perspective and so on (Gustafsson et al., 2014; Wang et al., 2015 Xie and Jin, 2015; Xie, 2017). Along with the impact of the family planning policy and the socio-demographic changes in the country, the families in China have witnessed changes and development in terms of family miniaturization, structural simplification family type diversification, family aging etc. Under this background, scholars have put great effort to capture the changing structure of families and thus better understanding how family is acting its role as economic actor and provider of care in contemporary China. However, these two dimensions are normally tended to be viewed independently, with social policy scholars often focusing on welfare and care arrangements while others centring on household spending behaviours and trends. There are however few exceptions in this wide literature body that focus on the importance of intergenerational support (Liu, 2023) and have attempted to approach

family by jointly examining the care support and financial support between adult children and elderly parents (see Xie and Zhu, 2017; Tang and Wang, 2022).

The existing thesis focus aims to unpack the importance of family as an economic actor in China. This means that existing debates on Chinese welfare state often presume or assign family key responsibilities in terms of delivering welfare and care provision. Few however enquire how families are able to deliver these provisions and in practice how they are able to mobilise resources (most importantly financial resources) for supporting their members when they are need. Equally, it is important to map out how families are able to pool resources, relying on the importance of their income generation (resource mobilisation) and well as their capacity to accrue wealth (resource accumulation). Finally, it is important to capture how families are prioritising their expenditure (resource redistribution) and how far these patterns and trends among families in China differ over time depending on their location (rural vs urban based families) but also among the income deciles. The thesis then aims to contribute by mapping these familial strategies and also unpack how families cope, when they are in debt. The latter point is an area of particular importance both as Chinese families as of recently start to experience growing levels of debt but also as there is minimal research on these new economic conditions for families among Chinese social policy literature.

Therefore, the key research questions that this thesis will explore are:
1. How can we map out the role of family both as a welfare provider and economic actor under the Chinese context?
And this question has been be further decomposed to the following three sub-questions:
1a) How do Chinese families mobilise their economic and/or welfare resources to protect its members?
1b) How do Chinese families consolidate (accumulate) their economic and/or welfare resources?
1c) How do Chinese families redistribute their economic and/or welfare resources?
2. How Chinese families are prioritising their resource redistribution and how far these patterns and trends differ in rural and urban China?

1.3 The significance and aim of this research

Following the research gap and research questions identified above, this thesis argues that it is imperative to reconceptualise and rearticulates the family unit as a collective socio-economic actor to study the welfare regime in China, by adopting a new conceptual and analytical framework, as developed and proposed by Papadopoulos and Roumpakis (2017; 2019). This is particularly essential for re-mapping and re-understanding the political economy of Chinese welfare regime, in particular that, how and how far family network can invest in and finance

the social reproduction of welfare capitalism in China. By social reproduction, this thesis refers to the conditions (e.g., reproduction of human and labour relations) that are necessary to safeguard economic growth and accumulation. The latter has a strong gender implication as for example, often women are expected to play a key role in delivering unpaid care and domestic chores, which remains necessary for enabling men but also workers in general to participate in the labour market and the productive capacity. This aspect of social reproduction however is not limited to gender alone – it also refers to the conditions that families safeguard for economic growth and accumulation. The out-of-pocket payments for health services or the family expenditure on education are good examples of the conditions under which families safeguard, often in the absence of an extensive welfare state provision. It is imperative thus to explore the role that family plays as an institution for the reproduction of wealth accumulation but also the strategies that families employ to meet welfare needs as well as economic security.

Thus, this thesis is designed to and aimed to bridge the literature gap by applying a fresh and comprehensive theoretical perspective for exploring the importance of family as welfare institution in China, with doing so by applying the analytical framework of family as a collective socio-economic actor for the very first time in the context of China. In so doing, it hopes to on one hand this thesis is able to evaluate and explore the limits of this theoretical approach and on the other hand, explore to what extent it can address the scenario of family in China via reflecting on findings from empirical evidence based on the rich data provided by a nationally representative household survey. With such an ambitious scope, this study hopes to make a theoretical contribution to the existing social policy literature by elevating the family, from a single scope of regarding it as the provider of care or as the receiving end of state support receiving actor, to approaching it as a collective socio-economic actor in the social production of welfare capitalism. By applying this analytical framework, it also aims to make a methodological contribution to bridge the gap in the existing empirical research. This thesis utilises the China Family Panel Studies (CFPS) survey in a comprehensive way by examine family as a collective socio-economic actor within the realm of social policy. In particular, this study is among one of the first to apply the analytical framework of family as a socio-economic actor into empirical analysis, thereby evaluating how far this thesis can capture the reality in East Asian welfare capitalism, especially in the Chinese context. Perhaps more importantly, this study will demonstrate, empirically, the extensive role that family plays both as an institution but also as an actor within the political economy of welfare in China.

1.4 The focus and prospect of this study

This thesis hopes to provide an insight to the understanding of the family within the Chinese welfare capitalism and to reflect on the importance of these findings within the wider East Asia

welfare typologies. The goal of this research is to map out the various strategies and practices that families in China employ to mobilise, accumulate, and redistribute their resources and capture how far family, as a welfare and economic institution, relates to wider economic inequalities and institutions. Although the emergence of this research focus is jumping out of the intrinsic typology debate and focusing on the substantial problem of significance of familial practices, it mainly focuses on the exploration of capturing and mapping the importance of family in China mainly as an economic actor. The empirical evidence that will be presented offer a detailed account of how families are able to strategically consolidate, mobilise and redistribute their resources and how these strategies (and any identifiable patterns) have changed over time across both rural and urban China.

By effectively putting to the test the theoretical framework of Papadopoulos and Roumpakis (2017; 2019), this thesis explores how their approach can help us to recode the importance of family strategies as well as the range of strategies and family practices pertaining to the wider socio-economic transformations in China. This directs to the proposed research questions of this thesis, on mapping out the significance and the role of family playing for coordinating the family strategies for mobilising, accumulating, and redistributing resources. In practice, these questions will be examined by conducting analyses on the most recent wave of CFPS data and its baseline survey, concerning household wealth, income, expenditure as well as debts size and debts ownership. These are the important indicators for us to figure out whether the traditional family dynamics still play a significant role in shaping financial markets and family practices, despite the modernization of the economy and the structural changes to the families in China. Among them, looking into the household debts will be particularly important, as it can help to map out how far the familial economic strategies can be underpinned by the dynamic integration of the formal financial market transactions (bank) and the extensive informal familial supports.

1.5 The structure of this thesis

Following the sections above which have addressed the importance, scope and outlook of this research, the remaining parts of this thesis will proceed as follows. The subsequent **Chapter 2** provides a narrative on how the role and significance of family has long been understood and been addressed as a welfare provider in the comparative social policy studies. After reviewing the key theoretical approach which casually explain the diversity of welfare regime within social policy studies, it identifies how gender-based approach has later addressed the research gap by highlighting the importance of family and gender for welfare regime studies. By further reviewing the recent theoretical approaches and categorisations such as the debates on

familialism and de-familialisation, as well as genderisation and degenderisation, it then clarifies that the significance of the family is often emphasised among East Asian welfare debates within the welfare modelling business who has bee expanding the research focus onto East Asian welfare regimes. Then it argues that to analyse the East Asian welfare is in essence relied on developing a comprehensive understanding of the role of the family, by developing a new conceptual tool and analytical framework of elevating it to a collective socio-economic actor.

Chapter 3 then focuses on the family in China by addressing the connotation of family in the Chinese context, the family values among Chinese households, and the structural changes to Chinese families nowadays and so on. It discusses the notion of the family in a Chinese context, by capturing it both as an economic actor and a provider of care. Following this, it reviews both the continuities and changes to families in contemporary China. Then it moves on to provide a brief yet comprehensive literature review of the key empirical research and studies concerning the family in China, especially those who approach family as an economic actor and those who aim to capture its role as a welfare provider (mainly for care, covering aspects such as intergenerational relations or supports).

Then **Chapter 4** proposed the research question of this research, followed by a further explanation on the overall research design and data selection for the follow-up analyses. By identifying the research gap in the existing comparative social policy literature as approaching the family from its welfare dimension or more specifically as the receiver of state support interventions, it highlights the importance of adopting a more comprehensive, dynamic analytical framework by sublimating the family as a collective socio-economic actor in the social reproduction of welfare capitalism. For this sense, it underlines the focus of this thesis in section 4.2, as exploring Chinese families' practical strategies on mobilising, consolidating, and redistributing resources, as well as understanding how this has changed over time. Section 4.3 then provides a brief discussion on ontological and epistemological thesis on quantitative versus qualitative research methods, before it further explains the reason for selecting the quantitative research method. Following this, in section 4.4 it offers a brief overview of the dataset it utilised - China Family Panel Studies (CFPS) by discussing its strength over the other existing national representative survey projects, sampling design, survey structure etc. Then by explaining the variables selected for further analysis from CFPS datasets, section 4.5 addresses the technical issues of statistical treatments and weight calculations.

To broadly map out how family as a collective socio-economic actor underpins the mobilisation, consolidation, and redistribution of resources among Chinese families, this thesis

correspondingly examines the composition of household wealth, income, and expenditure, with a specific focus on observing the role of the family's financial support which can act as informal lender, voluntary support unit, as well as risk absorber of last resort etc. By examining the two waves of survey of CFPS 2010 and CFPS 2018, **Chapter 5** to **Chapter 8** respectively study the distribution and composition of household wealth, household income, household expenditure, and family debts in rural and urban China. In Chapter 5 which focuses on to understand families' strategies on accumulating resources, section 5.2 firstly looks into the total family assets among sampled families in CFPS 2018, by decomposing it into sub-component asset including income generated from land, housing assets, fixed asset for production, financial asset, durable goods, as well as total family debts and its composition (compositing of housing debts and other financial debts). The subsequent section 5.3 then observes the average growth/decline of the share of each component asset by comparing between CFPS 2010 and CFPS 2018 data. To sum up, section 5.4 delineates the overall dynamic pattern of changes to household composition among Chinese families from 2010 to 2018.

Chapter 6 starts with reporting the findings for household income from the CFPS 2018 data, regarding to the total family income, per capita total family income, as well as the different type of sub-component income including salary income via recruited employment, business (operational) income from self-employed business or agricultural production engagement, transfer income via government subsidies or pensions, property income from rental for real estate properties or agricultural machineries, and other income via monetary supports from family or friends. Following such decomposition, section 6.3 continues to report the average growth of household income in China from CFPS 2010 to CFPS 2018 by sorting out the sampled families into four different quartiles in ascending order. Section 6.4 then attempts to provide an overall picture of the dynamic changing pattern of household income composition over time, with a special effort to highlight how far the family network has played its significant role to support Chinese families for their resource mobilisation.

Following the observation on family income, **Chapter 7** begins with distribution analyses on household expenditure among the CFPS 2018 sampled families, regarding to their annual total family expenditure consisting of residents' consumption expenditure, transfer expenditure (spending on financial supports to family, social donations, spending on banquets and ceremonies etc), insurance expenditure, and mortgage. Next in section 7.3, it compares the average value of share of each type of expenditure from CFPS 2010 and CFPS 2018 among different quartile groups, to further clarify the dynamic changes to the family expenditure composition in China. Section 7.4 finally provides a more comprehensive picture of the changing pattern to family expenditure in China from 2010 to 2018, both by comparing

between different areas (rural v.s urban) and by overseeing among different expenditure level of families.

By realising the significance of household debts on identifying the key trends in the political of welfare, **Chapter 8** attempts to highlights the debt volume and debt ownership among Chinese families to further understand how far it is likely for them to resort to family, or extended family network as well as formal financial institutions to practice their familial strategies for resources coordination. It argues that informal borrowing and lending between families in China and their family and friends cannot be dismissed, which is a key to understand the economic dimension of family as a collective socio-economic actor in China. Section 8.2 provides a comprehensive overview of the distribution of household debts among CFPS 2018 sampled families, by splitting between their bank loans and debts to family. Specifically, section 8.2.1 examines their overall housing debts in accordance with their borrowing preference for first point of resort and their previous experience of being refused by those potential lenders. By comparison, section 8.2.2 investigates the empirical evidence on other financial debts by comparing borrowing preference in rural and urban China, followed by comparison on commitments from bank and family between families with or without self-employed business. By narrowing down the study sample to who had practically borrowed for capital turnover for both housing and non-housing reasons, section 8.2.3 looks into both bank loans and debts to family, with a particular focus onto the usage or their formal and informal credits traced back to CFPS 2010 due to the limited data in CFPS 2018. Even if the figure suggests debt burden is not very common among Chinese families, it is still worthy to note that for some of the families without outstanding debts still received monetary supports from family network. Such form of voluntary financial support will be the focus of section 8.2.4. In section 8.3, it then moves the lens onto comparing bank loans and debts to family between those sampled families with positive and negative equity. Before draw to the conclusion in chapter summary, section 8.4 attempts to track the dynamic changes to bank loans and debts to family for those who were in debt in CFPS 2010.

Based on the findings suggested by the micro-level analysis from Chapter 5 to Chapter 8, we further shed light on how family as a socio-economic actor has been reinforcing the familial practices of Chinese families for their strategies on accumulating, mobilising, and redistributing resources over time in the discussion section in Chapter 9. It will first summarise the key findings from the empirical analysis by clarifying the substantial implications and practical reflections. In meanwhile, it also puts forward the analytical and empirical contributions that this thesis makes to the existing knowledge of and study on East Asian welfare. Then in Chapter 10, it draws a conclusion by wrapping up the focus, findings, and

implications of the whole thesis. It also summarises the potential research limitation of this thesis by acknowledging the shortcomings in the research design, to offer a critical evaluation of the entire research and the research methods, thereby highlighting the prospects to future research. Finally, it will wrap up the thesis by suggesting a potential research direction for the future research approaching family as a collective socio-economic actor.

Chapter 2 Literature Review I: Capturing the Family as a Socio-economic Actor

2.1 Chapter introduction

This chapter in general attempts to provide a narrative on the role of family which has been long approached and is often captured as a welfare provider (and mainly provider of care) in the comparative social policy studies exploring different welfare regimes. It first starts with a literature review on how family as a unit has been approached in both the key theoretical approaches as well as the gender-based approaches. Following this, it discusses the new conceptual tools that were developed to shed light on how the family (and women) matters and is taking the key role in welfare and care provision. Finally, it extends the exploration onto the expanded welfare modelling business with a regional focus, particularly on East Asia welfare regimes.

2.2 The family in comparative social policy studies
2.2.1 The key theoretical approaches

The welfare state had theoretically become the focal point of the academic research on social welfare in the Western world since the early 20 centuries. At the time, however, as the most significant agent for social welfare production and provision, the family has attracted more limited attention within the comparative studies on welfare states. As the most typically representative example of comparative welfare state research, in his seminal book of *The Three Worlds of Welfare Capitalism*, Esping-Andersen's (1990) suggests three different models of the welfare state regimes under the analytical framework of decommodification, relying on analysing the relationship between the state and the market. In order to addressing the gap of early categorisations of cross-national variations of welfare states which were not explained by their political and economic functions, he denotes qualitatively different welfare state logic in form of social arrangements that need to incorporate the role of actors such as state, labour and capital, which can be further interpreted by three key variables: union mobilisation, class coalition, and the institutionalisation of power regimes. The core element of social rights is considered as the degree to which individuals or families get access to social service or social security benefit that permits them to attain a socially acceptable standard of livelihood without reliance on the market. The latter is captured through the concept of 'de-commodification' (originating from Polanyi, 1944) , which became a key analytical tool to measure social rights. He also identified the importance of social stratification, a function that captures how far the welfare state ameliorates or reproduces social inequalities that exist within a given society (including among others labour market and gender relations).

He further pointed out that as examining the welfare stratification and international variations in social rights, qualitatively different arrangements between state, market, and the family will be found. Based on this, three highly diverse welfare regime types were further identified by him. From the scope of the family, the conservative model is the one which largely relies on the provision of the family. Originated from historical Catholic social policy incorporating corporatism and etatism, it is asserted to preserve the conventional family-hood. According to the principle of subsidiarity, the state will only come to intervene when the family's capacity to serve its members is exhausted. As for the liberal welfare state regime, the operation of market is actively or passively encouraged, thus resulting in a low level of decommodification. Different from the liberal regime type, the socio-democratic model is a highly de-commodified model where the role of market is minimized while the role of the state is magnified. Also, at the opposite of conservative model, it "preemptively socialize the costs of family-hood" instead of waiting until the family's capability to aid is exhausted (Esping-Andersen, 1990, p.28).

2.2.2 The gender-based approaches

Casting a long shadow over comparative social policy debates and fundamentally shaped the welfare state modelling literature, Esping-Andersen's work triggers not only important debates on welfare ideal types but also critical comments and even theoretical reworking in many grounds elicited from his original thesis of three worlds of welfare capitalism. One the one hand, scholars (see for example Abrahamson, 1999; Arts and Gelissen, 2002; and, more recently, Aspalter, 2011; Abrahamson, 2011; Powell and Barrientos, 2011, for detailed views on welfare typologising debates) have subsequently and intensively discussed on the validity of Esping-Andersen's categorisation of countries in his three ideal typical regimes and going a step further, whether there are more than three ideal typical regimes, especially by adding a fourth world of regime standing alongside the three distinct regime types (for Southern European see Leibfried, 1993; Ferrera, 1996; Bonoli, 1997; for East Asian societies see e.g. Holliday, 2000; Holliday and Wilding, 2003; Kwon, 2005b; for East European cases refer to Fenger, 2007; Bohle and Greskovits, 2007; Latin American countries see Rudra, 2002, 2007; and for African cases, Seekings, 2008). On the other hand, early critiques of Esping-Andersen's welfare regime approach (Lewis, 1992; Kwon, 1997; Castles and Mitchell, 1993) focused on analytical gaps such as the importance of gender, the role of the state in the economy and pre-redistribution policies in place. As the debate has expanded, questioned the methodological underpinnings of his research and in particular his choice of variables and methods.

Furthermore, one of the crucial critics were from feminist scholars, regarding to the blindness to gender and a linked absence of the family/household in Esping-Andersen's original formula (Gough, 2004; Arts and Gelissen, 2002, 2010). For one side, they argue that Esping-Andersen's

classification lacks a precise definition of the analytical importance and function of the family (Leitner, 2003). In addition to this, the original welfare regime typology is viewed as neglecting the gendered division of care and labour (unpaid housework) within the family, thereby ignoring the different level of effect of decommodification on men and women (Zimmerman,1988). As a response to the feminist critiques on his original thesis of welfare regimes, in his follow-up publication *Social foundations of post-industrial economies*, (Esping-Andersen, 1999) revisited his original tripolar typology of welfare regimes and as a response he introduced the concepts of familialism and de-familialisation (see Lister, 1994; Mclaughlin and Glendinning, 1994 for the first use of the term) to illustrate the different attitudes (policies) of the state towards the families. The former one is the welfare provision model where the family act as the main care provider, whilst the latter one attempts to reduce the burden shouldered by the households by reducing individuals' reliance on their families. Moreover, pointing out the centrality of families (attribute of familialism) in the Southern European model, he admits it as weak link of the family in his original three worlds clusters.

The initial feminist critique (Langan and Ostner, 1991) on Esping-Andersen's original work pointed out that the conception of decommodification has a different set of meaning for women than men. Due to traditional different relationship to family life, women tend to play the pivotal role for work in the family and men could get more chance to be commodified by selling their labour force and participate in the labour market. Consequently, social rights in decommodification differs from men to women, preserving men's position in the labour market while in contrast confining women's labour market participation to certain areas of employment. Hence, it is almost impossible to weigh women's position in the labour market without taking their role in the household into account. Very much in tune with Langan and Ostner (1991), Hobson (1994) holds the view that commodification itself may also have a gendered meaning given the fact that women and men are unlikely to share equalised power relations within the household because men tend to earn higher wages than women who are up against different levels of discrimination in labour market. She considers the notion of decommodification indicating the degree to which welfare states weaken one's market dependence to erode its commodity status to be problematic, for the reason that it could not be applied to women who have not been commodified. Enabling women to be commodified means that it will weaken their dependence on husbands and allow them to strengthen their rights to bargain in families. Hence, what should not be ignored is that the welfare regime clusters might be cut across when taking into account division of paid and unpaid work among women and men in society, in particular, the question of who is responsible for (unpaid) care work within the household.

Thus, by pointing out the gender blindness and implicit androcentrism in traditional mainstream comparative welfare state literature, social policy scholars have touched upon the role of women within the family and the role of the family itself. Esping-Andersen's idea of decommodification was criticized as it is considered as not fully applicable to women workers due to an overlook on their unpaid work like caring work at home (Orloff, 1993; O'Connor, 1993). Despite meriting the concept of decommodification themselves, both Orloff (1993) and O'Connor (1993) argue for retaining but supplementing this dimension. Orloff (1993) suggests rethinking the notion of decommodification given that it does not fully apply to women workers due to an overlook of unpaid work (such as domestic labour like caring work) which is often carried out by them. Whereas men claim to social benefits depending on (loss of) paid employment, women may also qualify as workers but with stricter eligibility rules than men or receive benefits as a result of marital or familial roles depending on their husband. In order to better capture the effects of social provision by the state on gender relations, she adds two new dimensions that parallels decommodification, that is, access to paid work as well as the capacity to form and maintain in autonomous household. O'Connor (1993) suggests that the extent "varies depending on the range of services which insulate individuals from the pressure of the labour market and the extent to which these services are accessible as citizenship rights" (p.511), and further puts forwards the notion of personal autonomy or insulation from dependence on the state or on family members to augment the decommodification dimension.

Inspired by the other approach calling in for fundamentally lacking in mainstream research, scholars (such as Lewis and Ostner, 1991; Lewis, 1992; Sainsbury, 1999c) also develop alternative models to analyse social policies from feminist's perspective through the lens of gender relations and the family/households. By suggesting an idea of male-breadwinner family model, differentiation between strong, modified, and weak male-breadwinner countries was first made according to the way and degree that women's entitlement is by virtue of their independent status in the family (Lewis and Ostner, 1991; Lewis, 1992). It is argued by Lewis (1992), who also appeals a gendered understanding of decommodification, that Esping-Andersen misses to value the unpaid work which is mainly done by women in the household because of his definition of work as paid work and welfare as policies encouraging or discouraging decommodification of labour. Realising the significance of family historically as large provider of family (Kolberg, 1991), Taylor-Gooby (1991) has earlier pointed out the crucial relationship should be between paid work, unpaid work and welfare. In a similar vein with Taylor-Gooby, Lewis (1992) proposes to incorporate both unpaid and paid work in the development of welfare regime.

In strong male-breadwinner states, historically exemplified by the Anglophone world like Ireland and Britain, the family (women) is assumed to provide childcare and there is a lack of rights for maternity leave and reinstatement, thus drawing a clear line between public and private responsibility for welfare. Adversely, dual-breadwinner societies as Sweden encourage women to participate into the paid employment by employing parental leaves and increasing childcare provision. And in France where family policy is dominant in its social security system, women's role both as mothers paid workers are recognised and generous benefits are provided to compensate the costs of the children (Lewis, 1992; 1997). On this count, the French model tends to be with modified male-breadwinner level whilst the Swedish one is more likely a weak male-breadwinner model. Notwithstanding as a gender-sensitive new typology, Hobson (1994) points out its weakness of neglecting lone mothers, namely the cases in which women are breadwinners. Drawing upon data from 23 OECD countries, Siaroff (1994) offers a more comprehensive gender-sensitive comparison that concentrates on the work-welfare trade-off for women. His new typology is based on a measure of female work desirability compromising gender variations in unemployment and employment as well as positions and wages within the job hierarchy, followed by a combination with analysis of social programmes benefiting women and families.

2.3 Familisation vs defamiliastion, genderisation vs degenderisation

Gradually, taxonomy on the basis of degrees of defamilialisation and familialisation has turned out to be the most common manner of genderising welfare policies (Lister, 1994; Esping-Andersen, 2009; Saxonberg, 2013; Esping-Andersen, 1999). Considering the limitation to the concept of decommodification as an analytical term addressing the gendered division of labour, the relative notion of defamilisation was put forward by Mclaughlin and Glendinning (1994) to better capture the extent to which individuals engage with families and the degree to which they can maintain satisfiable living standards independent from family. And according to Lister (1994) of those who first use the term defamilialisation, it is defined as "the degree to which individuals can uphold a socially acceptable standard of living independently of family relationships, either through paid work if social security provision" (p.37). In this context, the familisation is associated with transferring care responsibilities from the state to the families, whilst the defamilisation is achieved by transferring the care responsibilities from the family itself to the market and the state (ie, private and public childcare services).

To further draw a distinction between care and financial dependencies, Leitner and Lessenich (2007) set forth the terms 'economic' and 'social' defamilisation. They argue that de-familisation is as complex and multifaceted concept, involving not only an economic but also

a social dimension, incorporating a care relationship comprising both the care giver's and the care receiver's perspective. To balance the paid and unpaid work within the household is not only about rebalancing the paid work between men and women, but also reach a sophisticated rebalance of unpaid work between the market, state and men and women. (Lewis and Giullari, 2005). In this vein, they point out that the main conceptualization emphasizing on reducing women's care burden and enabling their economic independence via labour makret participation is only one possible variety of the concept. Drawing upon such clarification, the dependency or independence of both care receivers and care givers is associated with the degree of social (de-)familisation and economic (de-)familisation. For the social dimension of (de-)familisation, refers to the social and emotional relationship between parent as care giver and child as care receiver. Social de-familisation means that parents have the right not to take care of their children (always be de-familised graduatlly), while children also have the right not to be cared by parents. In this sense, parents can be socially defamilized when the responsibility of (part of the) childcare is taken over by other member(s) in the family or household, or if there are affordable, available, and high-quality childcare services. Distinguished from this, the economic dimension of (de-)familisation is about the different variants of choice for care givers and care receiver. The extent to which the child will be cared for by his or her parents relies on the financial possibilities of the parent. Thus, the economic de-familisation of the parent requires one's financial independence that is crucial for paying child care enabling them to maintain an autonomous household (Orloff, 1993, as cited in Leitner and Lessenich, 2007). On the other hand, children also have rights to choose care services or educational services as additional care relationship besides their relations to close family members, which is either afforded by the household or the state.

Besides this, there are also attempts to clarify gender and familial ideologies in affecting public provision of welfare benefits and services (Sainsbury, 1994a). In a more recent attempt to conceptualsise gender typologies, Saxonberg (2013) proposed a radically new typology of genderisation and degenderisation which aims to link mainstream feminist discourse on gender and welfare. He argues that it makes more sense to talk about genderising and degenderising policies rather than familialising and defamilialising policies providing that the primary goal of feminist discourse is to eliminate gender roles. Here, the term degenderising is used to describe policies upholding the elimination of gender roles and genderising to denote different gender roles for women and men. More than the advantage of familialisation/defamilialisation approach as parallel to Esping-Andersen's level of decommodification, this approach allows for a much wider range of feminist analysis with a possibility to be applied to any type of social policy (Saxonberg, 2013). Following Leitner's (2003) dichotomy of implicit and explicit familialism, he looks into actual policies towards childcare such as level of paid parental leaves

and state support for childcare rather than outcome of those policies and labels policies as genderising, explicitly genderising and implicitly genderising, illustrating how childcare policies affect gender roles.

Thus, feminist scholarship has contributed to demonstrate the inequalities between women and men both as beneficiaries of welfare state provision by compromising gender into the comparative analysis of the welfare states, as well as extend the work and welfare relations in mainstream study by proposing the interrelationships of the state, market and family as alternative determinants forming the nature of social welfare provision. Based on familisation and defamilisation approaches, there are also comparative research addressing on family or gender support policies in different countries (see for example Yu et al., 2015; Chau et al., 2017). Therefore, within the majority of the (comparative) social policy literature addressing the dynamics between the family and the (welfare) state, the family is tended to be primarily approached as the provider of care.

2.4 New conceptual tools in welfare modelling business
2.4.1 East Asian welfare model exceptionalism

Prior to the publication of the *Three Worlds of Welfare Capitalism*, studies about social policies in the region of East Asia had been focusing on economic development and discussions about social welfare in the region were almost non-existent (Hwang, 2015). In the following decade since the publication of this book, there was a strand of comparative study emphasising on the liberal-conservative-social democratic framework of welfare state regimes created in it. During such process, some scholars have begun to realise that the welfare arrangements in capitalist East Asia, often regarded as including four little tigers of Hong Kong, Taiwan, Singapore, South Korea and plus Japan (see for example Vogel, 1991), are unlikely to be readily fitted into this tripartite typology. Thus, referring to Esping-Andersen's work as a starting point, an increasing number of scholars have shown unprecedented level of academic interest in the region's welfare provision and a growing volume of publications sprang up to deal with the precise nature of East Asian exceptionalism. Then since the 1990s, various different labels as follows has been coined or put forward to describe the welfare cluster in the region: Pacific (Castells, 1992), 'Oikonomic welfare states' (Jones, 1990), 'Confucian welfare states' (Jones, 1993), 'Japan-focused East Asian welfare regimes' (Goodman and Peng, 1996), 'an East Asian welfare model' (Kwon, 1997), 'Pacific-American' (Esping-Andersen, 1997), oriental (Goodman and White, 1998), productivism welfare capitalism (Holliday, 2000), conservative (Gottfried and O'Reilly, 2002), informal security (Gough et al., 2004) as well as limited or comprehensive developmental (Kwon, 2005c).

Thus, social policy analysts take various positions on his regional cluster, and they are far from agreement on the definite feature of East Asian exceptionalism. However, as Abrahamson (2011) points out, it should be noted that characteristics of such development trajectory of East Asian welfare provision can vary relying on which societies to be included under the title of East Asia itself. Moreover, sometimes the expressions such as 'East Asian welfare regime' and 'East Asian welfare model' as evidenced in the growing number of studies on East Asian welfare development can be misleading. This is because that part of these studies is more like case-specific studies at country levels (usually comparative studies of several societies) rather than attempts to deal with the region as a whole. Responding to the exploration of a possible existence of an East Asian welfare model during the time of financial crisis (Goodman et al., 1997), some analysts (see e.g. Goodman and Peng, 1996; Kwon, 1997; Lin, 1999; Holliday, 2000, 2005; Wilding, 2000; Holliday and Wilding, 2003; Gough, 2004a; Aspalter, 2006) believe that it is helpful to think of this and the regional similarities are sufficiently substantial to justify such a social policy model, even though scholars who hold entirely opposite view (Ramesh, 1995, 2004; Goodman and White, 1998) regard it as unhelpful . In the corresponding literature dealing with the region as a whole, the East Asian societies that are widely considered to share a common trajectory of welfare development are Hong Kong, Singapore, South Korea and Taiwan-the four tiger economies and an addition to the Japanese case (Kwon, 1998; Holliday, 2000; Aspalter, 2006; Wilding, 2008). And recently, the latest trend of East Asian welfare regime studies seems to include more Southeast Asian countries such as Indonesia, Malaysia, the Philippines and Thailand into the regime studies of the region, and even compare with Latin American countries (see for example Gough, 2001, 2004b, Rudra, 2002, 2007).

The cultural and religious elements such as Confucian culture in the region are viewed as the key to explaining the forces shaping distinct path of welfare state development in East Asia (Jones, 1990, 1993; Lin, 1999; Rieger and Leibfried, 2003). In her early studies on the four East Asian 'little tigers' economies (Hong Kong, Singapore, South Korea and Taiwan), Jones (1990) first comes up with a label of 'Oikonomic welfare states'. The word oikos, which is Greek, refers to the household economy. She explains that these societies (which are respectively described as populations Chinese - Taiwan, overwhelmingly Chinese - Hong Kong, predominantly Chinese- Singapore and also Chinese acculturated Korea) share a common core of 'Chineseness', especially significant beliefs and attitudes towards conduct of the society. Jones argues that Confucianism is at the centre of such Chinese tradition, in which a series of principles and proverbs contributed by the great philosopher Confucius are involved. It is pointed out by her that the concept of the household as the key unit of society is the foremost among these. Even to echo with her previous work, Jones (1993) further stated that another way to express all this might be 'household economy' welfare states where a form of so-called

conventional, Confucian, extended family plays a key role. However, she did not expand much on the significance of the househould economy beyond its cultural importance (Papadopoulos and Roumpakis, 2017). In the characterization of Jones (1990, 1993) of Asian welfare capitalisms as 'oikonomic welfare states', less attention has been drawn on to the significance of family household beyond its cultural sphere, in terms of capital accumulation and social reproduction.

With the approach placing its main emphasis on cultural factors, the characteristics that the East Asian welfare state systems share in common are much more underlined than their distinctive particularities (Aspalter, 2006). Among the subsequent studies on investigating the nature of social policy provision in East Asia, it is shown that the central role of the family is obvious among societies in this region (Wilding, 1997; 2000; Walker and Wong, 2005; Papadopoulos and Roumpakis, 2017). Adherence to the Confucian values of strong family institution and self-reliance means that family care and voluntary provision will substitute aspirations for social welfare, thus resulting in a significant common characteristic of low level of social expenditures among Chinese and East Asian welfare regimes (Walker and Wang. 2005). The heavy dependence of the welfare role of the family in East Asian welfare experience implicates the gender relations and the position of women, who are the main carers within the households as shouldering a dual responsibility and meanwhile a double burden of housework and paid work (Goodman and White, 1998). Standing at the interface between the Confucianism and globalisation, the household are utilized as a preferred agent for fulfilling social needs in regard with economic efficiency. Therefore, similar to the familism in the West, it could be an ideology that reproduces the gendered division of domestic labour, thus making women become chief victims and carers who should be responsible for welfare and caring responsibilities (Walker, 1997, 2000; Walker and Wong, 2005). Besides, Holliday (2000) also points out that the strong conception of the family is a unique and contingent feature of productivist welfare capitalism in contemporary East Asia and stand out prominently in welfare provision in the region. In a more recent study, by arguing the similarities of the way in which Chinese and Japanese families cope and negotiate welfare transitions and wider economic transformations, Izuhara and Forrest (2013) put forwards the idea of 'active families' to draw emphasis on the agency of the East Asian family within the relationship between individual and the state, the marketisation and the globalisation. They conclude that among this region the family is an integral and active ingredient in within welfare mix parallel to market, state and institutionalized community provision and active family engagement and relations act to facilitate sharp economic or political changes in these societies.

Again, like its Western counterparts, the role of the family in Chinese and East Asian societies is also primarily approached from the perspective of care provider or provision within social policy studies focusing on East Asian welfare development. Having analyzed the embeddedness of the family within the broad institutional configurations of Asian political economies both in the spheres of care provision (see for example Ochiai 2009; Chan et al. 2011; Sung 2013; Yu et al. 2015) and the spheres of economic production and social reproduction (Carney and Gedajlovic, 2003; Choi, 2013), Papadopoulos and Roumpakis (2017) in particular highlight the imperative to recreate the significance of family as a collective socio-economic actor in East and South Asian welfare capitalisms. According to their discourse, the family in these societies has been institutionalized both as a welfare provider and as an economic actor: the state lessening their commitment towards funding an extensive and redistributive public welfare system, while putting the responsibility of absorbing social costs and risks for social reproduction onto the shoulder of the family. In their article, they also indicate the role of the family for the social reproduction in the region as also closely associated with the rise of family businesses among, in particular, Ethnic Chinese, the Korean chaebols and the Japanese keiretsu (Papadopoulos and Roumpakis, 2017). Here, the notion of social reproduction in capitalism is extended from the feminist political economy thesis, which highlights the importance of care economy and what involves for safeguarding capital accumulation and its existing conditions(Bakker and Silvey, 2008). This therefore locates family as a key institution along with state and market for safeguarding economic growth and capital accumulation transending what could be defined in the realm of production (labour market) and the realm of social reproduction (e.g. care economy) within capitalism.

2.4.2 Gender and family in East Asia

As mentioned above, regarding the Confucianism as an adjunct to political ideology underpinning 'the conservatism of East Asian governments in the formative stages of social policy', the impact of Confucianism on social policy in East Asia has been downplayed by Walker and Wong (2005). Consequently, its explanatory power on welfare regimes in the region has been significantly understated (p.229). However, the impact of Confucian values turns out to be obviously significant and cannot be ignored in the exploration of the East Asian welfare systems from a gender perspective. Confucianism has conventionally distinguished different roles between men and women within family relations and has defined clear gender roles in society especially in terms of their division of labour. One of the key principles of Confucianism is that instead of being encouraged to follow her own inclinations, a woman is required to live up with three forms of obedience in her lifetime, that is, to obey her own father when she is young, then obey her husband after marriage, and even obey her son when her husband dies (Sung, 2003; 2013; Kyung, 2005). Under the influence of Confucian tradition

and family education, there persists an ideology of conventional gendered division of labour within East Asian families where women take the primary roles as domestic workers and carers, spending more time on family work and unpaid care work than men within the households. Regarding this what should be pointed out here is that although the impact of Confucianism on East Asian welfare states per se tends to be overestimated in cultural strand of welfare regime debates, the influence of Confucian culture on gender and welfare issues in East Asia still cannot be neglected.

Under such context of conventional Confucian gender ideology in East Asia, women in particular married women in the region are presumed to act triple roles in their lives — a traditional role of obedient wives to their husbands, self-sacrificing mothers taking care of their children, as well as devoted daughters-in-law to their parents-in-law (Wu, 2014). Due to the Confucian traditional ideas on the gendered division of labour, the role that women take in their families (for unpaid work) tend to be prioritised over their paid employment. As a result, it is more likely for women who have paid jobs not only to encounter individual conflicts between familial and societal expectations, but also face up with the difficulties to cope with the cultural conflict between traditional gender roles that they are expected to take and the ideal of gender equality as a range of improvements in gender equality policies in the region. Here, it can be noted that the former contradiction of struggling with reconciling their work and family responsibilities could be a consequence of living in a transitional period with co-existence of ideals of the Confucian traditional values (on family) and gender equality (Sung, 2013). As this is common issue in East Asian region, it is for example suggested by the findings from an interview survey conducted by Wu (2014) that both two generation groups of women in Taiwan tend to withdraw form labour force or sacrifice their time from paid jobs for rearing and caring their children. According to the research, in East Asian societies owing to lack of assistance from their husbands, other family resources or supports from the government, younger women are often exposed to dual or sometimes triple challenges of reconciling their paid employment, as well as unpaid care work such as childcare and care for elderly people within the households. On the other hand, providing that adult children are always expected to shoulder the major responsibility for taking care of their parents, older women might suffer from lack of sufficient care as there is often with little support from the government or other sectors to their children.

Generally speaking, in East Asia the accomplishment of familial responsibility for caring largely depends on informal care from family resources, which is often translated into the responsibility of women, or to say, the female members in the family. This implies that East Asian mothers principally rely on informal care from family members, such as inter-generational supports for childcare from female family members, in particular their mothers or

mothers-in-law (Sung 2003; Wu, 2007). Although the situation of women's lives can substantially vary in the different national contexts in East Asian region, what they share in common is that as living in the current wave of rapid societal and socio-demographic change, they all might face with difficulties in coping with different expectations or responsibilities as well as social norms in deciding whether to follow traditional Confucian values or adopt to new ideals of gender equality. Regarding such distinctive gender differences for division of labour in particular for unpaid care work, and also cultural differences compared to its Western counterparts, the impact of Confucian values on women's lives and care regimes in East Asia is undeniable and it is significant to explore East Asian welfare systems from a gender perspective.

On the other hand, the gender ideologies in East Asian, in term of the views on the responsibility of married women for their family-in-law and parents-in-law, has also been significantly affected by the conventional Confusion culture. As another core cultural value of Confucianism, filial piety promotes a concept of respecting parents in family systems in East Asia. The East Asian welfare states share common features such as a hierarchical Confucian model of the household, and also prioritisation of male breadwinners embodied with traditional ideas as subordinate to their husbands and parents-in-law. Although such idea of male breadwinner is similar to the Western male breadwinner model suggested by formulated by Lewis (1992), there are distinct differences between the Confucian welfare families in East Asia and the Western breadwinner model. As points out by Sung and Pascall (2014), compared to the Western families that tend to primarily focus on simple conjugal interactions between the husband and wife in a household, the Confucian family systems are with more extended families which need to be examined by analysing wider interactions between parents and their adult children, in particular the interaction between daughter-in-law and their family-in-law, and also the relations between husband and wife. Under the impact of traditional Confucian values, welfare states in East Asia are more likely to emphasise the role of the family in welfare and Women's traditional role in family. Despite that according to OECD (2023) women averagely spend more time on unpaid care work, as at least two more hours per day than men do in most OECD countries, women in East Asia may however face up with more challenges than most of their Western counterparts, as except for being responsible for childcare in the family they also have to take the main responsibility for caring for older people in families in particular for their parents-in-law. As in most OECD countries, in China women tend to spend more time than men on unpaid care work. According to China's first large-scale time-use Survey, the mean time spent on unpaid care work (housework, childcare, adult care, and voluntary work) of women is higher that of men by 18.8 hours per week in rural areas and by 16.7 hours in urban areas and (Dong and An, 2014).

Moreover, such patriarchal relationships between parents-in-law and daughters-in-law requires that married women should be more responsible for their families-in-law than their own family with which they may feel more emotionally close (Pascall and Sung, 2007). For example, the findings from the interviews conducted by Sung (2013) in South Korea suggest that women have different attitudes towards expectations on them to take the responsibility of elder care. Majority of the respondents in the survey who hold traditional view answer that it should be the family's or children's responsibility for elder care, while some respondents stated that it is the government that should take more responsibility for care for elder people. Similarly, according to Chen (2012)'s study, in a survey piloted in both South Korea and Taiwan, more than half of the respondents consider that children taking care of their older parents are the best choice for them. In addition, more than 20 per cent respondents from South Korea and 30 percent of those from Taiwan in this survey further respond that even though with possibility of financial difficulties adult children still should take care of their parents. Besides these, there are also views that highlight distinct reciprocal arrangement concerned with elder care in East Asian families (Sung, 2003, 2007). Some of the respondents in Sung's (2007) research explain the reciprocated relationships between them and their parents-in-law especially mothers-in-law who take care of grandchildren namely their children with the households. Hence, due to that parents-in-law currently are taking care of their children, these women feel the responsibility for looking after their parents-in-law when they become older or unwell, unless they will 'feel guilty' and have a sense of 'abandoning' old parents if sending them to a public institution for getting elder care.

Overall, gender differences between men and women in East Asia, in terms of their employment and public life are mainly reflected on different times that they spend on as well as different roles or responsibilities that they take in childcare and care for elderly people within the family. The lack of government support in East Asia for women's unpaid care work regarding to childcare and elder care has made it difficult and even impossible for women in the region to effectively balance and combine their caring responsibility and paid employment. Also, as Sung (2013) put forward, in the wake of rapid socio-demographic and consequent familial structural change, while the younger generation of women in East Asian tend to bear the burden of reaching a proper balance between their work and family, the older generation of women might be put in a difficult situation due to the insufficient assistance from their family or lack of support from the government when they are in need of care. However, it is underlined that the extended family structure in East Asian societies such as Taiwan and South Korea is changing and shifting towards nuclear families (Chen and Li, 2014; Sung, 2014). Such modification trend on family structure indicates that in the future there will be lack of sufficient long-term care provision for elder people from family resources (Chen and Li, 2014). This will

undoubtedly make the women's lives more extreme and challenge the government to take responses to and intervene the issues of elder care.

2.5 Social investment as a research paradigm

There have been various attempts to redesign the policy objectives and policy instruments of the welfare state aiming at adapting itself to new socioeconomic context of contemporary societies and better coping with pre-face new social risks. These new analyses include 'social development', 'the developmental welfare state', 'the social investment welfare state' (Giddens, 1998), 'the enabling state' (Gilbert and Gilbert, 1989) and 'inclusive liberalism' (Craig and Porter, 2004; Mahon, 2013). While they are expressed in different terms, Morel et al. (2012a) argue that all these ideas point towards a similar policy thinking of stressing on the productive potential of social policy by developing policies targeting at 'preparing' instead of 'repairing', which can be encapsulated under the logic of 'social investment'. Despite of the widely accepted two-period division of post-war era, namely the construction and retrenchment period between 1945 and the mid-1970s as well as the phase of consolidation and retrenchment since the 1970s (Pierson, 2002; Hemerijck, 2012), which are often respectively labelled under the Keynesianism and neoliberalism (Morel et al., 2012b), there still exists a moot point around whether the social investment prescriptions which has taken root since the late 1990s can be considered as forming a new policy paradigm. Even if it is noted that the developed states are developing towards social investment logic as they have begun to place more emphasis on investment in human capital and less emphasis on income protection, there is unlikely a shared belief that it has been fully accepted as a settle paradigm on a par with the Keynesian welfare state and neoliberal policy paradigm. Thus, most comparative welfare state researchers prefer to talk about social investment as an 'emerging' notion, logic, or paradigm rather that a hegemonic new one, so that expressions and terms such as 'social investment perspectives' and 'social investment strategy', 'social investment turn' are deliberately used in literature (see for example, Morel et al., 2012a; Nikolai, 2012; Van Kersbergen and Hemerijck, 2012; Mahon, 2013).

According to Morel et al. (2012b), the social investment approach rest on polices with twofold policy aims, that is, developing human capital by investing in education and lifelong training and early childhood education and care, as well as efficiently making use of human capital through providing the necessary services and benefits particularly for those young parents and

lone parents to increase labour market participation. As emphasized by Lundvall and Lorenz (2012), social investments can be understood as public expenditure that combines enhancing economic performance and the solution of social problems. By investing in human capital and make work pay, it is expected that such investment in certain fields of social policy could bring returns in the form of economic growth. Breaking with the past policy understandings of 'the social protection logic of post-1945 welfare regimes as well as the safety-net stance of neoliberals' (Jenson, 2010, p.62), social investment perspective is regarded as "the very latest justification for social policy to guide the development of the economy and society in the twenty-first century" (Deeming and Smith, 2015, p.298).

The philosophy and policy theory underpinning the social investment approach was explicitly given more substance by the publication of the land mark publication of *Why We Need a New Welfare State,* in which Esping-Andersen and his colleagues (2002) seek to locate changing family structure and women's roles at the heart of their social diagnosis and policy resolutions, as well as refocus on income transfers and social services as the commitment of social policy (Midgley, 2017; Hemerijck, 2017, 2018). In face with the post-industrial challenges including the new tension between reconciling work and family life, it is suggested that staying power of male-breadwinner employment-based social insurance and neoliberal welfare retrenchment tend to dysfunction (Esping-Andersen et al., 2002). Under such context, they argue that the growing female labour market participation increasingly demands for a new provision of social care, in particular for children and frail elderly. To achieve a sustainable welfare state, as they put forward, it is imperative to recast the nexus of work, welfare, and family by means of child-centred human capital investments like high-quality education, guaranteed and affordable childcare, paid maternity and paternity leave and other employed-focused policies. In so doing, in their collective book Esping-Andersen et al (2002)shift the focus towards a more dynamic dimension in how social policy can interact with fertility, education and childcare.

2.5.1 Social investment in East Asia

Although Europe has been the main base for debating and practicing social investment over the past three decades (Morel et al., 2012a; Hemerijck, 2014), there are still few attempts on exploring the rise of social investment strategies in East Asian societies (Peng, 2011, 2014; Fleckenstein and Lee, 2017; Leung and Xu, 2017; Zhao, 2017; Lee and Baek, 2018). The first scholar touched upon social investment in East Asia is Peng (2011) who draws a comparison between the social investment policy reforms unfolded in two East Asian welfare regimes of

South Korea and Japan, as well as the two Anglo-Saxon liberal welfare regimes of Australia and Canada. She mentions that even though these two East Asian countries broadly share similar language of social investment with Australia and Canada, there are differences in implementation in terms of their policy instruments and target groups. The latter two countries approach social investment by investing in social policies and programs targeted on children through early childhood education and care (ECEC) (which is a common policy instrument to achieve social investment), whilst the former two countries focus their social investment policies from a more general human capital perspective and pay broader attention to children, women and the elderly via expanding public provisions in child care, elderly care, and support programs for working parents. The two patterns, in particular, are coined by Peng (2011) as "invest in the future" model and the "human capital activation" model.

Even though the language of social investment had not been adopted in the East Asian context, social policy was once instrumentally viewed as an investment on economic activation in the region as the developmental welfare state literature and the related productivitst welfare regime studies (Kwon, 1997, 2005; Holliday, 2000; Holliday and Wilding, 2003) both emphasise that social policies were driven by objectives for economic growth. In this vein, Midgley (1995, 1999) stresses that the productivist or developmental welfare regime in the region is fundamentally social investment oriented due to its primary goal for economic boost. Although this is labelled as 'old' social investment policies by Fleckenstein and Lee (2017), they further propose the highly selective nature of developmental state which largely excluded the female population as welfare provision especially early social insurance schemes were primarily concentrated on productive population in particular civil servant, the military and skilled workers in large corporates (Kwon, 1997). As a result, social care together with social protection for more vulnerable groups were indeed seen as a burden on the economy rather than as an investment (Holliday and Wilding, 2003, as cited in Fleckenstein and Lee, 2017). Fleckenstein and Lee (2017) also observe the recently increasing trend of private education expenditure such as household spending for private tutoring in Korea, which has consistently grown since the 1980s and finally up to an amount equivalent to around 80 percent of public social spending on primary and secondary education (Dang and Rogers 2008; Bray and Lykins 2012).

2.5.2 Social investment in China

Even if China has not officially articulated the notion of social investment, Leung and Xu (2017) believe that the country's pension reform manifest 'a precise social investment orientation' (p.173). They point out that pension reform in China is moving away from its previous development model with single-minded pursuit of the quality of economic development, towards a social investment approach facilitating balanced and quality social and economic development. On the policy agenda, as the same study goes on to note, such social investment perspective taking the form of pursing inclusive and balanced development, are translated into the emphasis on human capital building such as enhancing the quality of education, improving the flexibility of labour market, creating job opportunities for the low skilled workers as well as university graduates, encouraging the integration of rural migrants into the urban areas, relaxation of the one-child policy (in 2003) and so on. In social protection, it is interpreted into a series of programmes that improving human capital and activating the participation of vulnerable groups (including landless peasants, the disable, the informally employed, the unemployed, economically inactive women and etc.) into the changing labour market (Leung and Xu, 2015). The government not only extended the coverage of social protection, health care and social insurance (e.g. the introduction of Residents' Old Age Pension System for Rural in 2009 and for urban residents in 2011), but also introduced individual saving accounts into pension and health care insurance to encourage individual assets building.

Zhao (2017a) more specifically labels the Chinese variant of social investment as development-oriented social investment. He argues that the social policy in China has exhibited certain key characteristics of the social investment approach and the country has achieved much what the social investment paradigm hopes to achieve. Since the 1970s, the country's economic and social policy have been distinctively development dominated and its approach for social development fits well with Midgley's (1999) conceptualization of social investment (Zhao, 2017c). This is further explained by priority and sequence in different policy areas, as that during the 1980s and 1990s the Chinese government focused its scarce resources onto the most productive use and social programmes other than education was marginalized. Only at a later stage when the government began to earn much larger revenue, it then significantly increased the spending on activities such as social safety nets and health care. Furthermore, the dynamics of the country's social investment strategy was again confirmed by its latest policy agenda of the 13th Five-Year Plan (Zhao, 2017d). In this respect, Zhao (2017c) argues that the social investment approach can be used to "legitimize calls to move marginalized social policy to the

fore of government agenda" (p.23) and highlights the possibility of China becoming a good exemplar of what social investment could achieve in the real world.

Observing China's emphasis on education and science and technology, Zhao (2017c) contrasts the difference between the social investment approach in China and Europe, as China embraces social investment for social and economic development, while Europe adopts it as a critical approach to maintain social justice and citizenship in the trilemma of de-industrialisation, population aging and public budget constraints. What deserves to be mentioned here is that before further looking into the social investment strategies in China, he also suggests the imperative of a differentiation between social investment as a paradigm and social investment as a policy package. According to Zhao (2017c), as a paradigm, social investment's idea of investing in the human capital makes sense not only in Europe, but also in regions like Asia, Africa, and America. The social investment as a policy paradigm could be regarded as an effort to reinforce the harmonious relationship between social development and economic growth by reframing social expenditures as social investment in the people (Zhao, 2017d). Although it can demonstrate various forms when it comes to the policy level, like Midgley's (1999) social investment and Hemerijck's seem to be different in their policy details, this does not necessarily imply that "what has been practiced in some societies is less social investment in nature than those practiced in other societies", as the two scholar's conceptualization heads to the same direction (Zhao, 2017c, p.37).

Hence, the social development in China has been driven by social investment-relevant approach like rapid economic development and broad expansion in education at all levels (especially in terms of improving the science and technology) (Zhao, 2017b). With a strongly development-oriented social investment strategy even during the period of financial difficulties, the government has been making strong and sustained commitments to human resources and human capital development, lasting for almost forty years. From the "science and technology as a productive force" during the Deng Xiaoping's administration, to "rejuvenating the nation through science and education" in Jiang Zemin's period, then to the "strengthening the country through human resources development" in Hu Jintao's period and "innovation-driven development" by the Xi Jinping government, education and science and technology have been given priority for developments (Zhao, 2017d). However, whilst China's social investment package effectively serves for its growth oriented objectives by mobilising resources and actors in privileged areas, as Zhao (2017d) illustrates the scope of the country's social investment

strategy are still limited with its narrow focus. First, China's social investment and social development is institutionally and regionally fragmented, given the traditional unbalance caused by the household registration (hukou) system and the institutional regional disparities across the regions. Moreover, its approach to is highly selective and restricted as with preferential policies over the privileged groups and the more developed localities. In addition to this, it also characterizes a strong "race to the top" feature, for example, the 985 project widens the gaps between universities and local government put a priority for the funding for local privileged primary and secondary schools (Zhao, 2017d).

2.6 Theorising the family as a collective socio-economic actor

Through a critical review of existing approaches aimed at elucidating the characteristics of East Asian welfare capitalism, Papadopoulos and Roumpakis (2017, 2019) contend that the institutionalization of the family's role as a collective actor, extending beyond its cultural significance, is frequently underestimated in these debates. By introducing the family as a significant collective socio-economic actor, their framework contributes to a fresh research agenda, treating the family's collective agency as a separate level of analysis. It broadens the contemporary family's scope as a collective socio-economic actor, encompassing a wider network of kin beyond the confines of the conventional household. Such network includes all family members connected through marriage, blood ties or shared residence. In this vein, the family, especially in the East and Southeast Asian context, should not only be approached in the sphere of care, but more importantly in the sphere of production and exchange. Aligned with Allen et al. (2004), Papadopoulos and Roumpakis (2017) approach family as a collective agent who employ its mechanism to pool, mobilise and redistribute essential resources—be they financial, emotional, or symbolic—to safeguard its members. They adopt an "oikos" perspective, borrowing from Karl Polanyi's (1957, 1966) discourse of 'householding' strategies, which underscores the mobilisation and accumulation of necessary care, emotional, and financial resources to meet family members' needs. This holistic approach distinctly underscores all economic activities in which the family engages—production, consumption, and exchange.

As a collective socio-economic actor, the family fuses 'householding' with active engagement in reciprocal, redistributive and market exchange processes. Such engagement empowers families to generate resources, govern their mobilisation, and distribute benefits and costs among their members (Papadopoulos and Roumpakis, 2019). Drawing parallels to Southern European families (Papadopoulos and Roumpakis, 2013; Ferrera, 2016), the framework posits

that families in East and Southeast Asian welfare capitalisms are adept at mobilising and consolidating resources. This is rooted in the hypotheses that they:

- As a *property owner*, primarily for residential and/or commercial real estates, with a continuous legacy upheld through diverse intergenerational transfers like inheritance, trusts, and usufruct arrangements;

- As a *collective entity*, consolidates and redistribute resources, encompassing both goods and services, transcending the financial realm;

- As an *entrepreneurial and/or employer*, operates via family businesses;

- As an *investor,* one the one hand invest in human capital such as the development of its members' education, and on the other hand contributes to the real economy and financial markets;

- As a *claimant* of social security rights, secures social security rights primarily via members' formal and tenured employment (in public sector), or by enjoying employee benefits from private corporations;

- An *integral part of a social network,* facilitate exchanges of favours or information with professional, political, or economic implications (p.866).

In addition, grounded in a relational philosophy, their framework offers a theoretical perspective on the family as a collective subjectivity that synchronically integrates economic and social practices (Papadopoulos and Roumpakis, 2019). By radicalising Donati's (2008, 2016) notion of the family as a relational subject, they argue that the family, functioning as a social agency, produces distinctive, impalpable, and irreplaceable 'relational goods'. These relational goods cannot be individually generated but depend on quality of relationships nurtured by trustwhorthy, reciprocal and responsible social relations to secure the well-beings of its members. Donati's (2016) discourse encompasses the role of the family not only as a creator of relational goods but also a valuable relational good for society itself. On one hand, the family can offer unique benefits to its members that cannot be replicated by other lifestyles. On the other hand, it also serves as a relational good for the society, fulfilling roles that no alternative way of life can perform. However, family practices yield relational goods only when they satisfy the differences and needs of its members. In the absence of identity, non-instrumental motivations, reciprocity, sharing, temporal continuity, and reflexivity, family life may turn into a producer of "relational evils" (Donati, 2019, p. 249). Given its relational nature, the family, as a collective socio-economic actor, is not the plural subject or collective conscience. Instead, as a relational good iteslf, it generates intangible resources which are rooted in relationships characterised by trust, cooperation, and reciprocity within the family.

Building upon Papadopoulos and Roumpakis' framework (2017, 2019), the ongoing discourse on East and Southeast Asian welfare capitalisms advocate the critical needs to elevate the family to a collective socio-economic actor in social policy research. This entails recognising the family as a strategic coordinator when other welfare pillars falter (Akram and Maître, 2022), functioning as an informal system of reciprocity (Zhang and Huang, 2023), serving as a (semi-)social protection mechanism (Knox-Vydmanov and Cunha, 2023; James and Jones, 2022; Yuda and Kühner, 2022; Yuda, 2021), or a group of individuals bound by specific arrangements (Daly, 2020), ultimately fulfilling the compensatory roles within familistic welfare (Yang and Kühner, 2022). Within the realm of East Asian political economy, many scholars argue that characterizing the family solely as a welfare provider falls short in explaining the evolution of welfare states in this region (Chung, 2021; Chung et al., 2021; Xu and Huang, 2022; Zhan and Huang, 2023). Consequently, comprehending the regime changes in these regions proves to be more intricate than their Western counterparts. The multifaceted welfare mixes are deeply intertwined with the role of the family as an informal collective welfare provider and economic actor (Sumarto, 2020; Hill and Irving, 2020). While the idea of approaching the family as a collective socio-economic actor was initially introduced as both a theoretical and analytical framework, the current discourse on welfare regimes in the region predominantly employs it as a theoretical framework. There is a noticeable dearth in the operationalization of this framework within the domain of social policy research. Few studies have attempted to assess the practical applicability of this framework as an analytical tool within the context of East and Southeast Asia. This gap in the literature is primarily attributed to the absence of readily available and highly comparable data, which poses a crucial challenge for social policy researchers interested in East and Southeast Asian welfare capitalisms. From this standpoint, this research seeks to put this framework into practical use and assess its effectiveness as an analytical tool.

2.7 Chapter summary

Thus, in this chapter of literature review, the aim is to narrate the longstanding view of approaching the family as a provider of welfare (especially for care) in comparative social policy studies (both within key theoretical approach and gender-based approaches) addressing different welfare regimes. Then by discussing the new conceptual tools such as debates on familialism and de-familialisation, along with the genderisation and degenderisation thesis, it further sheds light on the significant role of the family and women in welfare and care provision. After this, it goes on to the expanding welfare modelling business to evaluate the approaches with a regional focus particularly on East Asian welfare regimes. It identifies that in the absence of an extensive network of public provision in the region, the family rather than the state or

market, is supposed to and required to take more welfare responsibility of social services and social care for its individual members. For this sense, we can argue that the problem of understanding the East Asian welfare is in essence inseparable to develop a comprehensive understanding of the role of family, especially both as an economic actor and provider of care. This will be addressed more in the beginning of the next chapter.

Chapter 3 Literature Review II: The Family and the Family in China

3.1 Chapter introduction

Following the previous literature review chapter, this chapter moves the focus onto the family in a social policy context as well as more specifically in the Chinese context. It first touches upon the financial dimension of the family, followed by a discussion on regarding family as a collective agent, thereby highlighting the importance of unpacking family in China as a collective social economic actor. In the remaining chapters, it provided a brief review of recent findings on the structural changes to Chinese families, as well as the recent research approaching family as a financial actor and provider of care.

3.2 Recapturing the notion of family

Even if families can vary from culture to culture and nations to nations, they have evolved over time in the long river of human history, the world families share similar duties and responsibilities. Traditionally, families act as the foremost system for the production of goods and services, as well as for care and support of their members. As a basic and significant social institution in human society, the family has been involved with every single aspect of individual's social life, such as feeding and caring, sheltering and housing, educating and nurturing, counseling and socializing, healing and socializing etc. In this sense, families are viewed as comprehensive social welfare institutions and portrayed as miniature social welfare states (Attane, 2002). On the other hand, it is also the engines for economic development (Whyte, 1996) as well as the generators of most small businesses and even most large businesses and companies were once set up and started out as small business (see for example, Memili et al., 2015; Fukuyama, 1995). Along with socio-economic and demographic structural changes, and also driven by globalisation, the world's families have been faced up with some common challenges. The problems of declining fertility rates, the aging population, increasing divorce rates, surging cohabitation, single-parent families, and unmarried births, as well as migrating and fleeing global populations have resulted in varying degrees of transitions to most of the world families in the 20th century, and showing a deepening trend (Cherlin, 1990; Bianchi, 2011; Martin and Kats, 2003).

As Rajkai (2014) puts it, in the Western societies who adhere to individualism, the families had always been the significant unit for production and economic change. Along with the emergence of the church, the functions of the families for economic and non-material needs were partially replaced and the traditional roles of families (such as providing care, educating

etc.) were to some extent weakened. Then while the nation state took over the church, such church-familialism moved towards to state-familialism (Revillard, 2006). That is, the state will take the main responsibility to intervene and support the families when they were challenged by poverty or difficulties, rather than the help from the church. It is important to mention here that not all governments were able to develop a rational bereacuracy (see Webber, 1978 [1921/22] and neither did all the governments aimed to politically sustain such an effort.

3.2.2 The family as an economic actor

The work of Papadopoulos and Roumpakis (2017) identified that householding has been regarded as the dominant economic form during the past for the most periods, and household is argued to be a key unit in socio-economic life not only in pre-date capitalism but also afterwards (Webber, 1978 [1921/22]; Polanyi, 1957b). According to Papadopoulos and Roumapkis (2017), Polanyi (1957a) criticizes the economistic fallacy of identifying the economy with its market form and set forth a system of classification of the human economy by distinguishing between the contrasted formal and substantive economics. Relying on the assumption of the scarcity and allocation, the formal meaning is associated with the rationale of economizing for all economic changes, namely maximizing the utility under conditions of scarcity. Resting on such axioms, family members are with self-interested manners and all forms of economic actions are driven by the individuals' utility-maximizing motivations (Polanyi, 1977). According to Papadopoulos and Roumpakis, the formalist approach grounds its analysis of economies with self-regulating markets, empowered by the price mechanism which is the basic economic mechanism. Polanyi (1957a) argued the limitation of the formalist approach when it is applied to systems where there was no price-mechanism in place and suggested that the substantive logic came to underpin economic life. The substantive approach captures how human groups relate themselves within their environments to continuously sustain their livelihood and satisfy their needs. In this sense, the economy is understood as an institutional arrangement of interaction between human beings and their environment to produce means to facilitate their social reproduction by means of reciprocity, redistributions and householding. Furthermore, in order to illustrate the mutual effects between the behaviour of individuals and particular institutional conditions, Polanyi proposes identification of different types of economic practices, what he termed as 'principles' (Polanyi, 1957b) or 'forms of integration' (Polanyi, 1977).

As Papadopoulos and Roumpakis (2017) identify, in his earlier work, Polanyi (1957b) holds that all existing economic systems in Western Europe were organized on either the principle of reciprocity or redistribution, or householding (respectively institutionalized with the help of the organizing patterns of symmetry, centricity and autarchy), or even the combination of the

three (p.57). These patterns or forms of integration may coexist in an economy while one of them may be the dominant pattern (Polanyi, 1957a). Householding (called *oeconomia* by Greeks, which is the etymon of the word "economy") is the economic practice typically found in pre-capitalist families or households (such as Roman *familia*, English *manor* and the Greek *oikos*) (Polanyi, 1957b). Institutionalized under the organisation of autarchy, it works in a self-sufficient way of producing and storing for a person's or a group's own sake and consuming in a symmetrically reciprocal way. As for the other two main patterns of integration, reciprocity is primarily exemplified in sexual organisations (family and kinship) of the society, while redistribution enormously works in organisations of a territorial character with a common leader (ibid.). Reciprocity relies on acts of give-and-take such as gift exchanges. Different from such two-way pattern, redistribution is characterized by the circulation of goods and money towards the center and then distributed out of it again, with contemporary examples like welfare policies and taxation systems in market societies. Polanyi (1977) then goes on to elaborate the present ways of empirically integrating the economy with the society, arguing again that the unity and the stability of the economy is facilitated by at least of three patterns of integration, as he termed, reciprocity, redistribution, and market exchange.

Even if Polanyi (various years) attempted to propose an oikos (household) debate, the notions of household and householding were not at the core of his work who did not go further to look into the interactions between householding and other forms of economic practices or integration in market societies (Gregory, 2009; Dale, 2010). Moreover, this can result in a perception that considers such forms of economic integration primarily exist in archaic societies (Stanfield, 1986). However, scholars studying institutional economics tend to increasingly draw upon a substantivst discourse (see for example, Hann and Hart, 2009; Maucourant and Plociniczak, 2013), especially in householding (see Laamanen et al., 2018). In their work scrutinizing the sharing economy through the lens of moral householding, Laamanen and his colleagues (2018) follow Polanyi's conceptualization of householding as autarchic, communistic provision in a closed community, and highlight the potential of householding as an act of collective resistance which can create self-sufficiency and autonomy as well as combining both kin and stranger. According to Melhus (2018), householding encompass both of the market and non-market domain, that is, relations and practices towards creating a livelihood as well as reproducing a particular economy. To put it simply, the work of Papadopoulos and Roumpakis indicates the importance of substantive economic as a way that incorporates various strategies, including non-market ones, to sustain livelihood. Within this approach the role of the family is key.

3.2.3 The family as a collective agent

Thereupon, in order to provide better understanding of family practices and strategies that extend beyond care provision, Papadopoulos and Roumpakis (2019) aspire to map out a new research agenda and dynamic analytical framework in social policy research, by elevating the family as a collective socio-economic actor in the social production of welfare capitalism rather than the narrow conceptualization of care provision. Arguing that the role of family both in welfare provision and the economy is neither primitive nor rudimentary as comparative social policy scholars advocate (Papadopoulos and Roumpakis, 2017). Instead, they position family as a key unit in the reproduction of welfare capitalism as well as a collective politico-economic actor. By exploring broadened notion of family within the insights from substantive approach to economic action, Papadopoulos and Roumpakis (2017) identify the key role of the family as a strategic coordinator that encompasses economic practices such as householding, reciprocity, redistribution, market exchange in the political economy of welfare to protect its members and enhance their welfare. By re-articulating the family as a collective actor, the scope is focused on how the family generate its strategies to consolidate and mobilise the financial, emotional, and symbolic resources to protect its members. This would extend to the strategies employed by families within contemporary welfare capitalism, including the Chinese political economy.

In addition, Polanyi's substantivist understanding of the different forms of economic practices are also regarded to be able to be linked with the re-imagining of the role of the family as a collective agent within the social reproduction in capitalism. More than this, besides of theorising the family as an economic actor practicing different rationales, Papadopoulos and Roumpakis (2019) also take into account an extra dimension of family, the more complex and deeper social relations embedded in the family's economic activities. Hence, in order to theorize the family as a subjectivity simultaneously combining social and economic attributes and practices to fledge the new theoretical synthesis both conceptually and empirically, they also borrow from relational sociology, the idea of defining the family as relational subject who deploys relational goods (resources consisting of relationships instead of materials things or functional performances) (Donati, 2008; 2016; Donati and Archer, 2015). Regarding family as a system of relations deriving from both individual and community goods which is beyond the interaction among individuals (Donati and Prandini, 2007), this relational approach views family as unit of production and consumptions rather than a mere sum of the well-being of the individuals of a group or collectivity. On one hand, the family is a relational good in itself for its members, generating what other lifestyles cannot; and on the other hand, family itself is also a relational good for the society, developing functions that no other forms of life can (Donati, 2016). This is of course not to deny what they label as 'relational evils' – simply reflecting that not all family relations produce 'goods'. Simply put, their research is able to capture the

rich and complex role that family plays in facilitating relations of care, support and trust among their members and they key role that play in reproducing a given political economy. How that is accomplished is a matter of empirical research that this PhD thesis undertakes by focusing on China.

3.3 The family under the Chinese context

A common perception among social scientists, particularly in the view of the Confucian philosophers who consider the family as the basic unit of Chinese society, is that Chinese families are quite distinct from those in the West, although the differences might be vague sometimes and difficult to specify (Chu and Yu, 2010). The notion of the family itself under the Chinese context is distinguished from the Western definition. As Fei, Hamilton, and Zheng (1992) put forward, the conception of "*Jia*" (family in Chinese) has distinctive connotation from the Western perception of family – the family in English often refers to a group composed by a couple and their unmarried children, while *jia* in China also includes married adult children, other relatives or sometimes even the nannies. To capture such difference, he particularly suggested to employ the term expanded family as a translation to jia in Chinese. Shen (2010) further distinguishes between the notion and use of the family (jia), household (jia ting hu) and "Hu" by offering an ethnographic perspective about the concept, thus aiming for contributing for the valid use of the family as a rigid defined notion in policy design and practices to overcome the vague use of these three terms in contemporary research on families in China (Wang, 2016). Different from what family often refers to as a social group which is connected by marriage or blood (including adoption) relationships. "Hu" refers to a social group marked by living together in a same residence (Xu, 1995). The household, as the most commonly used unit in statistics driving to the conclusion on family nuclearization in existing literature, refers to a group of lineal relatives or including other people living together in a same residence, implying that an individual living on its own can also be counted as a household (Shen, 2010). "Hu" is between the family and the state, and the crucial condition for forming a Hu is cohabitation, rather than the marriage or blood relationship among the residences (Guo, 1995).

Family has been identified as the most significant welfare unit in China (Meng, 2008) as the family in China has become the basic unit for sharing the government's responsibility and burden at the current stage (Wu, 2012). Under this transitional period of society, both urban and rural families in China are experiencing deep structural and functional changes. For instance, an increasing number of young people leave their parents and pursue study, look for employment or start a business in other cities and even set up a new family there. On the other

hand, there are also a large number of young and middle-aged parents (especially those rural migrants moving into urban areas) who migrate to other places for making a living, leaving their underage children (who become the so-called 'left-behind' children) in their hometown. In this sense, Wang (2016) argues that the function of Chinese families is moving from 'inter-family' to 'intra-family' as intergenerational relationships are also now transcended with internal migration of family members within the same generation. Due to the intensifying socio-structural changes and the population migration, in addition with the factors such as decreasing fertility rate, aging population and the previous one-child policy, the family in China is not only becoming increasingly vulnerable in dealing with economic and social risks but also, on the other hand, is required to shoulder heavier responsibilities.

According to a survey conducted by Xu (2006) and her colleagues within the city of Shanghai in China, the top 5 stressor index relating to the increasing family burden that were listed by the interviewed local residents are respectively: nurturing and culturing children, laid-off/unemployment of family members, housing difficulties/loan repayment pressure, financial constraints/burden, sickness or disability of parents or other family members. Overall, the state has been regarded as participating in and playing a crucial role in the process of family changes, who mainly interact with or intervene the family via the fertility-related policy such as the one-child policy (Yan, 2009; Chen, 1985). This has left an apparent trace of public intervention on the transitions of the Chinese families, which is distinguished from the characteristic of Western families who are naturally evolved (Yang, 2017).

3.4 Family changes under social transitions in China
3.4.1 Family miniaturisation

In the recent decades, the size of households in China has declined distinctively faster than the historical average level. Between the period of 1911 to 1980, the size of the households dropped from 5.5 to 4.61 persons, with a decrease of 16.2% in 70 years (Yang, 2017). Then since the early 1980s, one of the main features of the change and development of family patterns in China has been the rapidly shrinking household size. Indicatively, the average size of households in China in 1982 was 4.51 persons, which later dropped to less than 4 persons in 1990, and continued to decline to 3.44 persons, until it shrunk to only 3.1 persons in 2010 and 3.09 in 2015 (National Bureau of Statistics of China, 1990, 2000; 2010; 2020). During this period, the number of family households almost doubled, increased by nearly 189 million before reaching up to 2.409 billion family households in mainland China. As a result, the proportion of small households with 1 to 3 persons has risen rapidly after the 1980s, reaching 65% by 2010. Among this, the percentage of 1-person households and 2-persons households

accounted for 40% of the total number of households in the country (160 million households), while the proportion of medium-sized households with 4-6 persons and large family households with more than 7 people decreased (Hu and Peng, 2015).

3.4.2 Structural simplification

The family household structure in China has been further simplified since the 1980s as the number of generations within the households is being reduced. In present, first and second-generation family households are the main body of the households in contemporary China. Over the past few decades, the proportion of first-generation households significantly increased, while there was a sharp fall for the proportion of second generation households. According to the Chinese censuses (various years), as the fastest growing family household category, the proportion of first-generation households rose rapidly from 12.8% in 1982 to 34.2% in 2010 (137.16 million households in total), with an increase of 86% during the period between 2000 to 2010, which accounts for over one-third of the total number of family households in the country. Compared to this, the proportion of second-generation households has witnessed a significant drop, from 67.3% in 1982 to 47.8% in 2010. The percentage of third generation households increased up to 19.7% in 1982 before it gradually and steadily dropped to 18% in 2010.

The importance of these demographic shifts is that under such context, it is estimated that there will be prevalent "4-2-1" families in China, where a young couple ('2') has to raise 1 child and meanwhile take care of 4 (and possible more) elderly, resulting in increasingly heavy burden on the young couple. The old-age dependency ratio in China was around 0.11 in 2011, implying that every single working-age individual averagely needs to support 0.11 elderly people. And this dependency ratio is forecasted to be between 0.17 and 0.19 in 2020 and between 0.37 and 0.45 in 2050, meaning that an average of 2.2 to 2.7 working-age population will need to support one elderly in the future (Jiang and Sánchez-Barricarte, 2011). Overall, along with the long-term increase of single generation households and the larger proportion of multigeneration extended families, the basic pattern of family structure has changed from "the nuclear household ranking first, extended household second, with single household as the supplement" from 1982 to 2000, into the "the nuclear household ranking first, single household and extended household as the supplement" from 2000 to 2015 (Su et al., 2017).

3.4.3 Family type diversification

What also can be reflected from the Chinese census data is that the China's family household types has shown an increasing trend of diversification with the economic development and changes in residence patterns, which has primarily manifested as the emergence of large

number of nontraditional families, such as the exclusively elderly family (households formed by the elderly alone), empty nest family (*Kongchao family*), grandparents family (a household in which the grandparents and grandchildren live together without the middle generation), Double Income, No Kids (DINK) family, older single family, and single-parent family and so on (Su, Hu and Peng, 2017).

According to the statistical results of the survey in 2008 by the Institute of Sociology at Chinese Academy of Social Sciences covering a sample of 4103 residents from five different cities, nuclear family, DINK family, empty nest family and single-parent families together accounted for 73.8% of the all the family types. And among this, the proportion of nuclear family had accelerated compared to the percentage of 60% from the findings in previous surveys (Li, 2020). Although the nuclear family household has always been and is still the main form of Chinese families over the past four decades, the extended family still accounts for a large proportion. The proportion of nuclear family among all family types was respectively 72% in 1982, 73.8% in 1990, 68.2% in 2000 and 60.9% in 2010 (Xu and Xia, 2014). The percentage of couple nuclear family increased while that of the nuclear family consisting of parents and unmarried children has declined.

3.4.4 Family aging

According to the Chinese census statistics, there were in total 340.5 million family households in China in 2000, with recent data marking an increase within a decade to 401.5 million households in 2010 (Yang, 2017). Moreover, there were at least more than 80 million households with at least one elderly aged over 65, representing thus 21.93% of the total number of family households – a slight increase by 2% compared since 2000. In the report of the Research on the Elderly Support Service at Home in China published by the National Committee on Ageing (2009), the proportion of empty nest family in urban families had reached to 49.7%, with some areas higher than 70%. Interestingly, the population of those who are 65 years old and more only accounted for 4.9% of the total population in YEAR, which jumped to 8.87% in 2010 and 10.57% in 2015 ((National Bureau of Statistics of China, 1990, 2000; 2010; 2020). On the contrary, the proportion of children as a percentage of population dropped from 33.6% in 1982 to 16.52% in 2010. At the family household level, the average number of elderly aged 65 and above within the family households was 0.22 person in 1982 which increased to 0.41 person in 2010, while average the number of children between the age of 0-14 dropped from 1.48 in 1982 to 0.51 in 2010.

3.5 The family in Chinese social policies

The family has become a social policy issue as it is the most basic unit of social life and can impact on the realization of social policy goals in a variety of policy areas. Chen and Li (2014) examine the role and the position of the family from the perspective of policy background and policy objectives. He puts forward that the East Asian countries pay more attention to the function of the family in the welfare production and provision, whilst the Western welfare states highlight more the function of the family in the transmission and distribution of welfare. As the background of social policy, the status of the family has an impact on the welfare of the individuals within the families, so the design on social policy cannot ignore the situation of the family and its changes. Within the process of formulating and delivering social policies, the family tends to be a crucial conditional and environmental variable, which can finally directly affect the effectiveness of social policy implementation. Thus, the welfare state system, which is established based on the relationship between the state and the family, is highly dependent on family patterns. In this sense, once the social policy system is built, it will in turn attempt to maintain the stability of the family which is the foundation of the society, during which the family turns into sub-goals of social policies from the initial policy background (Chen and Li, 2014). Generally speaking, the transitions in families can be one of the most important reasons contributing to social risks of the welfare states and in order to adapt to the changes of the family, the social policies have been adjusted accordingly to minimize the impact of social policies on the families.

Within the available literature addressing the family (changes) in contemporary China, the role of family is well documented in terms of its functions on giving birth, care provision, intergenerational support, and reproduction. As Zhong (2019) puts, in the research focusing on the transitions of family in China, there are mainly two domains of focus: the developmental and modernization perspective as well as the perspective of the relationship between the state and family. Under the lens of modernization and developmental view, the modernization of social lives and the development of market economy along with the reform and open-up, has brought changes to the traditional family patterns and relations, reflecting on such as the transitions of family patterns (Whyte, 2005; Peng and Hu, 2015; Su et al., 2017) and family relations (see for example, Xu, 2001; Sheng and Settles, 2006; Zhong and Li, 2017). Another perspective involving the relationships between the state and the family, tends to draw on the state intervention on individuals' lives by analyzing family policies (for a synthetic overview, see Zhu and Chen, 2013) or family-related policies (for example, Festini and Martino, 2004; Yang, 2017).

Most domestic scholars' studies on family changes in the era of transitional societal changes, have employed the Western family modernization theory (see for example, Goode, 1963; 1982; Whyte, 2004) as analytical framework, especially that the research on family changes so far has often adhered to and pay more attention to the role of culture and the process of industrialization, urbanization, and modernization (which is referred as "three modernizations") (Yang, 2017; Yue and Zhang, 2019). Treating individualism at the core of their analytical framework, the classical Western family modernization theory mainly relies on the assumption that the prominence of the traditional nuclear families is weakening in favour of the reduction of family size (e.g., lone parents). Based on their analysis of the family relations in China, Li and Zheng (2001) conclude that the perceptions on the family will be twisted from family value-oriented towards the mindset attaching equal importance to the individual, family and society. The implication of this transition is that familism will shed some of its core Chinese cultural characteristics, resulting eventually in a blurring (or converging) trend with Western family values that are more compatible with individualisation. However, based on a social survey conducted in 2008 examining the family structure and family relations in five cities of Guangzhou, Hangzhou, Zhengzhou, Lanzhou and Harbin in China, Li (2011) draw a different conclusion, arguing that the findings of the research challenged the classic family modernization theory, although part of the survey results supported the family modernization thesis. That is, the unique characteristic of Chinese family relations is not subject to the modernization theory, as she further emphasized, even if the Chinese society has already stepped into modernization, the family relations will still retain its unparalleled importance.

Yue and Zhang (2019) discuss the role of the family acting in social policy in China from the perspective of social governance, namely whether the family is treated as a separate actor from the state (*Jiaguo Fenli*) or whether they are integrated with each other ("Jiaguo Yiti" or "Jiaguo Tonggou"). Scholars like Wu (2012) considers that the idea of "Jiaguo Tonggou" (similarity on the organisational structure of the family kinship and the state) still preserved as a tradition in the mainstream ideology although the traditional Chinese family system had been destroyed after the establishment of the country. And the change here within this process is that the conventional familism was replaced by the collectivism, forming a new rule of both family and social governance – "*Jiaguo Yiti*"(the integration or the unifying of the family and the state), that is, the public and private, the society and family, as well as the country and society are highly integrated under the unified leadership of the party and the unified plan of the country. During the planned economy period before the establishment of the country, such idea was is primarily reflected in the following aspects: First, the marriage and family are regarded as the important component of the development of the nation along with the first marriage law came into effect in the 1950s; the second is to develop the country and the family based on the same

principles like the proposal and implementation of the policy guidelines of building the country with diligence and thrift as well as keeping the family with diligence" in the early period after the establishment of the country; the third is a highlight on integrational and interdependent relationship between the family and the state (ibid.). The discourse represented by academics like Zuo and Jiang (2009) state that such policy idea has been transferred into an idea of "*Jiaguo fenli*" after the reform and opening-up policy in the 1980s, where the family has been gradually driven away from the state, along with the participation and intervention of market, the weakening of the working unit (*danwei*) system, reduction of welfare, changes in distribution methods, and industrialization of public services. Holding a different view on such transition, Wu (2012) further claims that the integration of the family and the state still dominates after the opening-up, as the separation of the two is only superficial. To put it another way, even if the responsibility on the shoulder of the market and the family have been magnified, the power to distribute the right and the responsibility is still grasped in the hands of the state.

Under the analytical framework of family as both welfare provider and economic actor, Zhong (2019) argues that the family in China has characterized the feature of 'active families' since China's reform and open-up, showing its significant agency on both welfare provision and wealth accumulation. She further discusses the role of the family in China in terms of two dimensions of welfare (provision) and economic (production) from the perspective of the state and the family, through analysing relevant policies and family practices. Before the opening-up, the economic practices of the family were restricted, and the economic agency of the family was mostly replaced by the state and 'danwei' (work unit). Then since the reform and open-up from the 1980s until the 1990s, the state had loosened its policies such as implementing the Household Contract Responsibility System (for rural families), allowing via individually or privately-owned business, families to become a production unit with economic functions. In addition to this, with allowing individuals to purchase housing from the market, the family as economic unit were given more options to act in wealth accumulation. Meanwhile, the welfare responsibilities had mainly fallen back onto the shoulder of family which is confined to the family-related policy like one-child policy. In a result, the role of family as provide of care has been gradually apparent among Chinese families especially those with only one child. Then the state has started to tighten the policies related to the economic actions of families since the beginning of the 21 centuries while loosen the birth policies. With the implementation of protection policies such as childcare support, pension insurance and elderly care support, the welfare provision of family has been supported by the state.

Since the opening up, the family in China has undergone historical changes, including the sharp drop of fertility rate and the number of children within the families, as well as the diversified

and unstable patterns of the family and marriage under the impact of social transformation and modernization, thus driving the family relations from family based towards individual-based (Chen, 2012). Chen's (2010) research found that the family is not only an economic actor or a living unit during the process of social structural transformation, but also can act as an important structural factor (such as welfare units) for the government to set up and adjust the relationship between the individuals and the state, or an operational factor for the state to control the political order (such as through the political connection of family members). Out of the realistic utilitarianism, the governments at different levels have packed the responsibility of providing social welfare to the family, thus meanwhile transferring the conflict between the individuals and the state towards the families. Therefore, as an intermediary organisation between the state and market within the the state-market-family nexus, the family is considered as only acting its instrumental role (Wu, 2012). She argued that the family has not received the due protection and support from the state when faced up with the pressure of social transformation and structural changes, and such lack of state's role is reflected in the position of family in social policies. This is further explained by her from three different aspects: first, the omission of the family in the policy system, considering the very limited amount of family-oriented or related specific policies among the states' laws and regulations. Also, as a basic social unit, the family is rarely treated as a beneficiary of the welfare system, thus neglecting of the interest of the family in the result of policy implementation. The second is the fluctuating family values providing that the state always vacillate between family as basic unit or individual as the basic actor on decision-making of social policies, as well as fluctuate on family value orientation between familism and individualism. Taking the identity management systems as an example, the household registration system and the ID card management system are respectively based on the family as a unit and individual as a unit, with the former one restricting the migration of individual while the latter one providing pass for individual migration, which are contradicted in terms of policy vision. The third is the ambiguous attitudes on the boundary of the family within the policies. The state defines the public or private boundary of the family to intervene and control the individuals' behaviour within the families. Hence the family has become more than a fundamental unit for the state to maintain social stability, but more importantly forced to be actor that unlimitedly share the government's responsibilities and burdens of social protection.

3.6 Empirical research on family in China

In recent years, researchers like sociologists, economists, and health experts tend to increasingly utilise the data collected in national representative survey to conduct their evidence-based research on Chinese families in terms of their family practices and changes,

including the survey project such as the China Family Panel Studies (CFPS). These nationally representative surveys like CFPS have provided high-quality, rich comprehensive and longitudinal data as empirical evidence base to make multidisciplinary academic analyses possible (more detailed overview of the CFPS will be provided in the following methodology chapter). These research output address almost every single aspect of Chinese residents' and Chinese families' daily life, ranging from health and well-being, the development of children and adolescent, education and learning, family income and assets, household consumption and expenditure, inequality and poverty, gender difference and urban-rural disparity, heterogeneity of socioeconomic status, households and families, rural-urban migration, housing and land, air pollution and so on. Among such diverse research interest and directions, most of the studies tend to focus on residents' health, household wealth, individual income, consumption structure or behaviour, children's educational development and achievement and so on.

3.6.1 Approaching family as an economic actor

By regarding the family as a unit of analysis from its economic dimension, some scholars explored the related issues of household wealth, household consumption and expenditure, family assets (allocation) mostly from economic or financial perspective, whilst other academics concentrate their emphasis on the problem of marriage and family, or problems of a certain type of family like the urban or rural families and so on. Trying to disclose the underlying mechanisms of household wealth from a wider context, Xie and Jin (2015) thoroughly chart the composition, level and distribution of household wealth in contemporary China. By analyzing the CPFS 2010 and 2012 data, they find that in the country over one-third of the total household wealth are owned in the hand of top 1% of households, whilst poorest quarter only owned less than 2% of the total household wealth. For most Chinese households, as the two scholars further put, their wealth holding grew rapidly and housing assets turns to be the main type of household wealth, as it accounted for 61% of rural and 79% of urban household wealth (ibid.). To go a step further, in a later study Jin and Xie (2017) study the effect of political capital (like government/public institution employment and Communist Party membership) and market factors (i.e. self-employed entrepreneur and average years of schooling), as social determinants on household wealth and income in urban China, by taking the advantage of the CFPS data on all adult members in a household to overcome the weakness of existing analyses based on the survey result reported from the householder.

Regarding the research on household consumption, one of the major trends is that most scholars tend to investigate the influential factor(s) on the behavior and structure of household consumption. Sun and Jiang (2019) conducted a comprehensive analysis to investigate the influential factors (including family income, family features, the price of current housing etc.)

of consumption structure for both urban and rural families in China. While their study focused on the 2010, 2012, 2014 waves, Peng and Hou (2016) utilized the 2016 wave to scrutinize the influential factors on household consumption via their multi linear regression model from the perspective of family feature, family assets and expenditure on gifts for social relations. Different from such synthetic examination on the factors affecting the household consumption structure, others tend to capture the picture from a narrower scope by discussing the effect of a single actor or perspective on household consumption (for example, see Yi et al. (2018) investigating the effects of property income; Zhou (2012) for a discussion on the effect of home mortgage loans; Li and Jiang's (2014) empirical study focusing on rural families from age structure perspective; Zhou (2011) for an empirical analysis from the family finance perspective; Wen (2013) on the effect of educational attainment level).

Alongside with the research on household consumption, there are also studies concentrating on exploring the issues regarding to family's expenditure on a certain aspect. For instance, Ding et al. (2014) implement chi square test and logistic regression analysis on the CFPS 2012 data to study the proportion of family health expenses in China. In another research on investigating the relationship of the housing wealth, credit constraint and household expenditure on education among urban families, Chen et al. (2014) clarify the s-shaped relationship between housing wealth and family expenditure on education based on the 2010 CFPS baseline survey data. Examining the policy impact of individual tax reform on family expenditure on education, Liu and Liu (2020) discover that although the effect of the reform varies among families, it increases the families' educational expenditure but meanwhile reduces families' education burden. In her empirical study analyzing the policy impact of the urban-rural medical insurance reform on household expenditure in urban China, Li's (2014) difference-in-difference analytical approach based on CFPS prior survey data in 2007 and 2008 shows that by participating in the urban-rural basic medical insurance launched in 2007, families' annual medical expenditure remains unchanged while their annual non-medical expenditure increased by 6.9%. Making use of the later waves of CFPS 2010 and 2012 data, another counterfactual analysis estimating the effects of basic medical insurance system on household expenditure in both rural and urban China by Xie and Han (2015) demonstrate that the medical insurance overall has positive impact on promoting household consumption but bringing heavier economic burden to rural families. Moreover, such positive effect is observed to be stronger on low-income rural families rather than on those urban families. Other scholars who also evaluate practical policy impact include Jia and Ke (2019) evaluating on the impact of new rural pension insurance program on rural household human capital investment, by measuring the level of family human capital investment based on family education expenditure and educational opportunities.

By selecting the families whose householders are the elderly above 60 years old from the CFPS 2014 data, Cai and Tao (2019) discover that the participation into pension insurance and the amount of pension has a positive influence on the probability of investment in risk assets within the family financial assets allocation and such influence tends to be more obvious under the elderly care pattern of family support rather than that of social care pattern. Also focusing on the elderly householders but based on the CFPS 2016 data, Lan (2019) first looks into the characteristics and causes of China's population aging and empirically explores how the population aging can affect the family asset allocation and selection. Apart from such research, another branch of family finance study concentrates on household credit. Drawing upon the CFPS prior survey data, Liu and Zhou (2012) examines the relevance of family structural determinants in household debt behaviour and find that the main motivation for household credit is for housing, education and medical purposes. Highlighting the positive and heterogeneous impact of friendship networks and kinship networks (as social networks) on different household credit behaviour, the finding of Lin et al. (2016) based on CFPS 2010 data presents that kinship networks play more advantaged roles for informal credit while the friendship networks turn to be more significant for formal credit. In light of the research studying family financial asset, Yin (2019) overviews the CFPS 2010-2016 data to explore Chinese households' willingness for participating in the financial market from the perspective of their occupations and human capital. The results of Guan et al.'s (2019) research based on their Structural Equations Modelling (SEM) analyses of the CFPS 2014 data, demonstrates the heterogeneity of the household financial asset allocation behaviour and also its influential factors between urban and. rural families in China.

Going beyond these studies, there are also studies particularly paying attention to the disparity and gap between urban families or rural families. For instance, based on the CFPS 2008 and 2009 data, the components and measurement of household vulnerabilities, which can reflect the inequality and volatility of household consumption for both urban families (Yang and Qiu 2012) and rural families (Yang et al., 2012) were discussed. Furthermore, Yang (2014) discuss whether family social capital can alleviate the household vulnerabilities in rural China. Evaluating the housing difficulties of urban families and its determinants based on the CFPS baseline data, Huang (2012) find that family income is a significant determinant while family size, social status difference due to the household registration system and the surging housing price bring obstacles for financing housing of those economically disadvantaged families. Similar findings can also be found in Yu and Huo's (2011) analysis on the heterogeneity of housing for urban families with different family income level. By constructing its family network dataset on the basis of CFPS 2012, 2014 and 2016 data, Liang et al. (2019) estimate the risk sharing of consumption in the family network in rural China. Other studies on families

in rural China also can be seen in Huang and Hu (2019) who analyze the effect of human capital investment (educational attainment, vocational training, health care and labour mobility) on income mobility of rural households; Deng et al. (2020) who study the association between family income, family characteristics and consumption for tourism of rural families; Chen et al. (2020) whose cluster analysis and transition matrix based on CFPS 2010-2016 data investigating the dynamics of rural household livelihood strategies and its impact on slowdown of growth rates of rural-urban migration.

In addition to economic research on intergenerational earnings mobility between parents and daughters or sons (He and Huang, 2013; Liu and Hu, 2014), Li (2019) analyses the impact of income structure on household financial assets allocation. From a perspective of studying family finance, the recent waves of CFPS data have also been used to family assets, among which the Probit model and Logit model (see for example Cai and Tao (2019), Lin et al (2016), Liu and Zhou (2012)) analysis tends to be a popular method taken by scholars. The empirical research based on CFPS 2010-2016 data by Liu (2019) shows that the more social capitals families have, the higher their probability for investment in risky financial assets. In a recent study estimating the impact of household leverage on families' asset allocation, Chen et al. (2019) find that leverage has apparent accumulation effect on the allocation of family financial assets and incentive impact on the allocation of physical assets. Taking housing as a typical example of family physical assets, Guo (2013) conduct an analysis on the impact of various dimension of family structures on family physical assets based on CFPS 2009 data (pilot survey). The result of her study shows the positive correlation between families' education, income structure and the housing size, value, as well as the strong demand for rental among new; formed families.

3.6.2 Approaching family as a welfare provider

Drawing on the CFPS baseline survey data, Hu (2018) lays an emphasis on the significance of mainstreaming children into studies on the gendered division of domestic labour by inspecting the gendered patterns of time spent on housework by boys and girls in different family structures, including the presence and/absence of mother, father, elder/younger brother or sister, male/female extended family members etc. Also, by using the CFPS 2010 data and employing three-level random-intercept logistic regression models, Chen and Jordan (2018) examine the impact of child gender on the differentiation of intergenerational support between one-child and multi-child families. It is shown in their research that sons were more likely to receive both financial and instrumental support from their elderly parents, and as a return, daughters are more likely to provide instrumental support while sons tend to provide financial support. Categorizing family intergenerational support into more detailed classification including

financial, labour and spiritual support, Liu et al. (2019) explore the effect of social endowment insurance on family intergenerational support based on the CFPS 2016 data.

A recently widely focused research area on Chinese families also centres on its welfare dimension by examining the intergenerational relationships and supports within familial practices. Scholar such as Bian et al. (1998) and Chen et al. (2011) have indicated that intergenerational support as a key part in welfare dimension of the family, is an integral part of family life in China. The relationship between adult children and their parents is often characterized by proximity, contact, and mutual help (for both financial and care). Parents often rely on their adult children for financial support and caregiving, particularly in their old age. On the other hand, as grandparents they also play a vital role in the family by caring for their grandchildren. Such mutual support is common under the family ethics context of China which stresses filial obligation (Whyte, 1997; 2005; Zhan and Montgomery, 2017) and reciprocity from intergenerational intimacy (Gruijters, 2017; Yan 2016). Trust based on family ties is an essential component of these intergenerational relationships, as found in the study by Chang et al. (2016). Ethnic Chinese tend to develop trust gradually through repeated interactions, which in turn contributes to the strength of their interpersonal relationships.

As identified by various studies, intergenerational relationships in China are normally characterized by different categorisations. For instance, some studies have noted the existence of a traditional model, which emphasizes the importance of filial piety, family hierarchy, and respect for elderly (Chu and Yu, 2008; 2010). Within this model, adult children are expected to provide emotional and financial support to their parents and grandparents, as well as care for them in their old age. However, other studies have highlighted the emergence of a "new" model of intergenerational relationships, which reflects the changing social and economic landscape of the country (Li, 2014). As highlighting the individual autonomy, personal fulfilment, and intergenerational reciprocity, within this pattern adult children and parents have more equal relationships, while both parties may provide emotional and financial support to each other. These typologies of intergenerational relationships in China suggest the diversity and complexity of family dynamics in the country, as well as the influence of broader social, economic, and cultural factors.

Elevating to a typology level study, Guo et al. (2012) conducted a latent class analysis of intergenerational relationships in rural China and identified three typologies: the "traditional hierarchical" model, where children have a duty to care for their parents; the "reciprocal" model, where parents and adult children support each other; and the "estranged" model, where parent-child relationships are distant and formal. Similarly, a up-to-date latent class analysis conducted

by Wang et al. (2023) investigate intergenerational relationships in both urban and rural China and put forward five typologies: "intimate reciprocal", "filial", "utilitarian", "emotional distant", and "indifferent". These typologies all reflect the changing nature of intergenerational relationships in China, as the undergoing rapid social and economic development in the country. While traditional filial piety values remain as the core of intergenerational relationships, the emergence of new patterns of reciprocity and individualism indeed indicates the changing attitudes and behaviours of the younger generation for fulfilling their responsibility.

The issue of intergenerational support can become even more complex when incorporating a genderised dimension. For instance, traditional cultural values regarding filial piety and caregiving responsibilities can often place a greater burden on the shoulder of daughters than on sons (Xie and Zhu, 2006). In urban China, daughters are more likely than sons to provide both emotional and financial support to their elderly parents, especially when their parents are in poor health condition or with financial difficulties (Xie and Zhu, 2009). Yet, such burden can come at a cost to daughters, who may face greater work-family conflict and reduced opportunities for career advancement. Furthermore, the gendered nature of intergenerational support in China is also reflected in decisions regarding co-residence (Xu, 2015). While both sons and daughters feel a sense of familial obligation to financially support their elderly parents, sons are more likely to choose to live with their parents, while married daughters may choose to provide financial support instead of co-residence (Zhu and Xie, 2017). The gendered dynamics of intergenerational support in China highlight the need for a more nuanced understanding of family relationships and caregiving responsibilities, particularly under the backdrop of population aging and the increasing demand for eldercare.

Intergenerational support in China in practice extends beyond simple financial and caregiving support, but also include the housing support, normally from parents to adult children. According to Li and Shin (2013), intergenerational housing support between retired parents and their children in urban China is common. Adult children may provide their parents with housing, either through purchasing a home or providing a spare room in their own home. In some cases, parents may transfer ownership of their property to their adult children as a form of inheritance (Wang, 2010). However, Tang and Wang (2022) found that providing downward intergenerational housing support may increase parents' expectations for old-age care from their adult children, creating potential conflicts in caregiving arrangements.

Besides this, other literature has also touched upon on the childcare support provided by their parents to adult children. China's family planning (one-child) policy has resulted in a significant change in intergenerational support for childcare among Chinese families. Prior to the

implementation of the policy, Chinese families typically relied on multiple generations to care for children. However, since the introduction of the policy in 1980s, the responsibility for childcare has largely fallen on parents and grandparents, with a particular emphasis on the role of grandparents (Fong, 2002). In urban areas, grandparents often play an active role in raising their grandchildren, alongside parents (Goh, 2006). This intergenerational cooperation in childrearing can lead to both cooperation and conflicts between the generations, as grandparents may have different views on childrearing practices from their adult children (Xiao, 2016). Thus along with the changing family structure and the impact of both policy and social and cultural factors on family dynamics, intergenerational support in China is argue to be bidirectional rather than unidirectional (Xu, 2017).

3.6.3 Other inter-disciplinary studies on Chinese families

Shu et al (2018) examine the relevance of family savings for children's education, parents' expectation and children's educational development. Their findings highlight the positive association between saving for children and their educational achievement (on math and Chinese language) and suggest that the association of children's educational achievement with family asset building for children 's education is stronger that those with homeownership, family income and savings in current account. Others who have similar research interests also include Liu and Xie's (2015) discussing the significance of economic versus non-monetary family resources on children's achievement in verbal ability, as well as Zhang and Xie (2015) exploring the association between children's family background, private tutoring and their education performance. Drawing upon the CFPS 2010 baseline survey data, Liu and Xie's (2015) findings mirror the significant role of intangible family assets in intergenerational mobility by concluding that family assets have no significant impact on children's achievement and non-monetary resources like parenting practices have more crucial effect than monetary resources (family income, assets etc). Also referring to the CFPS 2010 data, Zhang and Xie's (2015) empirical results suggest that higher family income, higher parental education and fewer siblings are associated with a higher likelihood of private tutoring and more spending on it, which are further associated with children's better math and verbal performance. Alongside with these studies focusing on family resources and children's development, other studies tend to explore the influence of family capital on the access to higher education (see for example, Zhou et al., 2019; Li and Lu, 2015; Lu, 2014).

Drawing evidence from the CFPS 2010 and 2012 data, Xu et al. (2014) explore the continuity and change of marriage and the family in China from five aspects of marital status, educational assortative mating, premarital cohabitation, living arrangement, gender roles within the family. Also articulating and taking advantage of the CFPS data from demographic research

perspective, Hu and Tian (2018) study the patterns of marriage and family in China by examining the association between ancestor worship practices and different aspects of family formation process including the timing of transition to first marriage fertility patterns and son preference. In a similar vein, Hu and Qian (2019) specifically focus on the assortative mating in (re)marriage in China by applying logistic regression models over both CGSS and CFPS data to investigate age and educational assortative mating patterns of people in their first and higher-order marriages. Moreover, family relations and remarriage in China is also likely to be a research interest of scholars using the CFPS data to study the family in China. Peng's (2016) analysis on the CFPS 2010 data illustrates that individual's marriage is influenced by family size, social networks of relatives and whether belonging to an expended family. The research findings of Hu and To (2018) suggest that the probability of remarriage is significantly associated with structure of family and it is more likely to happenin large extended families. The remarriage of widows but not divorcees is positively related to the presence of parents and siblings. Furthermore, scholars target their scope on the impact of divorce and single parenthood on children outcomes, for example, Zhang (2020) estimates the effect of divorce on children's academic performance and subjective wellbeing and Luo (2019) compares academic performance, physiological, behavioural and social aspects of children living with intact families and divorced families.

Along with the increasing use of the CFPS, another keyword began to appear in the up-to-date studies making use of the dataset is family entrepreneurship. In an empirical study investigating the influence of capital factor market and labour factor market distortion on family entrepreneurship activities based on the CFPS 2012-2016 data, Yu and Wu (2020) find the rural urban difference as the distortion of labour factor market could lower the probability of rural to set up family entrepreneurship while it has no significant impact on the decision of urban families. Similarly, Zhu and Jiang (2019) investigate the relationship between family assets and family entrepreneurship activities of urban and rural families in China by drawing on the CFPS 2010-2016 data. The results of their analysis show that the more fixed family assets a family has, the higher its probability for participating family entrepreneurship activities; On the other hand, the more credit a household has, the more they would be able to start their own business. Referring to the CFPS 2016 data, the findings of Liang (2016) present the positive influence of social capital on the family decision for family entrepreneurship.

3.7 Chapter summary

In accordance with what has been overviewed in this chapter, the existing thesis has often emphasised the economic role of the family (especially regarding intergenerational support of

household investment) in China, challenging the assumption that Chinese welfare state relies solely on the family for welfare and care provision. Even though recent literature has thoroughly examined the financial role and welfare role of family within intergenerational support in China, few attempts have been made to unpack Chinese families by jointly examining the care support (welfare dimension) and financial support (financial dimension) between adult children and elderly parents. Thus, the approach of reconceptualising and rearticulating the family unit as a collective socio-economic actor is particularly important for us to understand the political economy of the Chinese welfare regime (and wider the East Asia context). To achieve this, a new conceptual and analytical framework proposed by Papadopoulos and Roumpakis (2017; 2019) is adopted in this thesis, especifically for understanding how family networks can invest in and finance the social reproduction of welfare capitalism in China. The significance of this application will be addressed and explained more in the next methodology chapter.

Chapter 4 Methodology

4.1 Chapter introduction

By identifying the research gap in the existing comparative social policy literature, this chapter first proposed the research question in section 4.2 to which this thesis will explore the answer. Arguing the significance of the family as both an economic actor and welfare provider, it applies a more comprehensive analytical framework of elevating the family as a collective socio-economic actor in the social reproduction of welfare capitalism. Section 4.3 then explains its reason for selecting the quantitative approach rather than qualitative approach by addressing the advantages and disadvantages of both methods. Followed by the brief overview in section 4.4 of the China Family Panel Studies (CFPS) that this thesis has utilised for analysis, it moves on to explain the data processing in section 4.6, including its statistical treatments and weight calculations.

4.2 Research gap and research questions

Drawing upon the relevant literature reviewed in the previous chapters, a research gap can be identified here is that the majority of the comparative social policy studies examining the dynamics between the family and the state, mainly attempts to approach the family from the perspective of its role as the provider of care or at the receiving end of state support interventions. Similar to these approaches, the centrality, significance, and embeddedness of the family within the broad institutional configurations of Asian political economies has been widely recognised in East Asian welfare regime debates. Once again family is largely conceptualised as a welfare actor largely related and analyses to its central role in care provision. To have a better and deeper understanding of the family practices, it is imperative to reconceptualise the significance of the family both in terms of care provision and the economic activities that underpin these welfare actions in the first place. Existing theoretical perspectives (Papadopoulos and Roumpakis 2017; 2019) advance a new research agenda and dynamic analytical framework for social policy research, which elevates the family as a collective socio-economic actor in the social reproduction of welfare capitalism, including, East and South Asian welfare capitalisms. However, this theoretical framework has not been empirically explored and there is limited understanding as to what might be the main empirical or operational dimensions that need to be explored. This thesis addresses such lack of empirical studies to further test the feasibility and applicability of this framework in the largest country among East Asia, China.

Following Papadopoulos and Roumpakis, this research re-articulates the role of the family both

as a welfare provider and as an economic actor and explores how the family generates its strategies to consolidate and mobilise the financial, emotional, and symbolic resources to protect its members. As a new research agenda in social policy research, this framework is here expected to help us map and understand how family as a collective socio-economic actor can apply in China and further understand family strategies in mobilise, accumulate, and redistribute resources and their practices in China.

The recent China Family Panel Studies (CFPS) survey project, captures empirically dimensions of family practices, makes it possible to explore a testing ground for this new theoretical research agenda of theorizing family as a collective socio-economic factor. The main research question that this thesis aims to focus on is that how we can try to map out the role of the family both as a welfare provider and economic actor under the Chinese context. In so doing, it also has an ambition of methodological contribution on the empirical study on the CFPS data, which have rarely even been explored. The use of the data will allow us to capture the family as a unit of analysis mainly from an economic dimension but as it will be demonstrated much of these actions are underpinned by cultural dimensions highlighting the importance of family ties and relationships and how the latter crosscut established financial practices. Therefore, the main research questions this study aims to explore here can be proposed as:

   1. How can we map out the role of family both as a welfare provider and economic actor under the Chinese context?
   And this question has been be further decomposed to the following three sub-questions:
   1a) How do Chinese families mobilise their economic and/or welfare resources to protect its members?
   1b) How do Chinese families consolidate (accumulate) their economic and/or welfare resources?
   1c) How do Chinese families redistribute their economic and/or welfare resources?
   2. How Chinese families are prioritising their resource redistribution and how far these patterns and trends differ in rural and urban China?

In summary, this research endeavours to comprehensively address the multifaceted role of the family within the Chinese context, by approaching it as a collective socio-economic actor. The first research question is a broader inquiry into Chinese families' strategies of resource mobilisation (1a), accumulation (1b) and redistribution (1c). To delve into these aspects, we will focus on their economic activities, encompassing family production, consumption, and exchange. We will utilise data from the China Family Panel Studies (CFPS) to investigate these questions, specifically examining family income, assets, and expenditures. The rationale for selecting CFPS as the data source will be elaborated in Section 4.4.1, and the variable selection process will be detailed in Section 4.5.1. Building on Papadopoulos and Roumpakis' (2017)

empirical application of their framework to household debts, this study also acknowledges the importance of debt volume and ownership. Therefore, it will also investigate the realm of family debts among Chinese families, investigating the categories of debts and their respective creditors to gain further insights into their strategies of resource distribution. The second question centres on centres on the differences in resource pooling and redistribution strategies between rural and urban families, given the traditional rural-urban divide within the political economy of China (Knight et al., 2006; Chan and Wei, 2019). To address this, we will divide the analytical sample (family as units) for each economic activity into rural and urban subsets, with further clarification provided in section 4.4.3 regarding the rural/urban classification employed in this research.

4.3 Research methods and approaches

The quantitative and qualitative research are often viewed as two distinctive clusters of research strategies, each of which carries striking differences in terms of the role of the theory and research, epistemological issues, and ontological concerns (as shown in Table 4.1). To put it simply, quantitative research is a research strategy that lays emphasis on quantification in the collection and analysis of data aiming for generalisation while qualitative research highlights experiences and narratives emerging from evidence. As presented in Table 4.1, qualitative research aims to analyse non-numerical data such as texts, interviews, observations, and visual materials and highlight the importance of contextual dimensions for meaning construction. The aim often is to develop bottom-up theoretical approaches that could highlight context and actor specific meanings. On the other hand, quantitative research aims to test existing theories, advance their application but identifying key trends and generalisable patterns. For the purposes of this PhD, a quantitative research method has been chosen as the aim is to identify key trends in the data, map and analyse family strategies for mobilising, accumulating, and redistributing resources. Effectively this study puts to the test the theoretical framework of Papadopoulos and Roumpakis (2017; 2019) and particularly how their approach can help us understand the importance of family strategies in China and its range of strategies and actions that relate to wider socio-economic transformations. The key dimension that will be explored is the importance of family as an economic actor as this is underexplored in the literature and how familial economic strategies are indeed underpinned not necessarily by formal market transactions but extensive informal cultural (familial) practices. The latter is important both in terms of policy making but also understanding how cultural ties continue (and to what extend) to underpin the formal market and economic transactions.

As a PhD thesis project, time and cost considerations have become very relevant to this

research. Given the fact that conducting an ad hoc, primary survey to collect quantitative or qualitative data on a representative sample size of the entire population in China is unlikely within the parameters of a PhD research, it was finally decided that this study will collect and operationalize second-hand data from existing datasets. When there is reliable, comparable, splendid high-quality data available from official database for researchers to visit and make use of, it will enable to save considerable money and time, thus allowing the researcher focuses more on the analysis and interpretation of data (Glaser,1963; Dale et al, 1988; Smith,2008; Doolan and Froelicher, 2009).

Table 4.1 A Contrast between Quantitative Research and Qualitative Research

Quantitative	Qualitative
Numbers	Words
Point of view of researcher	Points of view of participants
Researcher distant	Researcher close
Theory testing	Theory emergent
Static	Process
Structured	Unstructured
Generalisation	Contextual understanding
Hard, reliable data	Rich, deep data
Macro	Micro
Behaviour	Meaning
Artificial settings	Natural settings

Source: Bryman (2015), p.401.

Although making use of the secondary data is often to explore answers to new questions or issues via manipulating existing quantitative or qualitative data which could be initially collected for other purposes (Glaser, 1963; Heaton, 2008), it can still simulate some new insights, models, or theories through the attempts to re-analysing and re-explaining the existing research and studies (Johnston, 2017). As the secondary data analysis does not necessarily collect primary data or recruit participants to response to questions which are customized for certain designed research, the existing available data do not always perfectly fit the secondary analysts' research questions. On one hand, there is sometimes risk of failing to achieve research objectives for researchers, as it sometimes can be difficult for them to properly control the variables when using secondary data. In addition, as researchers themselves are not involved in the data collecting process, the problems like low response rate in surveys, wrong record of answers and refused questions can also influence the accuracy of the data. Furthermore, even the reliability of data may be challenged and jeopardised given the fact that policies regarding to the aspect to be counted can vary over time (Rowlingson, 2012).

4.4 Data collection: The Chinese Family Panel Studies (CFPS)

The Chinese society has witnessed and been experiencing unprecedented changes and social

transformation since the 1980s, including boosting economy, demographic changes, increasing equality in education, widening the gap between the rich and the poor and so on (Xie, 2011; Xie and Hu, 2013; Hu et al., 2014). Aiming to observe and document the rapid changes in various aspects of society, and more importantly to serve the research needs on emerging varieties of social phenomena in contemporary China, several social survey projects were conducted since then (Gustafsson et al., 2014), such as the *Chinese Household Income Project (CHIP) introduced by China Institute For Income Distribution (CIID) in Beijing Normal University)*, *Chinese General Social Survey (CGSS)* jointly launched by the *Hong Kong University of Science and Technology (HKUST)* and *Renmin University of China (RUC)*, as well as *China Household Finance Survey (CHFS)* (including one wave of *China Micro and Small Enterprise Survey, CMES*) initiated by the Survey and Research Centre for China Household Finance at Southern University of Finance and Economics. Based on the difference of their research design, these survey projects have been fulfilling the diverse research needs of scholars and researchers for the past few years.

4.4.1 The selection on the CFPS

In addition to the published statistics on earning and distribution of income by National Bureau of Statistics (NBS), Chinese researchers have been devoted to construct large, national-level databases that aim to capture the various aspects of Chinese households and society. Among this, the widely used research-initiated databases, in particular for prominent survey projects mapping earning and income, include Chinese Household Income Project (CHIP), China Household Finance Survey (CHFS), Chinese General Social Survey (CGSS), China Family Panel Study (CFPS) and so on (for a comprehensive comparison refer to Gustafsson et al., 2014). By primarily focusing on studying household income, inequality, and poverty in China, the CHIP provides insights into income distribution patterns and socio-economic disparities across different regions and population groups in China (CIIDBNU, 2023). So far, the project has conducted five waves of household surveys, respectively in 1989, 1996, 2003, 2008 and 2013, covering and tracking the dynamics of income and expenditure in the country. In comparison, China Household Finance Survey (CHFS) is the first and only nationally representative survey emphasising on household finance (Gan et al., 2014). It mainly focuses on household finance, wealth accumulation, consumption patterns, and financial behaviours, examining income, assets, debt, savings, investment choices, and financial decision-making of Chinese households. The CHFS has completed 6th waves of data collection since its inception in 2011, covering approximately 40,011 households and 127 million individuals across 29 provinces. With a broader scope of design, Chinese General Social Survey (CGSS) more generally capture the social, economic, and political attitudes, behaviours, and values of the overall Chinese population, providing a comprehensive understanding of social dynamics,

changes, and trends in China (NSRCRUC, 2023). The sample size in each wave of CGSS may vary from time to time, providing that it was initially structured as a repeated cross-sectional design in the waves of 2003, 2004, 2005, 2006, 2008 and later changed to a panel design from 2010.

Even if the CHIP, CHFS, CGSS and CFPS all provide access to data that could potentially be used to explore the research questions specified above, this research has chosen to select CFPS for data collection (a more detailed introduction on sample design of CFPS will be addressed). This decision is based on the belief that it has strengths over other databases and is better suited to the overall research design: The CFPS offers more comprehensive insights into the structure, functioning, and changes within Chinese families. It encompasses all the analytical dimensions of Chinese families by considering the family as a unit of analysis, which is not the primary focus of CHIP and CHFS. This design aligns with the research needs of this study, which aims to explore the role of the family as a (collective) socio-economic actor. Compared to the CHIP, CFPS also provides more recent waves of data on household assets, spending, and debts, instead of primarily focusing on household income. While CHFS provides similar data to CFPS, it is less likely to highlight the function of family network. For instance, in CHFS the debts are measured in categories such as housing, medical, educational, credit card, and car loans. Unlike this, the CFPS design incorporates a family dimension by measuring such as monetary support, financial support from family, and debts to family etc.

Additionally, the design of CFPS further makes it well-suited for this research. First of all, the relatively newly launched nationwide survey project has a nationally representative sample covering a wide age range from children to young adults and to the elderly, so that the results of the research are more likely to be generalizable to the entire Chinese population. The official panel data collected by systematic and standardized method provides high quality dataset with valid, reliable, replicable, continuous statistics. In addition to this, the longitudinal nature of the CFPS data makes it possible for identifying trends and connections over time. The second reason is that the CFPS not only encompasses higher quality data on wealth dynamics and wealth growth over time at the family level but also captures diverse dimensions of household wealth holdings and family expenditures, each of which is captured by sufficient indicators and consistent measures. For instance, the CFPS dataset contains comprehensive measurements of family wealth, including family income (consisting of business income including agricultural income, wage income like salaries/rewards/allowances/bonuses, public transfer income such as pensions/social security/basic living allowances, and asset income etc.) and family assets (incorporating housing assets, financial assets such as savings and stock, business assets, detailed items of durable goods including valuable goods, agricultural machinery and so on).

From the empirical point of view, as mentioned above the survey more broadly focuses on family, rather than on households as majority of panel studies do. This means that the CFPS enables an analysis of capturing not only the household's economic actions but also the relationships going beyond the household, such as children and other social relationships. This can meet the requirement to empirically looking at the family as the key unit of analysis. At the analytical level, as the CFPS captures all the analytical dimensions of realising family as a unit of analysis, this also satisfy the needs of the theoretical approach theorizing the role of the family as a socio-economic actor including how families collect, redistribute, and mobilised their financial, caring and emotional resources among/to their family members.

4.4.2 An overview of CFPS design

Under the support of former Chinese National Population and Family Planning Commission (CNPFPC) and Ministry of Civil Affairs, funded by the National Natural Science Foundation of China and designed by the Peking University research team, the China Family Panel Study (CFPS) was launched. As the first comprehensive, large-scale, academic research-oriented longitudinal social survey project, the (dataset of) CFPS is conducted, collected, and maintained by the Institute of Social Science Survey (ISSS) at Peking University. It is an on-going, national, longitudinal, multi-dimensional, multi-level general panel study which aims to document the changes in Chinese society and families, especially both of the economic and non-economic well-being of the Chinese people, relating to social aspects including population, education and health, covering substantive areas such as family relationships and dynamics, population and migration, household economics, housing and facilities, employment and income, educational attainment, marriage, physical and mental health, cognitive abilities and social interactions. Overall, the data is collected at three levels (community, family, individual) through five different types of questionnaires respectively targeting the community, family members, households, adults, and youths.

The sample families that are surveyed in the CFPS is selected from 25 provinces/municipalities/autonomous regions (excluding Xinjiang, Tibet, Qinghai, Inner Mongolia, Ningxia, Hainan, Hong Kong, Macao, and Taiwan) in China, whose population in total takes up to 95% of the overall Chinese population. In addition to this, as the CFPS has collected four phases of comprehensive, high-quality, and valuable social science data on a biennial basis since 2012, it thus provides a database with a nationally representative sample which would makes it possible for researchers to initiate longitudinal analysis for academic research and policy studies. The public data are open-access data available on CFPS Data Platform via www.isss.pku.edu.cn/cfps without cost to academic researchers, research students and policy analysts all around the world. For confidentiality protection purposes, address

information below provincial levels will not be released in the open-access data and only a recoded county code and community code would be used instead. The CFPS County-Level Restricted Data and enclaved data are published in the form of restricted data and can also be available to users after application for permission. Such privacy protection for participants means that from this point of view there is unlikely to be ethical concern in relation to the issue of anonymity and confidentiality. The County-Level Restricted data include sequence code of districts and counties, GDP, per capita GDP, population, employment rate, average years of education, the proportion of the working-age population, proportion of the elderly population etc. In this research, it will conduct analysis on the CFPS public data which had already met the research needs of this study.

4.4.2.1 The preparation work of CFPS

At the early stage of its research and questionnaire designing, the CFPS draws lessons and benefits from several advanced, large, representative panel study research projects like the Panel Study of Income Dynamics (PSID)[1], the National Longitudinal Surveys of Youth (NLSY)[2], and the Health and Retirement Study (HRS)[3], for their research approaches and techniques. Among this, as the longest running longitudinal household survey in the globe, the PSID was gradually expanded to cover the research topics of employment, income, wealth, expenditures (i.e. on food), transfer payments, housing, marriage, education, childbearing, philanthropy, after launched by the Institute for Social Research (ISR) at University of Michigan in 1968, originally aiming at studying the dynamics of income and poverty (ISR, 2019).

Benefiting from the successful experiences of these advanced and long-run longitudinal research programs, the CFPS has also made some changes and improvements. Different from those surveys concentrating on family relationships by surveying only one or two family members of a household, the CFPS tends to include and invite all eligible family members of a defined sampled household, and even children to participate in the interview by themselves or with aid of adults to complete their own personal questionnaires. In doing so, such subtly different design enables the collection of more detailed and complete information, as well as less limited and more accurate statistics. This means that the survey could share more accurate and valuable information on family structures and family members of the sampled households. It provides pictures of not only one-dimensional family relationships (with parents, spouse or

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[1] For more information on the Panel Study of Income Dynamics (PSID), please visit the website of the Institute for Social Research, Survey Research Center, University of Michigan, via https://psidonline.isr.umich.edu/.

[2] For more introduction on the National Longitudinal Surveys of Youth (NLSY), please refer to United States Bureau of Labor Statistics (USBLS) at http://www.bls.gov/nls/nlsy79.htm and http://www.bls.gov/nls/nlsy97.htm .

[3] For full information about the Health and Retirement Study (HRS), please refer to http://hrsonline.isr.umich.edu .

children) but also relationship among the entire family network; not only lineal relationships but also cross-generational and sibling relations (i.e., information about their grandparents, grandchildren, brother and/or sisters); and not only on members living together in the family but also on those who are living apart from them.

Table 4.2 The Timeline of the Chinese Family Panel Studies

	Year	
Preparatory Work (Pilot study)	**2008**	**Pre-survey** • *Targeted at 2,400 households in Beijing, Shanghai and Guangdong, with 800 households in each province/city, located in 8 counties/districts* • *Conducted by paper survey* • *25 households in each village/neighborhood and 4 villages/neighborhood communities were included in each county/district, and community* • *Survey content includes society, economy, education and healthcare* • *2,375 households, 7,214 individuals in 24 counties/districts, and 95 villages/neighborhood communities were finally interviewed*
	2009	**Follow-up survey** • *A test survey on the samples of 2008 survey with a sample size of 1,995 households.* • *Computer Assisted Personal Interviewing (CAPI) technology was introduced and the stability and reliability of its real-time interview management technologies, technological support, and real-time data quality control were tested*
Baseline Survey	**2010**	**Baseline survey** • *A sample of in total 14,960 households and 42,590 individuals drawn from 25 provinces/municipalities/autonomous regions, representing 95% of the Chinese population* • *Face-to-face interviews aided by Computer Assisted Personal Interviewing (CAPI) technology*
	2011	**Small-scale sample maintenance survey**
Full sample surveys	**2012**	**1st wave full sample survey** • *A mixed mode of CAPI supplemented by Computer Assisted Telephone Interviewing (CATI) was launched* • *CATI questionnaire was a simplified version of the corresponding CAPI questionnaire* • *Proxy questionnaires were added in to collect information about family members who were not physically present (who are financially connected to the family but does not live at the same address) in the household at the time of the interview* • *Datasets on family questionnaire, adult questionnaire, child questionnaire, family roster questionnaire last updated in 2019*
	2014	**2nd wave full sample survey** • *The CATI questionnaire was a simplified version of the corresponding CAPI questionnaire* • *The same questionnaire for both CAPI and CATI (while cognitive module test in adult questionnaire was only available in the CAPI mode)* • *Datasets on family questionnaire, adult questionnaire, child questionnaire, community questionnaire last updated in 2019; family roster questionnaire dataset last updated in 2017*
	2016	**3rd wave full sample survey** • *Datasets on family questionnaire and family roster questionnaire last updated in 2018; adult and child questionnaire dataset last updated in 2019*
	2018	**4th wave full sample survey** • *Datasets on adult questionnaire, family roster questionnaire, child proxy questionnaire last updated in 2020; family questionnaire and cross year ID datasets last updated in 2021*
	2020	**5th wave full-sample survey** • *Only Chinese versions of datasets on family roster questionnaire, adult questionnaire, child (proxy) questionnaire was released until February 2023*

Source: Summarised by the author based on the CFPS Public Data System and the CFPS User Manual (3rd edition) edited by Xie et al. (2017).

4.4.2.2 Prior and baseline surveys

Before the implementation of the baseline survey in 2010 which was followed by the following four waves of full sample surveys respectively in 2012, 2014, 2016 and 2018 on a biennial basis, two pilot studies were initially conducted in 2008 and 2009 (see Table 4.2). Alongside with the early preparatory work of CFPS in 2007, 2,400 households from three metropolitan areas of the country (Beijing, Shanghai, and Guangdong province) were visited in 2008 pre-survey and a follow-up survey in 2009. Then a nationwide baseline survey visiting 19,986 households across 25 provinces/municipalities/autonomous regions was conducted in 2010. With a response rate of 81.25% at the household level and 84.14% at the individual level, 33,600 adults and 8,990 youths from 14,690 households were finally successfully interviewed after the nationwide baseline survey (Xie et al., 2017).

4.4.2.3 Sampling design

Recognising the utmost significance of the family in understanding Chinese society, which on its own is the principal environment for the socialization of children, a crucial factor affecting relationships between generations, an essential unit for research on marriage and gender, as well as central to Chinese culture (of worshiping ancestors and emphasising filial piety) and in practice a primary site for economic and social interactions in Chinese culture (i.e., important social interactions like financial activities, dwelling, raising children and taking care of the elderly are all organised at the family level) , the main research and investigation unit for CFPS falls on the family household. In this survey, "an independent economic unit that lives in a residential community with one or more family members of Chinese nationality" (p.5) is classed as a household and to be the qualified sample for the survey, there should be at least one family member within the household who had to consecutively live in the sampled community for six months (Xie et al., 2017). Further, eligible family members in the CFPS survey include all those financially dependent lineal relatives or financially related non-lineal relatives who have blood/adoptive/marital relations with the sampled household and have lived with the household for over three consecutive months.

All family members within the households that were interviewed in the CFPS 2010 baseline survey, as well as those who would be identified to have blood/marital/adoptive ties with them since then (e.g., their newly born babies or adoptive children), were identified as *CFPS gene members*. Since then, all the new-born (biological) or adopted children of these eligible gene members in 2010 baseline survey have been also treated and tracked as CFPS gene members in the following surveys. Overall, those who would be permanently tracked in the longitudinal study of CFPS are only to be the defined gene members, whilst interviewed respondents would also include *core members* of the households if they still maintain their ties with gene members.

In CFPS, *core member* is an umbrella term referring to non-gene lineal relatives such as parents, spouses and/or children to gene members within the same household. The basic information of non-core members (family members in the interviewed households that are neither gene members nor core members) would also be collected in the family questionnaire even if they are not to be interviewed directly in the questionnaires.

Taking the regional difference and gaps in Chinese society as well as minimizing the processing costs of the project into account, the CFPS is initially designed to draw 16,000 households as multi-stage probability samples from the targeted 25 provinces through the *Probability-Proportional-to-Size Sampling* (PPS) approach with implicit stratification in three stages. In general, it first divides these 25 provinces/municipalities/autonomous regions into two groups, self-representative "large provinces" and "small provinces". Five independent sampling frames of Liaoning, Henan, Gansu, Guangdong, and Shanghai are classed as "large provinces" (whose subsamples are regionally representative and can be used for provincial population inferences and cross-regional comparisons), while the remaining 20 provinces compose another independent sampling frame labelled as "small provinces". Then the original target sample of households for CFPS would compose of 8,000 households oversampling with five large provinces (1,600 from each subsample) and another 8,000 generated from small provinces.

However, referring to the response rates of 2008 and 2009 pilot studies, the 2010 baseline survey in practice proportionately enlarged the original sample size and selected a total of 19, 986 households (see Table 4.3). Among these 19,986 sampling units, a total of 15,543 addresses were filtered out as those meeting the interview criteria of CFPS and 14,960 samples were finally converted into interviewed samples in 2010 baseline survey (Sun, 2012). Here, the main stratification principles are administrative units and socioeconomic status (SES). The sample selection in the first and second stages were generated in line with official administrative divisions. In the third stage, housing units were selected via street listing with a random starting point and equal probability approach. Taking large provinces (excluding Shanghai) as an example, all cities in each province were listed in descending order after capital cities according to their SES, followed by further similar ordering of each district and counties of each city. These district/county-level city/counties composed the primary sampling unit (PSU) of the first stage and 16 PSU were selected by systematic PPS from each sampling frame. Then in the second stage, 4 communities were randomly selected through PPS from each sampling frames consisting of PSU, each of which were grouped into administrative villages and neighbourhood communities and listed in the order provided by the CNPFPC. In the final stage, the ultimate sampling frame were set up by using mapping and addressing method that could further verify and exclude information of non-residents or special addresses. Finally, the household samples

were sampled from each SSU by Circular Systematic Sampling (CSS) approach (Ding, 2012). Given that the ultimate sampling frames would contain non-residential addresses, commercial premises, households who refuse to respond or residence with no one living in, in addition to the different size of each village or communities, the number of sampled households picked up at the ultimate stage of sampling ranged from minimum 28 to maximum 42 households.

Table 4.3 Three Stages of CFPS Sampling

Stages			Primary stage	Second-stage	Third stage
	Independent sampling frames	Target Households	Primary sampling unit (PSU): administrative districts/ counties	Second-stage sampling unit (SSU): administrative villages/ neighbourhood communities	Ultimate sampling unit: households
Group 1: Self-representative provinces/ cities ("large Provinces")	Liaoning	1,600	4×16 Counties=64 Counties	64×4 Communities =256 Communities	640× [28, 42] Households
	Henan	1,600			
	Gansu	1,600			
	Guangdong	1,600			
	Shanghai	1,600	32 Streets (Towns)	32×2 Communities =64 Communities	
Group 2: Non-self-representative Provinces/ Cities/ autonomous regions ("small provinces")	Jiangsu, Zhejiang, Fujian, Jiangxi, Anhui, Shandong, Hebei, Shanxi, Jilin, Heilongjiang, Guangxi, Hubei, Hunan, Sichuan, Guizhou, Yunnan, Tianjin, Beijing, Chongqing, Shaanxi	8000	80 Counties	80×4 Communities =320 Communities	
Total	25 provinces/ municipalities/ autonomous Regions		144 Sampled Counties+32 Sampled Streets (Towns)	640 Communities	19,986 Households

Source: Adapted from Xie et al. (2017).

4.4.2.4 Survey structure and implementation process

The questionnaire design of the CFPS survey consists of five major types of questionnaires targeting at three different levels, the (village/urban) community questionnaire, the family roster questionnaire, the family questionnaire, the adult questionnaire, and the child questionnaire. At the community level, by using the community questionnaire, interviewers will first interview those who know their communities very well (normally the staff members of the village/neighbourhood committee who are more likely to have access to statistical data, especially the director in charge of daily administration) to collect information about the sampled villages/urban communities in terms of infrastructure, population, politics, economy, policies and social service, etc. In addition to the five major questionnaires, the residence (household) screening and household member screening questionnaires were designed in CFPS 2020 baseline survey (as shown in Figure 4.1). Rather than a schematized questionnaire, the

residence screening questionnaire is the confirmation of houses and residences which was mainly done by interviewers according to their observation and judgment, in order to ensure the accuracy of the ultimate sampling frame, namely the selected samples based on the map addresses are matched with the actual residents before starting the interview. After confirming the residence on the sampled addresses, by interviewing the household members, it would go through the household member screening process to pick out the households that meet the requirement of interviews at the sampled residence addresses. Since the following wave of survey in 2012, the CFPS began to skip the residence and household member screening process and directly surveyed those households and individuals defined in 2010 baseline survey.

Once the target sampled households were determined, the interviews would start with family roster questionnaire to acquire relations structure among family members. The target household would also have to accomplish a family questionnaire and each family member in the household was interviewed by individual questionnaires (Xie et al., 2014). As illustrated in Figure 4.1, at the family level, a family member in the household was selected to answer the family roster questionnaire and family questionnaire. Family roster questionnaire is the premise of individual questionnaires for family members within the household: once it is completed the system would automatically generate either a corresponding adult questionnaire or child questionnaire based on each gene member or core member's age. The family roster questionnaire focuses more on the relations among different family members by asking on and collecting social demographic information on all family members and non- family member co-residents, including their gender, age, educational attainment level, occupation, household registration (hukou), residence etc. Then at the individual level, eligible individuals under the age of 16 were surveyed with the child questionnaire and those who are aged 16 and above were asked to answer the adult questionnaire. If the children are under 10, the corresponding modules (Infant module for year 0-1, young children module 1 for year 1-3 and young children module 2 for year 3-6) in the child questionnaire were answered by their guardians (parents). For children aged between 10 to 15, they would have to answer some sections by themselves except for the proxy parts answered by their parents. For the deceased individuals who have participated in the previous wave, CFPS would first collect data on their death from surviving family members and exit the questionnaire, but remaining their individual ID. Those who will not be interviewed by the current wave of survey also include non-coresident gene members and core members who become monks or nuns, who are in prison, who are serving in the army, or who have moved abroad. Nevertheless, they will be surveyed in subsequent waves of surveys if they move back to their original households. Also, the system will treat the newly-split families formed by gene members as new units and allocate a separate family roster questionnaire for them by setting the gene member as the starting point within the family

structure.

Figure 4.1 The Structure and Implementation Process of CFPS Questionnaires
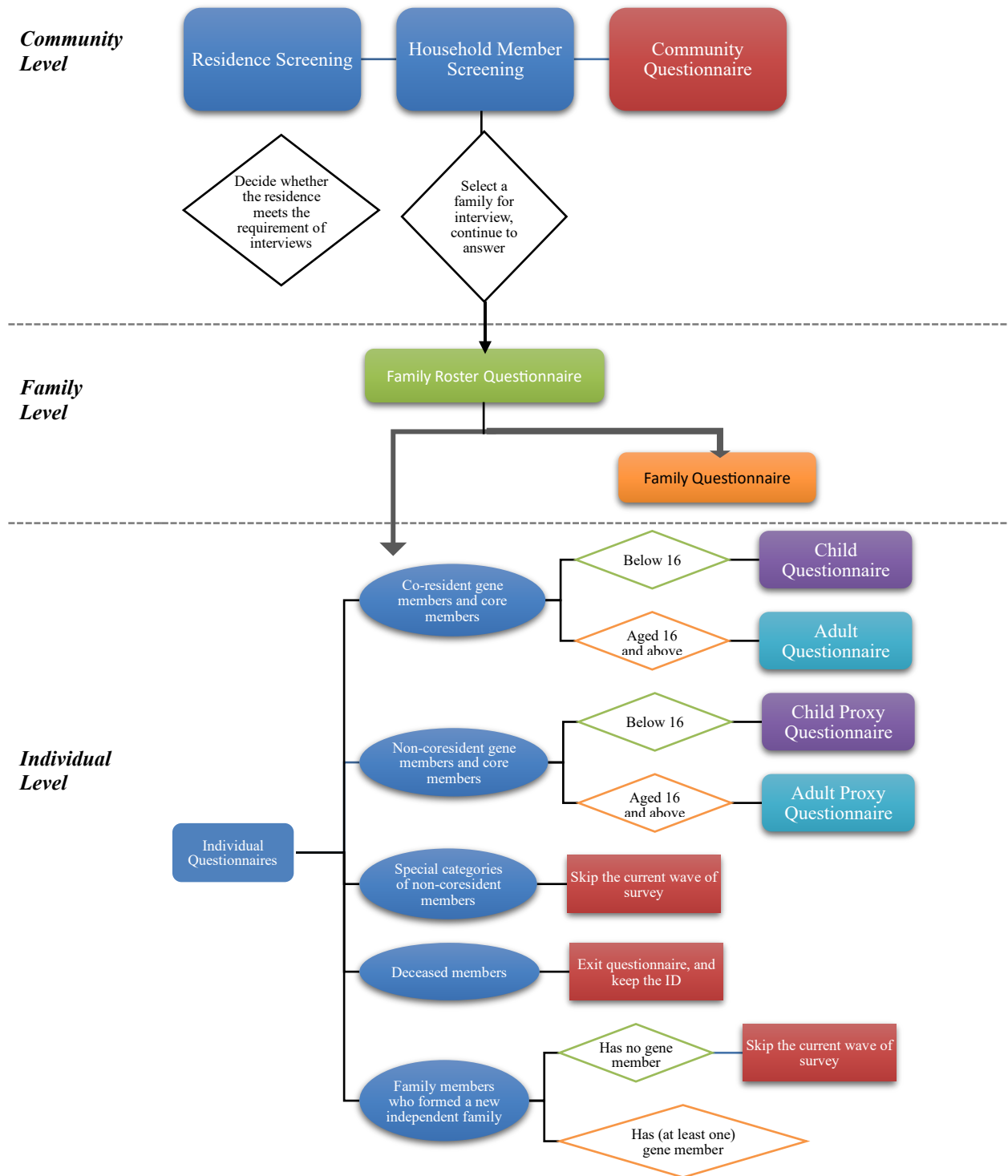
Source: revised and created by the author based on the CFPS User's Manual (3rd edition) (Xie et al., 2017).

4.4.3 Classification criteria of rural and urban families

Considering that the rural-urban difference is one of the primary focuses in the subsequent analyses, it is essential to first clarify the classification criteria used in this study to divide rural

and urban families. Different from other survey projects that conduct separate sampling for rural and urban areas, CFPS employs a unified rural-urban sampling framework, which means that it does not administrate separate sets of questionnaires tailored for rural and urban areas. Consequently, distinguishing rural and urban samples in CFPS is not as straightforward.

In the context of China, researchers often analyse rural-urban disparities by examining individuals' rural/urban attributes based on their place of residence, household registration (hukou) status, or the type of economic activities in which they are engaged. The CFPS survey provides data corresponding to these three classifications for urban-rural division (ISSS, 2018, Shen and Lei, 2012):

-Rural/urban attributes of residence

In this vein, the urban-rural division is determined based on the reported location of the household as in residential community or village community. The first version of this classification is derived from the information collected in the community questionnaires in CFPS 2010 and CFPS 2014. On one hand, community leaders or staff were interviewed to gather essential information about the local community, including its classification as either a residential community (*Jumin Weriyuanhui*) or village community (*Cunmin Weiyuanhui*) (i.e. represented by the variable [CA0]) in CFPS 2014). On the other hand, in their observational notes, interviewers also provided their subjective judgments on the specific type of the community that they visited (i.e. captured as [CZ7] in CFPS 2014). Another version of classification involves re-evaluation of the rural/urban attributes of the family's residential address at the community level, based on the jurisdictional standards issued by the National Bureau of Statistics (available in each wave as [URBAN*], e.g. [URBAN18] in CFPS 2018).

-Rural/urban attributes of household registration

The distinction between agricultural or non-agricultural hukou status is reflected in the variables collected at individual level within the CFPS surveys. In the individual questionnaire, individuals were surveyed about their household registration (hukou) status at the ages of 3 and 12, as well as their current hukou status at the time of the survey. However, it is important to note that in the family questionnaire there is no differentiation made based on hukou status, between agricultural and non-agricultural household.

-Attributes of agricultural and non-agricultural economic activities

The family questionnaire contains questions regarding households' engagement in agricultural production, i.e., as denoted by the variable [ENG_AGRICULTURE18] in CFPS 2018. This information is valuable for researchers in determining a family's attributes depending on their agricultural or non-agricultural economic activities.

Given the research design of this study, which treats the family as the unit of analysis, the practicality of the second and third classification criteria is limited. One problem arises when classifying with hukou status, is that it will be challenging to find a consistent standard to determine the attribute when it comes to family household consisting of members with varying hukou status. Furthermore, classifying based on engagement in agricultural production may introduce inaccuracies due to the dynamics of migration and the presence of migrant workers. Consequently, the rural-urban classification in this research primarily relies on the first criterion. As data collection is predominantly conducted through the family questionnaire, the subsequent analyses utilise the variable [URBAN*] to determine the rural/urban attributes. This is also taken with the intention of facilitating comparability for successor researchers of the findings from this study with data released by the NBS.

4.4.4 The selection on waves of data

While the CFPS project has completed its 5th wave of survey, the data for the family questionnaire is updated only until CFPS 2018 (refer to Table 4.2 for more details). Despite its panel design, some specific variables captured by modified questions or designs in different waves can vary over time, spanning from the baseline survey of CFPS 2010 to the most recent CFPS 2018. In summary, CFPS 2010 employed a relatively rudimentary design for sub-items related to family assets, income, and spending. To enhance the comprehensiveness of data collection, CFPS 2012 adopted a highly detailed sub-item design. For instance, while CFPS 2010 employed graduated questioning only for salary income, CFPS 2012 introduced graduated questioning for family agricultural income, business income (family questionnaire) and individual salary income (adult questionnaire) (Xie et al., 2017). However, later in CFPS 2014, it reconsolidated some of the overly segmented sub-categories of income and expenditure and optimised the questioning of several items. Following this, the subsequent waves of CFPS 2016 and CFPS 2018 consistently adhered to the same design. Therefore, among all the published waves, it is noteworthy that CFPS 2014, CFPS 2016, and CFPS 2018 demonstrate the highest degree of horizontal comparability. This implies that a panel analysis over these multiple time points can potentially provide e a richer overview of changes, trends, and causal relationships regarding familial practices.

The richness and availability of CFPS data provides researchers with flexibility to employ cross-sectional, longitudinal or panel analysis. Nonetheless, this study primarily focuses on exploring recent trends in familial practices on mobilising, accumulating, and redistributing resources among Chinese families. Hence, the subsequent data analysis chapters are structured as follows. Each chapter begins with a cross-sectional analysis of CFPS 2018 data, offering a snapshot of the latest trend of resource mobilisation, accumulation, or redistribution among

Chinese families. Subsequently, through a comparative analysis of CFPS 2010 and CFPS 2018 data, the study aims to employ a longitudinal approach to track the evolution and development of familial practices over the extended period from 2010 to 2018. This approach is driven by the belief that a family's evolving strategy of mobilising, consolidating and pooling resources can be more effectively discerned through the analysis of their long-term income and spending patterns. Additionally, in practice, the CFPS 2010 data serves as a supplementary source to explain CFPS 2018 data. For example, in CFPS 2010 family debts were measured from two simultaneous dimensions – debts ownership (to bank, family members, or private institutions) and usage (such as for education or medical care, etc.). This is particularly important for understanding how Chinese families allocate the borrowed loans as the usage of loans is not captured in CFPS 2018 (further elaborated in section 8.2.3).

4.5 Data selection and statistical treatment

The rationale for the first research question and its three sub-questions is to understand how family as a collective socio-economic actor is acting in China, by mapping out how Chinese families accumulate both of their financial resources and welfare resources, and further how they are mobilising and redistributing these resources. To explore an answer to the research question 1a, the key here is understood as leaning on exploring how Chinese families accumulate their household wealth, which in practice primarily relying on looking into and analysing the structure (composition) of both their total family assets and total family income. Among this, even if the income-related data is collected both via family questionnaire at family level and adult questionnaire at individual level, the family questionnaire provides a wider range of data for assets and income on family units, including detailed aspects such as housing ownership, business for private enterprises, agricultural production, family income, family assets, family expenditure etc. Hence, the data from family questionnaires are mainly utilised for analysis on household wealth and expenditure. To better capture the changing tendency of Chinese families, this study tends to make use of the two waves of CFPS data, namely the baseline survey 2010 and the recent wave of CFPS 2018 data. To answer the research questions, it will utilise the data respectively from family questionnaire, adult questionnaire, and child questionnaire, all of which are further explained in the following sections.

4.5.1 Variables from family questionnaire
4.5.1.1 Measurement for family assets

According to the overall design of family questionnaire, the family assets addressed in the questionnaire include land, housing, financial assets, productive fixed assets, and also durable goods. The dataset provides several corresponding *constructed variables* to address these assets as well as family income and expenditure, all of which are relatively comprehensive

variables computed based on the aggregative variables originally collected from the questionnaire interviews. The constructed variables offer data to provide a more comprehensive and structured overview of a family's household wealth and expenditure. In this sense, the constructed variables will be mainly made use of instead of conducting computation on aggregative variables from the original family questionnaire in the following descriptive analysis to help to understand the overall structural components of family assets and family income among Chinese families. One of the main reasons is that these constructed variables are in a ready-to-use format which are computed and structured in a modularized way to map out the proportion of each component of income or assets. More than this, these variables are not only readily computed, but also are adjusted or corrected, and even some of the missing values were estimated and interpolated.

In the family questionnaire, for each value or amount of money-related questions, there are always two continuous questions, with the former one asking the exact value and the following one doing a soft check to re-confirm the upper and lower limit of the value answered in the previous question. In this way, the value of constructed variables is already readjusted once in this way by comparing the values of variables respectively collected from the two corresponding soft-check questions. For example, the constructed variable *RESIVALUE* (the value of current residence) in CFPS 2018 data is readjusted based on the original variable from the family questionnaire *FQ6* (estimate of the current market value of the house) as well as two other variables *FQ6CKP* (testing point of the current market value of the house), FQ6UB_UL (Upper limit of current market value of the house) and *FQ6UB_LL* (Lower limit of current market value of the house). Also, like the constructed variable *FWAGE_1* (salary income (after adjustment)), is the adjusted family salary income by comparing the total value collected from the individual income in adult questionnaire and the reported value in family questionnaire, and the former value is reserved if it is higher than the total value in family questionnaire. More than this, such adjustment also includes logical corrections and readjustment by replaying the recordings.

The constructed variable for measuring family assets in CFPS 2018 is labelled as *TOTAL_ASSET*, indicating the net family asset value, which captures the difference between family total assets and total liabilities (debts). Family liabilities here include both housing liabilities and non-housing liabilities (see section 4.6.1.4 for further description). As shown in Table 4.4a, within the components of the net total family assets in CFPS 2018, there are respective aspects including income generated from land (*LAND_ASSET*), net house estate asset (*HOUSEASSET_NET*), productive fixed asset (*FIXED_ASSET*), financial asset (*FINANCE_ASSET*) and values of durable goods (*DURABLES_ASSET*) (for a detailed

composition of each constructed variables see Table A1.1).

Table 4.4 The Composition of Total Family Assets (net)
a. in CFPS 2018

Total Family Assets (net)			
Total Family Assets (net) {=[LAND_ASSET] +[HOUSEASSET_NET] +[FIXED_ASSET]+[FINANCE_ASSET]+[DURABLES_ASSET]- [NONHOUSING_DEBTS]} **[TOTAL_ASSET]** "Net family assets (yuan)" [4]	**(+) Income Generated from Land** [5] **[LAND_ASSET]** "The total income from selling agricultural & forestry products, and renting out the collectively distributed land, as well as the value of self-consumed agricultural products (yuan)"		
	(+) Housing Asset (net) {=[RESIVALUE]+[OTHER HOUSEVALUE[-[HOUSE_DEBTS]} **[HOUSEASSET_NET]** "House estate (net) (yuan)"	**Housing Asset (gross)** {=[RESIVALUE]+[OTHE RHOUSEVALUE]} **[HOUSEASSET_GROSS]** "Gross house asset (mortgage not deducted) (yuan)"	**(+) The value of current housing** **[RESIVALUE]** "Market value of current residence (10,000 yuan)"
			(+) The value of other housing **[OTHERHOUSEVALUE]** "Total value of all other residences (10,000 yuan)"
		(-) Overall housing debts **[HOUSE_DEBTS]** "The total amount of the housing debts (yuan)"	
	(+) Fixed Asset {= [company]*10000+[agrimachine]} **[FIXED_ASSET]** "Productive fixed asset (yuan)"	**(+) Business Asset** **[COMPANY]** "The sum of various operating asset (yuan)"	
		(+) Value of agricultural machinery **[AGRIMACHINE]** "Value of farm machinery (yuan)"	
	(+) Financial Asset {=[SAVINGS]+[FINANCIAL_PRODUCT] + [DEBIT_OTHER]} **[FINANCE_ASSET]** "Total amount of financial asset (yuan)"	**(+) Cash and deposits** **[SAVINGS]** "Total amount of cash & deposits (yuan)"	
		Value of financial products **[FINANCIAL_PRODUCT]** "Total value of financial product (yuan)"	
		Unpaid off debt to the family **[DEBIT_OTHER]** "Money lent out to others (yuan)"	
	(+) Durables Asset **[DURABLES_ASSET]** "Values of durable goods[6] (yuan)"		
	(-) Non-housing Debts **[NONHOUSING_DEBTS]** "Financial debt (except house mortgage) (yuan)"		

The net house estate asset is computed by deducting the total amount of house mortgage (*HOUSE_DEBTS*) from the total value of all residence (houses) (including the market value of

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[4] **Legend on label names:** The name in teal green is the name of the variables (including the constructed variables) termed in this study (mostly the same with original terms in the questionnaire, wherever different will be explained in footnotes) while the ones in salmon with capital letters are the original variable names named in the dataset. A detailed description about each variable is offered in quotation marks (hereafter the same with the following composition tables).

[5] Initially termed as **"land asset"** in the original dataset, here it is re-termed as **"income generated from land"** in order to prevent further misleading and misunderstanding.

[6] **"Durable goods"** refers to the commodity priced over 1,000 yuan with a common service life of 2 or more year, such as automobile, electric bicycle, motorcycle, refrigerator/freezer, washing machine, computer, stereo system, mobile phone etc.

current residence *RESIVALUE*[7] and other residences *OTHERHOUSEVALU*E). The productive fixed asset consists of business asset of those who run private enterprise business.

b. in CFPS 2010

Total Family Asset (net)			
Total Family Asset (net) *{=[LAND_ASSET] + [RESIVALUE_NEW] + [OTHERHOUSEVALUE] -[HOUSE_DEBTS] +[COMPANY] +[SAVINGS] + [STOCK] + [FUNDS] +[DEBIT_OTHER] +[VALUABLE] +[OTHERASSET] - [NONHOUSING_DEBTS]}* **[TOTAL_ASSET]** *"Net family asset (yuan)"*	**(+) Income Generated from Land (yuan) [LAND_ASSET]** *"The total income from selling agricultural & forestry products, and renting out the collectively distributed land, as well as the value of self-consumed agricultural products (yuan)"*		
	Housing Asset (net) [8] *{=[RESIVALUE] +[OTHERHOUSEVALUE] -[HOUSE_DEBTS]}* **[HOUSEASSET_NET]** *"House estate (net) (yuan)"*	**Housing Asset (gross) [HOUSEASSET_GROSS]** *{=[RESIVALUE_NEW] + [OTHERHOUSEVALUE]}* *"Gross house asset (mortgage not deducted) (yuan)"*	**(+) The value of current Housing [RESIVALUE_NEW]** *"Value of current residence (10000 yuan)"*
			(+) The value of other housing [OTHERHOUSEVALUE] *"Value of other residences (10000 yuan)"*
		(-) Overall housing debts [HOUSE_DEBTS] *"The total amount of housing debts (yuan)"*	
	Fixed Asset [FIXED_ASSET] *"Productive fixed asset (yuan)"*	**(+) Business Asset [COMPANY]** *"The sum of various operating assets (yuan)"*	
		Value of Agricultural Machinery [9] [AGRIMACHINE] *"Value of farm machinery (yuan)"*	
	Financial Asset [FINANCEASSET_GROSS] *"Total amount of financial asset (yuan)"*	**(+) Cash and Deposits [SAVINGS]** *"Total amount of cash & deposits (yuan)"*	
		(+) Total Value of Stock [STOCK] *"The total market value of stock held at hand (yuan)"*	
		(+) Total Value of Funds [FUNDS] *"The total market value of funds held at hand (yuan)"*	
		(+) Unpaid Off Debt to the Family [DEBIT_OTHER] *"All the debts owed to the family (yuan)"*	
	(+) Valuable Collections [VALUABLE] *"Market value of valuable collections (yuan)"*		
	(+) Other assets [OTHERASSET] *"Total value of other assets (yuan)"*		
	(-) Non-housing Debts [NONHOUSING_DEBTS] *"Financial debt (except house mortgage) (yuan)"*		

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[7] In China's property market, the residential properties are normally sold by square metre prices, which means that the market price for a residence will be depended on the market value of per square metre and the building area (the size of space available for residents 'living') of the property. And the **current market value of the house** refers to the estimated gains from transferring the house and/or the homestead (only in rural areas).

[8] In CFPS 2010, the calculation on the composition of total family assets (net) is more fragmented in comparison with CFPS 2018, as i.e., it doesn't include variables such as Housing Assets (net), Fixed Asset, Financial Asset etc. For purpose of comparing, it with CFPS 2018, such variables are contained in this table but highlighted in grey.

[9] This variable was originally not measured in CFPS 2010.

For example, this would include the total value of farm machinery of those who are engaged in agricultural production. Beyond this, the financial asset of the family is composed of the total amount of cash and deposits, and also the total value of financial products that they purchased. As for the non-housing financial debt, it contains the unpaid off loan respectively owing to bank, relatives or friends, and other individuals and institutions (i.e., private loan institutions). In addition, there is also a constructed variable referring to the total amount of money lent out to relatives, friends, or other individuals and institutions (*DEBIT_OTHER*).

In comparison, the components of net total family assets in CFPS 2010 include a series of fragmented variables rather than constructed variables (see Table 4.4b). For instance, instead of computing a constructed variable measuring net housing asset, the CFPS provides three aggregative variables, respectively the value of the current housing (*RESIVALUE_NEW*), the value of other housing (*OTHERHOUSEVALUE*) and house mortgage (*HOUSE_DEBTS*). And different from the durables asset measured in CFPS 2018, the CFPS 2010 went into more details to capture valuable collections (*VALUABLE*) and other asset (*OTHERASSET*).

Even if these variables in both CFPS 2010 and CFPS 2018 are available as an adequately comparable basis, there is still nuance between the two waves of dataset regarding to their design and computation on total family assets. As compared in Table 4.4c, the components of net total family assets that can be directly comparable include income generated from land (*LAND_ASSET*) and non-housing debts (*NONHOUSING_DEBTS*). As for the net housing asset in CFPS 2010, it will be manipulated based on the corresponding aggregative variables to bring into correspondence with the variable *HOUSEASSET_NET* from CFPS 2018. Similarly, to match it with the measurement of financial asset (*FINANCE_ASSET*) in CFPS 2018, it will compute the financial asset of CFPS 2010 based on aggregative variables of *SAVINGS, STOCK, FUNDS, and DEBIT_OTHER*. And given that the value of agricultural machinery was not measured as part of fixed asset in CFPS 2010, hereafter in the comparative analysis it will treat business asset (*COMPANY*) in CFPS 2010 equivalent to fixed asset (*FIXED_ASSET*) in CFPS 2018. Apart from this, providing that the durables asset (*DURABLES_ASSET*) in CFPS 2018, valuable collections (*VALUABLE*) and other asset (OTHERASSET) in CFPS 2010 rarely share adequately comparable or common contents for measurement, they will be separately interpreted in the next chapter.

c. A Comparison of CFPS 2018 and CFPS 2010

	CFPS 2018	CFPS 2010
Total Family Assets (net) [TOTAL_ASSET] "*Net family assets (yuan)* "	**Income Generated from Land** [LAND_ASSET] **(FL9+FL10+FS201) *0.25/0.08** "*The total income from selling agricultural & forestry products, and renting out the collectively distributed land, as well as the value of self-consumed agricultural products (yuan)*"	**Income Generated from Land** [LAND_ASSET] "*The total income from selling agricultural & forestry products, and renting out the collectively distributed land, as well as the value of self-consumed agricultural products (yuan)*"
	Housing Asset (net) [HOUSEASSET_NET] **FQ6+FR10 – (FT301*10000+FT401)** "*House estate (net) (yuan)*"	**The value of current Housing** [RESIVALUE_NEW] **FD4*10000** "*Value of current residence (10000 yuan)*"
		The value of other housing [OTHERHOUSEVALUE] **FD703** "*Value of other residences (10000 yuan)*"
		Overall housing debts [HOUSE_DEBTS] **FH203_a_1** "*The total amount of the house mortgage (yuan)*"
	Fixed Asset **FM401*10000 + FS7V** [FIXED_ASSET] "*Productive fixed asset* (yuan)"	**Business Asset** [COMPANY] **FV4_A_1+FV4_A_2+FV4_A_3+FV4_A_4** "*The sum of various operating assets (yuan)*"
	Financial Asset [FINANCE_ASSET] **FT1+FT201+FT901** "*Total amount of financial asset (yuan)*"	**Cash and Deposits** [SAVINGS] **FF2** "*Total amount of cash & deposits (yuan)*"
		Total Value of Stock [STOCK] **FF302_a_1** "*The total market value of stock held at hand (yuan)*"
		Total Value of Funds [FUNDS] **FF302_a_2** "*The total market value of funds held at hand (yuan)*"
		Unpaid Off Debt to the Family [DEBIT_OTHER] **FG2** "*All the debts owed to the family (yuan)*"
	Durables Asset [DURABLES_ASSET] **FS6V** "*Values of durable goods (yuan)*"	**Valuable collections** [VALUABLE] **FG3** "*Market value of valuable collections (yuan)*"
		(+) Other asset [OTHERASSET] **FG4** "*Other assets (yuan)*"
	Non-housing Debts [NONHOUSING_DEBTS] **FT501+FT601+FT602** "*Financial debt (except house mortgage) (yuan)*"	**Non-housing Debts** [NONHOUSING_DEBTS] **FH203_A_2+FH203_A_3+FH203_A_4 +FH203_A_5+FH203_A_6** "*Financial debt (except house mortgage) (yuan)*"

4.5.1.2 Measurement for family income

In the CFPS questionnaire design on family questionnaire, family income mainly consists of four components including business income (comprised of agricultural income and profits from private enterprise business), salary income (composed of wage income, money sent or brought back by family members employed in farm work and/or who work away from home), public

transfer income (including pension, government public transfers, donations or compensation etc.), as well as asset income (such as income from renting out house, income from renting out land or other means of production, income from renting out other assets/goods).

Table 4.5 The composition of Total Family Income
a. in CFPS 2018

Total Family Income (yuan) [FINCOME1] *"Net family income (yuan)"*	**Salary Income (after adjustment) (yuan)** [FWAGE_1] **FO3+FO7** *"Wage income and income from employment in agriculture related work (farming or other jobs)"*	Total Family Income (comparable with year 2010) (yuan) [FINCOME2] *"Net family income (yuan)"*	**Salary income (comparable with year 2010) (yuan)** [FWAGE_2] **FO3+FO7** *"Wage income and income from employment in agriculture related work (farming or other jobs)"*
	Business Income (yuan) [FOPERATE_1] **FL9+FL10-(FL50：+FL80：)+FM4** *"Net income from family agricultural work (including in-kind income), and net profit from family-owned businesses"*		**Business income (comparable with year 2010) (yuan)** [FOPERATE_2] **FL9+FL10−(FL50：+FL80：)** *"Net income from family agricultural work (including in-kind income), and net profit from family-owned businesses"*
	Transfer Income (yuan) [FTRANSFER_1] **FN101+FN201+FR601*10000+FS301 +FN301** *"Government-based transfer income (including pension, subsidies and compensations) as well as income from public donation"*		**Transfer income (comparable with year 2010) (yuan)** [FTRANSFER_2] **FN101+FN201+FN301** *"Government-based transfer income (including pension, subsidies and compensations) as well as income from public donation"*
	Property income (yuan) [FPROPERTY_1] **FR501+FS201+FS501** *"Gains from financial investment and rental income from real estate properties, land, and machineries"*		**Property income (comparable with year 2010) (yuan)** [FPROPERTY_2] **FR501+FS201+FS501** *"Gains from financial investment and rental income from real estate properties, land, and machineries"*
	Other Income (yuan) [FELSE_1] **FN4+FN401+FN5** *"Monetary support from friends and relatives"*		**Other income (comparable with year 2010) (yuan)** [FELSE_2] **FN4+FN401+FN5** *"Monetary support from friends and relatives "*
	Net family income per capita(yuan) [FINCOME1_PER] **FINCOME1/FAMILYSIZE18** *"Net total family income (FINCOME1) divided by family size"*		**Net family income (comparable with year 2010)** [FINCOME2_PER] **FINCOME2/FAMILYSIZE18** *"Net total family income (FINCOME2) divided by family size"*

In CFPS 2018, each family's total family income is indicated by a comprehensive constructed variable net family income (*FINCOME1*), which is a sum-up of each family members' adjusted salary income (*FWAGE_1*), the family's business income (*FOPERATE_1*), transfer income (*FTRANSFER_1*) received by all the family members, property income (*FPROPERTY_1*), as well as all the other income (*FELSE_1*) except from all the incomes mentioned above (see Table 4.5a, and for a detailed composition of each constructed variables refer to Table A1.4).

And to better address the research question 1b by observing resources are mobilising within and around the family, it will also go a step further to examine sub-components variables of other income from the family questionnaire such as *FN401* "financial support from children", *FN4* "financial support or donation from non-coresident relatives", *FN5* "financial support or donation from anyone else".

b. in CFPS 2010

Total Family Income (net) (yuan) **[FAMINC_NET]** *"Net Family income "*	**Salary Income (after adjustment) (yuan)** **[FINC]** *"Total family wage income last year"*	
	Adjusted Net Business Income (yuan) **[FOPERATE_NET]** **FIRM+NET_AGRI** *"Non-agricultural business income and adjusted net agricultural income (including both agricultural production and non-agricultural operations)"*	**Non-agricultural business income** **[FIRM]** *"Net profit earned from family-owned business"*
		Adjusted net agricultural income **[NET_AGRI]** *"Net income from agriculture-related work"*
	Transfer Income (yuan) **[WELFARE]** *"Transfer income from pension/social security/government subsidies (such as minimum living allowance (Dibao)"*	
	Property income (yuan) **[FPROPERTY]** *"Rental income from real estate properties, land, machineries, other things and income from selling belongings"*	
	Other Income (yuan) **[FELSE]** *"Other non-wage or agricultural production income as well as gifts and cash received"*	

As illustrated in Table 4.5b, such a composition structure for net total family income has been initially designed since CFPS 2010 and been being carried on since then including in CFPS 2018. The family salary income captures both the total amount of each family members' after-tax wage income and the total earnings of members who are employed by other farmers or who work away from hometown (especially as a migrant worker). Then the family business income is comprised of net income from agricultural work (including in-kind income, if the family is engaged in with any agricultural or forestry work, or raising poultry, livestock or fishery products), and net profit from family-owned business if the family has its' own private business or enterprises. As for the transfer income, it also includes two parts, which are government-based transfer income (such as pension, retirement subsidies, compensations for housing relocation or land expropriation) and total amount of income public donations. Property income, as the name suggests, refers to all the income gained from financial investment and renting out all properties such as real estate properties, land, farm machineries or other properties. Besides, the monetary support received from one's children and from relatives are computed as a family's other income. Based on all these, the CFPS 2018 also provides a constructed variable

measuring the net family income per capita (FINCOME1_PER).

c. A Comparison of CFPS 2010 and CFPS 2018 (comparable with year 2010)

2010		2018
Total Family Income (net) (yuan) [FAMINC_NET] *"Net Family income "*	**Salary Income (after adjustment) (yuan)** [FINC] **FF601** *"Total family wage income last year"*	**Salary income (comparable with year 2010) (yuan)** [FWAGE_2] **FO3+FO7** *"Wage income and income from employment in agriculture related work (farming or other jobs)"*
	Adjusted Net Business Income (including both agricultural production and non-agricultural operations) (yuan) [FOPERATE_NET] **firm+net_agri** *"Non-agricultural business income and adjusted net agricultural income"*	**Business income (comparable with year 2010) (yuan)** [FOPERATE_2] **FL9+FL10-(FL50：+FL80：)** *"Net income from family agricultural work (including in-kind income), and net profit from family-owned businesses"*
	Transfer Income (yuan) [WELFARE] **FF401** *"Transfer income from pension/social security/government subsidies (such as minimum living allowance (Dibao)"*	**Transfer income (comparable with year 2010) (yuan)** [FTRANSFER_2] **FN101+FN201+FN301** *"Government-based transfer income (including pension, subsidies and compensations) as well as income from public donation"*
	Property income (yuan) [FPROPERTY] **FE401+FE501+FE601+FE701** *"Rental income from real estate properties, land, machineries, other things and income from selling belongings"*	**Property income (comparable with year 2010) (yuan)** [FPROPERTY_2] **FR501+FS201+FS501** *"Gains from financial investment and rental income from real estate properties, land, and machineries"*
	Other Income (yuan) [FELSE] **FF701+FF8** *"Other non-wage or agricultural production income as well as gifts and cash received"*	**Other income (comparable with year 2010) (yuan)** [FELSE_2] **FN4+FN401+FN5** *"Monetary support from friends and relatives "*
	Adjusted net family income per capita [INDINC_NET] **FAMINC_NET/FAMILYSIZE** *"Adjusted net total family income divided by family size"*	**Net family income per capita (comparable with year 2010)** [FINCOME2_PER] **FINCOME2/FAMILYSIZE18** *"Net total family income (FINCOME2) divided by family size"*

The middle spanning column reads: **Total Family Income (comparable with year 2010) (yuan)** [FINCOME2] *"Net family income (yuan)"*

Although the net total family income-related variables in CFPS 2010 and CFPS 2018 are available as a more ideally comparable basis, the corresponding variables do not necessarily measure the same content. Hence, for the comparative analysis on total family income between the two-year point, it will select the series of constructed variables from CFPS 2018 which are comparable to year 2010, which are *FINCOME2* (the net family income comparable with year 2010), as well as its corresponding component variables including *FINCOME_2, FWAGE_2, FOPERATE_2, FPROPERTY_2, FELSE_2*. To bring the correspondence with net total family income per capita (*FINCOME2_PER*), it will also compute a comparable variable in CFPS

2010 based on net total family income and family size in 2010 (refer to Table 4.5c).

4.6.1.3 Measurement for family expenditure

Based on the questionnaire design of CPFS 2018, the family questionnaire measures families' expenditure via its production and business costs, food expenditure, living expenditure, as well as its spending on important events and social relations. The production and business costs mainly involve a family's total costs of farming, forestry, pasturing, fishing, and sideline production, as well as the cost of poultry, livestock, and fishery production. Then the questions for food expenditure asks the monthly average spending on total food consumption (including snacks, beverages, cigarettes, and alcohol self-consumed by the family) and on eating out as well. The questions on living expenditure measures both monthly average spending in the last 12 months as well as the long-term living expenditure during the last 12 months. The monthly average expenditure covers aspects such as postal and communication (including telephone, mobile phone, internet, and postal costs), bills (including water, electricity, fuel etc.), local transportation fees (including public transportation and vehicle fuel costs), daily necessities, and house rent and so on. On the other hand, the long-term living expenditure is defined as expenses on clothing and accessories, recreation, travel, property management (such as parking and cleaning), housing mortgage, housing maintenance and decoration, on the purchase, maintenance and repair of automobiles and other transportation tools (including accessories), purchase and maintenance of furniture, appliances and other durable goods, education, medical care, purchase of commercial insurance, both in cash and in kind social donations etc. Apart from all these expenses, expenditure on important events refers to a family's spending on banquets and ceremonies (like wedding for example), and also on purchasing gifts for relatives and/or friends.

In practice, as demonstrated in Table 4.6a, the total amount of wide variety of expenditure of a family is measured by a constructed variable labelled as *EXPENSE,* which further consists of residents' consumption expenditure (*PCE*), transfer expenditure for donations and gifts (*EPTRAN*), insurance expenditure[10] on purchasing commercial insurance (*EPWELF*), as well as mortgage on housing (*MORTAGE*). Among this, the residents consumption expenditure is further measured by constructed variables including expenditure on food (*FOOD*), expenditure on clothing and accessories (*DRESS*), expenditure on family equipment and daily necessities (adjusted) (*DAILY*), medical and fitness expenditure (*MED*), expenditure on communication and transportation (adjusted) (*TRCO*), expenditure on education and entertainment (*EEC*), as

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[10] Initially termed as **"welfare expenditure"** in the originally dataset, here it is re-termed as **"insurance expenditure"** to prevent further misleading and misunderstandings, as the corresponding question in the questionnaire asks about the spending on commercial insurance such as *commercial medical insurance, car insurance, property insurance, and commercial life insurance.*

well as other expenditure on consumption (*OTHER*) (for a detailed composition of each constructed variables versus the variables from the original questionnaire see Table A1.7).

Table 4.6 The Composition of Total Family Expenditure
a. in CFPS 2018

Total family Expenditure *{=[PCE]+[EPTRAN]+[EPWELF]+ [MORTAGE]}* [EXPENSE] *"The total amount of various family expenditure (yuan)"*	(+) Residents' consumption expenditure *{=[FOOD]+[DRESS]+[DAILY] +[MED]+[TRCO]+[EEC] +[OTHER]}* [PCE] *"The sum of family expenditure on food, clothes, medicine, transport, education, entertainment etc."*	**Expenditure on food** [FOOD] *"Expenses on food and eating out (yuan)"*
		Expenditure on clothing FP501 [DRESS] *"Expenses on clothing and accessories (yuan)"*
		Expenditure on family equipment and daily necessities FP507+FP508+FP509+FP406*12 [DAILY] *"Expenses related to the purchase and maintenance of home appliances and durables, personal care, purchase and maintenance of vehicles and cell phones etc.(yuan)"*
		Medical and fitness expenditure FP511+FP512 [MED] *"Expenses related to health care costs including the purchase of workout equipment and health supplements (yuan)"*
		Expenditure on communication and transportation FP401*12+FP405*12 [TRCO] *"Expenses on phone bills, internet, mails and commuting (yuan)"*
		Expenditure on education and entertainment FP502+FP503+FP510 [EEC] *"Expenses on recreational activities, education, and family travel (yuan)"*
		Other expenditure on consumption FP513+FP518 [OTHER] *"All other consumption expenses (yuan)"*
	(+) Transfer expenditure FP515+FP516+FP517+FU101+FU201 [EPTRAN] *"Expenses related to donation and gifts (yuan)"*	
	(+) Insurance expenditure FP514 [EPWELF] *"Expenses on the purchase of commercial insurance (yuan)"*	
	(+) Mortgage on housing FT302*10000 [MORTAGE] *"Housing mortgage"*	

Also in the following analysis, the transfer expenditure will be the component expenditure that is further observed through its sub-components. Transfer expenditure refers to a family's expenses on social donations and social relations, which is computed by aggregative variables in the questionnaire respectively measuring financial support (both in cash and in kind) given

to non-coresident relatives (including non-coresident children, parents, parents-in-law, and other relatives) (*FP515*), financial support (both in cash and in kind) given to other people (for example like friends, colleagues; excluding charitable donations) (*FP516*), social donations (both in cash and in kind) (*FP517*), the total amount of spending (including material goods and cash) on banquets and ceremonies (*FU101*), as well as the total amount of spending on gifts for social relations (*FU201*).

<div align="center">b. in CFPS 2010</div>

Total family Expenditure *{=[PCE]+[EPTRAN] + [EPWELF]+ [MORTAGE]}* [EXPENSE] *"The total amount of various family expenditure (yuan)"*	**(+) Residents' consumption expenditure** *{=[FOOD]+[DRESS]+[DAILY] +[MED]+[TRCO]+[EEC] +[OTHER]}* [PCE] *"The sum of family expenditure on food, clothes, medicine, transport, education, entertainment etc."*	**Expenditure on food (adjusted)** *{=FOOD_1+FOOD_2}* [FOOD] *"Expenses on food and eating out (yuan)"*
		Expenditure on clothing *FH403* [DRESS] *"Expenses on clothing and accessories (yuan)"*
		Expenditure on family equipment and daily necessities (adjusted) *FH302*12+FH307*12+FH401+FH407* [DAILY] *"Expenses related to the purchase and maintenance of home appliances and durables, personal care, purchase and maintenance of vehicles and cell phones etc.(yuan)"*
		Medical and fitness expenditure *FH402* [MED] *"Expenses related to health care costs including the purchase of workout equipment and health supplements (yuan)"*
		Expenditure on communication and transportation (adjusted) *(FH303+FH304) *12* [11][TRCO] *"Expenses on phone bills, internet, mails and commuting (yuan)"*
		Expenditure on education and entertainment *FH404+FH405* [EEC] *"Expenses on recreational activities, education, and family travel (yuan)"*
		Other expenditure on consumption *FH411* [OTHER] *"All other consumption expenses (yuan)"*
	(+) Transfer expenditure *FH305*12+FH410+FH502+FC301* [EPTRAN] *"Expenses related to donation and gifts (yuan)"*	
	(+) Insurance expenditure *FH409* [EPWELF] *"Expenses on the purchase of commercial insurance (yuan)"*	
	(+) Mortgage on housing *FH306*12* [MORTAGE] *"Housing mortgage"*	

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[11] Initially termed as **"welfare expenditure"** in the originally dataset, here it is re-termed as **"insurance expenditure"** to prevent further misleading and misunderstandings, as the corresponding question in the questionnaire asks about the spending on commercial insurance such as *commercial medical insurance, car insurance, property insurance, and commercial life insurance.*

Tracing back to the dataset for family questionnaire in CFPS 2010, the variables are perfectly available as a comparable basis as the overall composition structure of the total family expenditure has been consistent since CFPS 2010. As presented in Table 4.6b, the total family expenditure (EXPENNSE) in CFPS 2010 is also a sum of residents' consumption expenditure (*PCE*), transfer expenditure (*EPTRAN*), welfare expenditure (*EPWELF*), and mortgage on housing (*MORTAGE*). Although the computation on each type of expenditure when further breaking down to their subcomponents, the variables from both CFPS 2010 and CFPS 2018 are still comparable due to the similar contents that the corresponding aggregative variables measure.
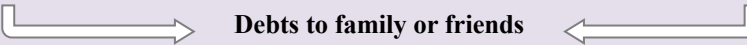
c. A Comparison of CFPS 2018 and CFPS 2010

		CFPS 2010	**CFPS 2018**
Total family Expenditure [EXPENSE] "*The total amount of various family expenditure (yuan)*"	**Residents' consumption expenditure** [PCE] "*The sum of family expenditure on food, clothes, medicine, transport, education, entertainment etc.*"	Expenditure on food (adjusted) [FOOD] FOOD_1+FOOD_2	Expenditure on food (adjusted) [FOOD] FP3*12
		Expenditure on clothing [DRESS] FH403	Expenditure on clothing [DRESS] FP501
		Expenditure on family equipment and daily necessities (adjusted) [DAILY] FH302*12+FH307*12+FH401+FH407	Expenditure on family equipment and daily necessities (adjusted) [DAILY] FP507+FP508+FP509 +FP406*12
		Medical and fitness expenditure [MED] FH402	Medical and fitness expenditure [MED] FP511+FP512
		Expenditure on communication and transportation (adjusted) [TRCO] (FH303+FH304) *12	Expenditure on communication and transportation (adjusted) [TRCO] FP401*12+FP405*12
		Expenditure on education and entertainment [EEC] FH404+FH405	Expenditure on education and entertainment [EEC] FP502+FP503+FP510
		Other expenditure on consumption [OTHER] FH411	Other expenditure on consumption [OTHER] FP513+FP518
	Transfer expenditure [EPTRAN]	"*Expenses related to donation and gifts (yuan)*"	
		FH305*12+FH410+FH502+FC301	FP515+FP516+FP517+FU101+FU201
	Insurance expenditure [EPWELF]	"*Expenses on the purchase of commercial insurance (yuan)*"	
		FH409	FP514
	Mortgage on housing [MORTAGE]	"*Housing mortgage (yuan)*"	
		FH306*12	FT302*10000

However, as further compared in Table 4.6c, the composition of transfer expenditure from the two waves of dataset varies from each other. Hence, for the comparative analysis on CFPS 2010 and CFPS 2018, only part of the subcomponents of transfer expenditure will be taken into

analysis. In practice, the expenditure on family member support (*FH305*) from CFPS 2010 is regarded as equivalent to the financial support given to non-coresident relatives (*FP515*) from CFPS 2018; the total amount of the money or material goods the family donated (*FH502*) from CFPS 2010 equivalent to social donations (FP517) from CFPS 2018; the expenditure on family's own marriages and funerals (*FH410*) from CFPS 2010 equivalent to the total amount of spending on banquets and ceremonies (*FU101*) from CFPS 2018; the total value of the gifts/cash gifts given out (*FC301*) from CFPS 2010 equivalent to total amount of spending on gifts for social relations (*FU201*) from CFPS 2018 (for a detailed comparison refer to Table A1.6).

Table 4.7 The composition of total family debts in CFPS 2010 and 2018

Total family debts	
Overall housing debts (yuan) **[HOUSE_DEBTS]**	**Other financial Debts (yuan)** **[NONHOUSING_DEBTS]**
Mortgage loan **FT301** "Total amount of mortgage loan used to purchase the house (including the interest) (10,000 yuan)"	**Other bank loan** **FT501** "Total amount of unpaid off bank loan (excluding mortgage loan) (yuan)"
Bank loan	
Non-bank housing debt **FT401** "Total amount of money borrowed from relatives /friends or other individuals and institutions (e.g. private loan institution) to purchase/ build/ decorate the house (yuan)"	**Financial debts to family** **FT601** "Total amount of borrowed money from relatives/friends (yuan)"
Debts to family or friends	
	Private loan **FT602** "Total amount of private loan needing to be paid off to other individuals and institutions (e.g., private loan institution) (yuan)"

4.5.1.4 Measurement for family debts

As deconstructed in Table 4.7, according to the original design of CFPS, a family's total debt mainly includes two components, including overall housing debts (highlighted in red in Table 4.7) and other financial debts (tinted in blue). To peel a step further, the overall housing debts includes mortgage loan borrowed from the bank, non-bank housing debt borrowed from relatives/friends or others, and private loan from non-financial organisations (refer to Table A1.1 for a detailed description). As for other financial debts, it includes bank loans other than mortgage loan and financial debts owed to family. To better observe the family as an economic actor in this thesis, it further reintegrates these variables into two new variables as bank loan (borrowed from official institutions) and debts to family or friends[12] , (both of which are tinted

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[12] Hereafter it is shortened as "**debts to family**" for the purpose of terse and concise.

in light purple in Table 4.7). To reconstruct the debt-related variables from the family questionnaire into such two dimensions, in the following section it will make use of variables *FT301* "total amount of mortgage loan", *FT401* "money borrowed from relatives/friends or other individuals and institutions to purchase/ build/ decorate the house", FT501 "total amount of unpaid off bank loan (excluding mortgage loan)" and FT61 "total amount of borrowed money from relatives/friends". As only less than 1.45% of the sampled CFPS 2018 families borrowed private loan and it averagely took around 1% of the total family debts among the sampled families, it would not be included in the analysis of total family debts.

4.5.2 Weight calculations

Given that the CFPS is a sophisticated survey based on multiplying sampling probabilities from the first, second, and third stage sampling, an efficient statistical inference on it will involve in applying the different weights depending on the sample size for analysis (Xie et al. 2017). Employing appropriate weight adjustment can maximise the sample representativeness by alleviating the changes to the sampling frame due to the birth of new gene members, the death of existing gene members, and family splitting for reasons such as divorce. Also, it can alleviate the changes to the sample and population because of the attritions such as non-applicable or non-response answers. The CFPS weights are applicable to the gene members at family level in family questionnaire and individual level in adult/child questionnaire, including both cross-sectional weights and panel weights, applying to the total sample or the nationally representative subsample. Cross-sectional weights are available for both original gene members from 2010 and new gene members, while the panel weights are only available for baseline gene members from 2010. Table 4.8 shows all family level weights from CFPS 2010 to CFPS 2018 available in the family questionnaire datasets. When conducting data analysis in later chapters, we employ the corresponding family level cross-sectional weights for CFPS 2010 (fswt_nat) and CFPS 2018 data (fswt_natcs18n). Providing that there is no panel weight available in CFPS 2018, it is then a shame for us not being able to conduct a comprehensive panel analysis between CFPS 2010 and CFPS 2018 data. Instead, wherever a comparison and tracking for families is needed in the following chapters, we manually match the observations from CFPS 2010 to CFPS 2018 by matching their family ID and respectively applied the corresponding weights to the different year data. All the data clearing and data analysis including weight adjustments were accomplished by data processing software including SPSS 14 and STATA/MP 17.0. To evaluate the statistical significance of the differences observed in the data between rural and urban families, the Independent Samples T-test has been employed where necessary. The results of the t-tests are presented and attached to relevant tables in the subsequent analysis chapter and a p-value of less than 0.05 was considered indicative of statistical significance.

Table 4.8 The Weighting Variables in Family Questionnaire of CFPS2010 and CFPS 2018

Dataset	Variable name	Variable Label
CFPS 2010 Family	fswt_nat fswt_res	Family-level national sampling weights Family-level national resampling weights
CFPS 2012 Family	fswt_natcs12 fswt_rescs12 fswt_natpn1012 fswt_restpn1012	Cross-sectional weight (family level): total sample Cross-sectional weight (family level): nationally representative subsample Panel weight (family level): total sample Panel weight (family level): nationally representative subsample
CFPS 2014 Family	fswt_natcs14 fswt_rescs14 fswt_natpn1014 fswt_restpn1014	Cross-sectional weight (family level): total sample Cross-sectional weight (family level): nationally representative subsample Panel weight (family level): total sample Panel weight (family level): nationally representative subsample
CFPS 2016 Family	fswt_natcs16 fswt_rescs16 fswt_natpn1016 fswt_restpn1016	Cross-sectional weight (family level): total sample Cross-sectional weight (family level): nationally representative subsample Panel weight (family level): total sample Panel weight (family level): nationally representative subsample
CFPS 2018 Family	fswt_natcs18n	Cross-sectional weight (family level): standardized

Source: Adapted from CFPS 2010- CFPS 2018 datasets from various years.

4.6 Chapter summary

By adopting a more comprehensive and dynamic analytical framework of regarding the family as a collective socio-economic actor in the social reproduction of welfare capitalism, this chapter first puts forward the research question of this thesis, as mapping out the role of the family both as a welfare provider and an economic actor under the Chinese context. This is further embodied with exploring the strategies of Chinese families for mobilising, consolidating, and coordinating resources to secure the welfare needs of their family members. By addressing on the ontological and epistemological thesis about quantitative versus qualitative research methods, it explains that this thesis has chosen a quantitative research method for the consideration of aiming at identifying the key trends and pattern in the data from CFPS study, thus mapping and analysing familial practices in terms of mobilisation, accumulation, and redistribution of resources in the Chinese context. Then it goes on to address the sampling design and survey structure of the China Family Panel Studies (CFPS), followed by explanation on data (variable) selection, data comparability of CFPS 2010 and CFPS 2018, statistical treatments and weight calculations and so forth.

Chapter 5 Family Assets in China

5.1 Chapter introduction

By examining the two waves of CFPS data, this chapter attempts to study the average level, distribution, and the composition of family assets in China. Section 5.2 starts with a descriptive analysis on the CFPS 2018 sampled families' province distribution and family sizes, followed by analyses on their wealth holdings by investigating their net total family assets, and each component asset including income generated from land, housing asset, fixed asset for production, financial asset, durable goods, as well as total family debts and its composition. The chapter then continues by decomposing the household wealth into four comparable major categories, namely income generated from land, housing assets, financial asset, and fixed asset and durable goods in addition to total family debts. Section 5.3 goes on to track the wealth growth (decline) rate for each type of family asset from CFPS 2010 to CFPS 2018. Following this, section 5.4 observes the changes to the household wealth composition from CFPS 2010 to CFPS 2018, both from a China overall lens, and also in more detail by comparing between the least wealthy, moderately wealthy and the richest groups of families. Finally, it draws a conclusion in section 5.5.

5.2 Total family assets in CFPS 2018

The CFPS 2018 family questionnaire practically contains 14,218 sampled families in total, when compared to the originally targeted 16,000 households in the initial design of the CFPS survey project. As presented in Table 5.1, for a small part of these families their province ID has changed or had become the provinces which were not addressed in the 'Large Provinces' or the 'Small Provinces' sampling frames in CFPS 2010. This includes 11 cases from Inner Mongolia, 7 cases from Hainan, 5 cases from Tibet, 4 cases from Qinghai, 6 cases from Ningxia and 41 cases from Xinjiang. Given that the CFPS only tracks its gene members and their families in the follow-up waves of surveys, these families can be those who had a removal to another province or new families split from previously sampled ones for reasons such as marriage or divorce. For this reason, these families were also included into the analytical sample size by remerging them into 'large provinces' and 'small provinces' sampling frame via referring to their resampling frame (*SUBPOPULATION*) in the dataset. As it tends to investigate the share of each component of total family assets in the subsequent analysis, the sample size used in this chapter deleted the observations with missing values for net total family assets and observations with zero value for gross total family assets. After the data clearing, the final sample size included for family assets analysis contains 13,395 families, including

6,412 observations from large provinces and 6,983 from small provinces, with 6,420 of them from rural areas and 6,781 from urban areas (see Table 5.1).

Table 5.1 Target Sample Size and Practical Sample Size in CFPS 2018

Category	Provinces/ Municipal cities/ Autonomous regions	Target families in CFPS 2010	Observed families in CFPS 2018	Families included in the sample size for total family assets analysis		
				Rural	**Urban**	**Total**
Large Provinces	Shanghai	1,600	854	72	661	739
	Liaoning	1,600	1,291	575	696	1,289
	Henan	1,600	1,507	802	724	1,549
	Gansu	1,600	1,595	1,076	573	1,679
	Guangdong	1,600	1,465	477	658	1,156
Small Provinces	Jiangsu, Zhejiang, Fujian, Jiangxi, Anhui, Shandong, Hebei, Shanxi, Jilin, Heilongjiang, Guangxi, Hubei, Hunan, Sichuan, Guizhou, Yunnan, Tianjin, Beijing, Chongqing, Shaanxi.	8,000	7,431	3,418	3,469	6,983
Non-targeted provinces	Inner Mongolia Autonomous Region		11			
	Hainan		7			
	Tibet Autonomous Region		5			
	Qinghai		4			
	Ningxia Hui Autonomous		6			
	Xinjiang Uygur Autonomous Region		41			
	Province id missing		1			
	Total	16,000	14,218	6,420	6,781	13,395

A detailed analysis of family sizes within the sample of 13,395 families is presented in Figure 5.1. Notably, more than half of the sampled families consist of one to three family members, representing 55.6% of the total sample. This comprises single household families at 11.8%, two-member families at 22.1% and three-member nuclear families at 21.8%. In contrast, families with larger sizes or extended families consisting of 7 or more family members make up to only around 6% of the total sample. This distribution holds true for both rural urban areas, where majority of families have a size ranging from two to four members This aligns with the ongoing trend of diminishing household sizes in China.

Figure 5.1 Family Sizes of CFPS 2018 Sampled Families (13,423 families included)
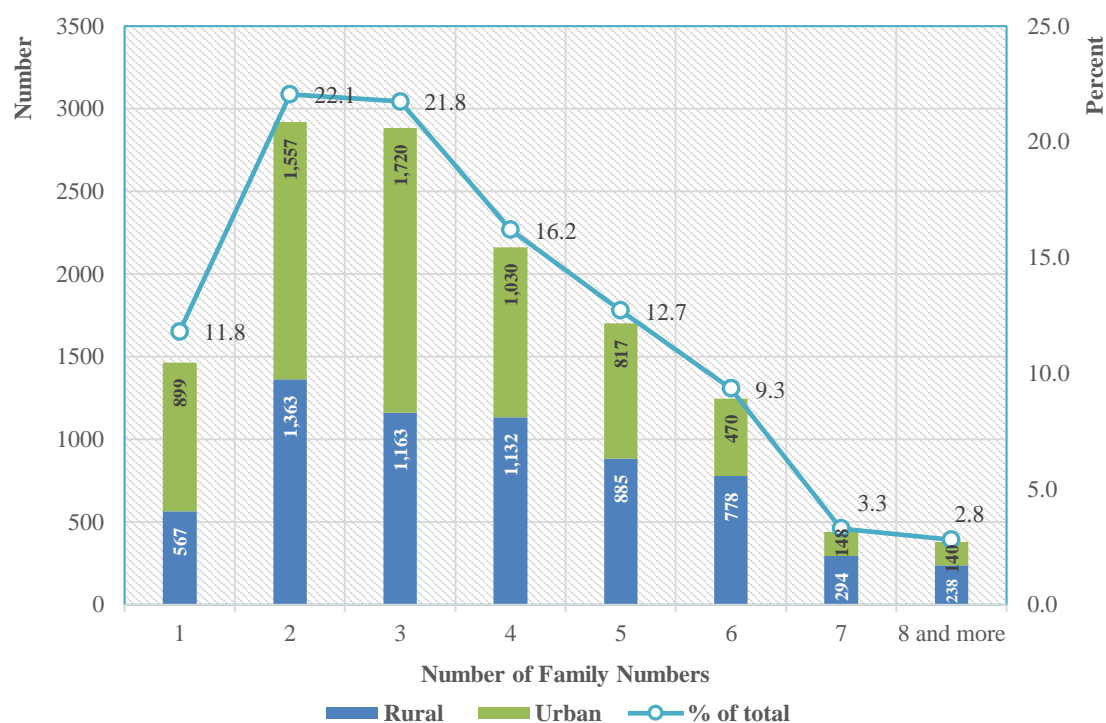
As further shown in Table 5.2, the average net total family assets value of these 13,395 sampled families was 773,000 yuan (approximately £91,817 at a real-time conversion rate of 8.4189 in December 2021)[13], with the median value standing at 301,500 yuan (approximately £35,812), thus suggesting the concentration of wealth among smaller group of families. A high magnitude of inequality of household wealth can be further observed here as the poorest 10% of the sampled families own less than 45,000 yuan (£5,345) in CFPS 2018 while the richest 90% own more than 1,700,000 yuan (£201,927), generating a 90/10 ratio[14] up to 68.02 meaning that the net family assets at the top 10 percentile is 68.02 times more than the family assets at the bottom 10 percentile. Among those 13,071 families who had positive values for net family total assets, they averagely held household wealth with a value of 792,800 yuan (£94,169), while the median value for their household wealth stood at 311,300 yuan (£36,976). For these sampled families with positive assets, the 90/10 ratio was calculated at 55.16. Moreover, there is a higher level of inequality for wealth holdings among urban families when compared with rural families, providing that the 90/10 ratio for net household wealth among the sampled rural families was 29.4, whereas the 90/10 ratio for net household wealth among urban families reached up to 43.2. Then when diverting the analysis towards those 321 in-debt families with

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[13] The exchange rate of Chinese Yuan (RMB) to British Pound Sterling (GBP) normally fluctuates between 8.3 to 9.2, i.e., 1 pound equals to 8.4189 yuan on December 14th, 2021. For a up-to-date rate, refer to:
https://www.bankofengland.co.uk/boeapps/database/Rates.asp?Travel=NIxAZx&into=GBP . Hereafter, all the exchange rates are approximate.
[14] The 90/10 ratio, which often utilised to measure the gap between the richest and poorest, is defined as the ratio of family assets at the 90th percentile point to that at the 10th percentile point.

negative net wealth, the mean value for their net family total assets was -133,400 yuan (-£15,845) and the median value stood at -46,400 yuan (-£5,511). These families encumbered with debts as their total family debts exceeded their overall accumulation of household wealth. Among the richest 10% families within those with negative equity, the gap between their total family debts and gross total family assets was less than 5,000 yuan (£594), whilst for the poorest 10% families their liabilities were at least 219,400 yuan (£26,060) more than their accumulated household wealth.

Table 5.2 The Percentiles of Total Family Assets (Net) in 2018 For China
(unit: 10,000 yuan)

| | | N | Mean | Std. Deviation | Percentiles | | | | | | | | 90/10 ratio |
					1%	10%	25%	(median) 50%	75%	90%	95%	99%	
Full sample size	Total	13,395	77.3	15.4	-5.6	4.5	12.4	30.2	73.3	170.0	306.1	792.0	68.0
	Rural	6,420	38.2	123.6	-7.4	2.8	8.0	18.4	37.5	71.6	110.5	304.7	40.2
	Urban	6,781	101.2	221.9	-3.6	9.0	22.0	51.2	115.0	280.8	437.5	1031.7	48.4
TOTAL_ ASSET> 0	Total	13,071	79.3	186.1	0.8	5.6	13.5	31.1	75.2	173.9	310.0	800.3	55.2
	Rural	6,198	39.8	125.4	0.5	3.8	8.9	19.3	38.8	73.6	111.6	308.0	29.4
	Urban	6,681	103.0	222.9	1.3	10.2	23.0	52.2	117.3	285.5	441.5	1035.5	43.2
TOTAL_ ASSET< 0	Total	321	-13.3	19.9	-96.6	-21.9	-9.8	-4.6	-1.7	-0.5	-0.3	-0.1	
	Rural	221	-11.5	20.4	-84.7	-19.9	-8.1	-3.8	-1.5	-0.5	-0.3	-0.1	
	Urban	98	-15.7	18.8	-108.5	-32.7	-14.9	-6.0	-2.6	-0.5	-0.3	-0.1	

Note: The table doesn't include three CFPS 2018 families whose gross total assets equal to the total family debt, namely for those *TOTAL_ASSET* = 0.

To further examine the composition and the share of each component of total family assets among Chinese families, the percentile analyses on the ratios of each component as part of the gross total family assets are being presented in the following tables in the remaining section. The analysis shows that among the 13,395 sampled CFPS 2018 families, at least half of them did not have any income generated from land, given that the median value stood at 0. Then among those 6,595 families who had income generated from land (*LAND_ASSET*>0), their earnings averagely accounted for 9.1% of their gross total family assets. By further looking into the rural and urban difference, the income generated from land on average accounted for 11.3% of gross total family assets among rural families, whilst the share only took up for 7.1% among urban families, with a difference of almost two times as much (see Table 5.3).

When moving focus onto the different quantile groups, for the bottom 10% of the rural families, their income generated from land only contributes less than 1.2% to their household wealth, while the ratio of income generated from land as part of the household wealth for the top 10%

of rural families took up to almost half of their family asset with a percentage of 45.1%. Among urban families, the bottom quartile (25th percentile) fell to only 1.0% while the third quartile (75th percentile) stood at 13.0% and the 90th percentile much higher at 33.0%. This differentiated distribution suggests that the average share of earnings via income generated from land among Chinese families. The unique land use system in China constraints land ownership with either farmer collective-owned rural land or the state-owned urban land. Especially for rural families, their ownership of rural land is more likely to be a weak form of possessing property rights due to the restrictions on development and use rights of their farmer collective-owned land, which can only be informally developed under collective ownership or formally developed under state ownership via land acquisition by the state. This somewhat weakens rural farmers and urban villagers' ability to develop their land more by preventing their engagement in more profitable activities to accumulate wealth. Hence, the different distribution of the share of income generated from land between rural and urban Chinese families, indicates their different level of dependence on agricultural production and renting out the collectively distributed land.

Table 5.3 The Percentiles of the Ratio of Income Generated From Land as Part of Total Family Assets (Gross) in 2018 for China (unit: %)

		N	Mean	Std. Deviation	Percentiles					
					10%	25%	(median) 50%	75%	90%	95%
China overall[15]		13,395	2.2	15.6	0.0	0.0	0.0	8.2	28.4	44.7
LAND_ASSET>0	Subtotal[16]	6,595	9.1	19.0	0.7	2.5	8.5	25.8	45.1	58.3
	Rural	4,745	11.3	19.7	1.2	3.7	10.8	26.7	48.9	61.0
	Urban	1,835	7.1	15.9	0.3	1.0	3.9	13.0	32.9	46.3

* There is statistically significant rural-urban difference of 7.56% (95% CI, 6.5488 to 8.5615), t (6578) = 14.717, p < .0005.

Table 5.4 then demonstrates the proportion of the gross housing asset in total household wealth for CFPS 2018 families. Generally, housing assets on average took up to a share of 78.0% to the household wealth of Chinese families in CFPS 2018, with the median value standing at a similar level of 79.0%. For those sampled families who in practice possessed properties (*HOUSEASSET_GROSS>0*), their average share of housing assets accounted for 79.1% of their total family assets, with the rural families' mean value at 71.5% and urban families' average level higher at 79.5%. The detailed percentile analysis also suggests that for over three

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[15] Here the China overall refers to the full sample size for family asset analysis, as the mean value here is weighted, it will be then used as an estimation overall for Chinese families in 2018 (hereafter equivalent for the following analysis tables).

[16] Here the subtotal sample size only considers those families who in practice have income generated from land. And when it comes to rural and urban families, it only contains those who have valid ID [Urban18] for being classified as rural or urban families (*LAND_ASSET*>0 & *TOTAL_ASSET*>0 & *URBAN18 = 0 or 1*) (hereafter the equivalent for the following analysis tables), so that the sum of N for urban and rural N doesn't not necessarily equals to subtotal N.

quarters of sampled families, housing assets took up for over half of their household wealth, while for bottom 10% of the CFPS 2018 families the share of housing assets was lower than one third of the total family assets. Correspondingly, for the top 10% sampled families, their housing assets are almost all their family assets, providing that the 90th percentile reached 97.8%. Even if the ratio of housing assets is generally higher among urban families than rural families, a wider rural-urban disparity can be more commonly observed within the lower percentile groups, and such gap tends to narrow down when it comes to the higher percentile groups. For instance, the 1st quartile for rural families stood at 46.3%, while that of urban families was much higher at 66.5%. By comparison, the 3rd quartile for rural and urban families were respectively 88.9% and 94.7%, with a narrower gap.

Table 5.4 The Percentiles of the Ratio of Housing Asset (gross) as Part of Total Family Assets (gross) in 2018 for China (unit: %)

| | | N | Mean | Std. Deviation | Percentiles | | | | | |
					10%	25%	(median) 50%	75%	90%	95%
China overall		13,395	78.0	25.0	30.1	56.1	79.0	92.6	97.8	99.1
Housing asset>0	Subtotal	13,325	79.1	24.5	34.0	56.6	79.2	92.6	97.8	99.1
	Rural	6,384	71.5	26.2	26.0	46.3	71.1	88.9	96.2	98.6
	Urban	6,751	79.5	21.4	44.8	66.5	84.6	94.7	98.3	99.3

Note: There are 18 families with missing ID, making it impossible to identify their regions as 'rural' or 'urban'.
* There is statistically significant rural-urban difference of -11.73% (95% CI, -12.546 to -10.915), t (13133) = -28.193, p < .0005.

The distribution of housing assets among Chinese families displays significant regional disparities, mainly attributed to varying growth rates in housing prices between coastal and inland regions. The rapid economic growth in recent decades has accentuated these differences. Shanghai, as a representative of the prosperous eastern region, holds the highest average share of housing assets among all regions, standing at an impressive 88.2%. This trend is consistent whether in rural or urban Shanghai (see Table A2.1). The second-highest ratio, at 80.2%, is observed in families from Guangdong Province, representing the affluent southern coastal regions. Following closely are Gansu (northwestern China) and Henan (central China), with average percentages at 77%. In comparison, 'small provinces' see an average share of housing assets at 76.7%, which is slightly higher than Liaoning province (northwestern China) with an average of 73.5%. Overall, the data shows a wider rural-urban gap for the proportion of housing assets among less economically developed regions when compared to developed coastal regions like Shanghai and Guangdong. Similarly, the rural-urban gap among families in 'small provinces' was also narrower when compared to provinces such as Gansu and Henan. In general, considering the pronounced difference in housing market among different regions,

families in those economically developed regions, particularly in megacities like Shanghai, are more likely to accrue more assets via property investment. As a result, the largest share of their resources falls into housing asset.

In terms of the fixed assets, as presented in Table 5.5, around three quarters of the sampled CFPS 2018 families didn't have wealth accumulation from fixed assets. Thus, fixed asset is not a common asset for the CFPS 2018 families. According to the CFPS survey design (refer to Table 4.4a for the composition), fixed asset is a constructed variable that is the combination of two components of variable a) business income and b) value of the agricultural machinery. This means that only those families who were engaged in self-employed business or those who were engaged with agricultural production work will have fixed assets. The CFPS 2018 dataset shows that among the total 13,395 observations, there are 5,993 families who had been involved in agricultural production work (such as farming, cultivating agricultural products, fishing, and raising fish/livestock), while 1,287 families had been engaged in self-employed business (e.g., individually operated business or private enterprises).

As displayed in Table 5.5, there are finally 4,126 CFPS 2018 families, including 2,588 rural families and 1,502 urban families, identified as having fixed assets from the dataset (*FIXED_ASSET>0*). Compared to the overall average level of 4.23% among Chinese families in 2018, the fixed asset among these 4,126 families on average accounted for 14.58% of the total family assets, with the mean value for rural families stood at 11.46% and urban families at 15.92%. However, the share of fixed asset generally varies a lot from family to family given that the median values were at a much lower level, respectively fell on 2.26 % and 3.15% for rural and urban families. Even for the bottom quartile families, their fixed asset proportion were less than 1%, with a percentage of 0.73% for both rural and urban families. In comparison to this, for those top 5% of sampled families, the composition of their fixed asset took up for around 30% of their household wealth.

Table 5.5 The Percentiles of the Ratio of Fixed Asset as Part of Total Family Assets (gross) in 2018 for China (unit: %)

		N	Mean	Std. Deviation	Percentiles					
					10%	25%	(median) 50%	75%	90%	95%
China overall		13,395	4.23	7.28	0	0	0	0.49	5.61	14.07
FIXED_ASSET>0	Subtotal	4,126	14.58	11.66	0.21	0.73	2.49	8.21	20.61	30.80
	Rural	2,588	11.46	9.91	0.24	0.73	2.26	6.58	17.13	27.56
	Urban	1,502	15.92	13.80	0.16	0.73	3.15	11.35	24.91	38.46

* There is a statistically significant rural-urban difference of -2.77% (95% CI, -3.5056 to -2.0437), t (4088) = -7.442, p < .0005.

As shown in Table 5.6, the financial asset averagely contributes to 9.9% of total family assets for Chinese families in 2018, And among the 13,395 sampled CFPS 2018 families, almost a quarter of them had no accumulation on financial asset, that is to say, these families were with no cash or deposit savings or purchased any financial products for investment. Instead, for the rest of the 10,432 families who were with fixed asset accumulation (*FINANCE_ASSET>0*), an average of 11.4% of their household wealth were accumulated from financial asset – the proportion of rural families was even slightly higher than with an average level of 11.9% compared to that of urban families at 11.4%. With such similar average level of ratio, the percentiles of the ratio of financial asset among rural and urban families shows a similar pattern of distribution, implying that the urban-rural gap for the share financial asset among Chinese families is not as wide as other components of total family assets. And for half of these 10,432 sampled CFPS 2018 families, the proportion of their financial asset was less than 7.7% as part of their total family assets. Even for the minority of sampled families, for example within the top 5% of families, financial asset accounted for almost half of their household wealth as the 95th percentile reached 52.8% for rural families and 47.1% for urban families. Generally, the detailed percentile analysis here suggests the wide-spread varying saving preferences and financial investments among Chinese families.

Table 5.6 The Percentiles of the Ratio of Financial Asset as Part of Total Family Assets (net) in 2018 for China (unit: %)

| | | N | Mean | Std. Deviation | Percentiles | | | | | |
					10%	25%	(median) 50%	75%	90%	95%
China overall		13,395	9.9	15.6	0.0	0.2	4.1	15.1	31.8	45.1
FINANCE_ASSET>0	Subtotal	10,432	16.5	0.7	2.3	7.7	19.4	37.0	49.4	11.4
	Rural	4,714	17.3	0.6	2.2	7.8	21.3	39.2	52.8	11.9
	Urban	5,558	15.7	0.7	2.4	7.7	18.4	35.2	47.1	11.4

* There is statistically significant rural-urban difference of 1.31% (95% CI, 0.6695 to 1.9467), t (10270) = -4.015, p < 0.0005.

In terms of the share of the durable goods (asset) (refer to Table A1.1 for its exact composition), the subtotal sample size contains 12,526 families who in practice had had accumulation of durable goods (*DURABLES_ASSET>0*) included in the further analysis. For these families who held durable goods as asset, their durable goods averagely took up for 5.8% of their total family assets, with rural families with a higher mean value of 7.0% and urban families at 5.6%, between which is not a big difference. Again, there is an uneven distribution of accumulation for durable goods among the sampled CFPS 2018 families, as the median value was lower at 3.9% for rural families and 3.3% for urban families. Even though there is a gap between rural and urban families regarding to their share of durable goods, such different is not as wide as other assets. The proportion of durable goods for the bottom 10% of families was averagely less than 0.5 %, whilst the percentage of durables asset for the top 10% families was over 19%.

Among all the percentile groups, the share of durable goods among rural families was slightly higher than that of urban families.

Table 5.7 The Percentiles of the Ratio of Durables Asset as Part of Total Family Asset in CFPS 2018 (unit: %)

		N	Mean	Std. Deviation	Percentiles					
					10%	25%	(median) 50%	75%	90%	95%
China overall		13,395	5.6	10.6	0.2	1.0	3.1	8.9	19.8	29.4
DURABLES ASSET>0	Subtotal	12,526	5.8	10.8	0.5	1.3	3.6	9.4	20.5	30.3
	Rural	5,920	7.0	11.4	0.6	1.5	3.9	9.9	22.6	32.9
	Urban	6,446	5.6	10.1	0.4	1.2	3.3	9.1	19.0	27.5

* There is statistically significant rural-urban difference of 1.08% (95% CI, 0.7035 to 1.4626), t (12364) = 5.594, p < 0.0005.

Then when moving scope onto family debts, the total family debts of Chinese families in 2018 averagely accounted for 7.4% of their gross total family assets. We can also see that liabilities are not that common among Chinese families, given that 4,521 out of 13,395 CFPS 2018 sampled families were in debt (see Table A2.2). However, among these in-debt families, their total liabilities on average took up for 17.4% of their gross household wealth. Among them rural families were in similar level of burden with debts to urban families as their average ratio of total family debts to household wealth among was slightly above at 19.2%, compared to the mean value of 16.9% among urban families. Moreover, according to the detailed percentile analysis, the liabilities situations of CFPS 2018 families vary a lot (*Std Dev=236.46*) – for bottom 10% of the sampled families their debts only equal to 3.1% of their total household wealth, whilst the total debts of the top 10% families accounted over three quarters of their total family assets. Even among top 10% of those 2,306 in-debt rural families, their total liabilities almost equal to their equities, as the 90th percentile stood at 97.9% and 95th percentile reached up to 162.0%. This indicates that a small portion of the CFPS 2018 families were in heavy burden with debts, thus resulting in facing a negative equity situation.

Then Table 5.8 and Table 5.9 further observe the two components of total family debts, namely housing debts, and non-housing debts (financial debts), to better understand the composition of their liabilities. As a whole, the housing debts averagely contributed to 73.9% of Chinese families' total family debts and other financial debts devoted an average share of 26.1%. As presented in Table 5.8, the average share of housing debts among those who were in practice with outstanding debts was even higher at 89.2%, with the mean value for rural families falling to 84.2% and urban families' average share reaching up to 90.6%. The rural-urban gap from the percentile analysis suggests that urban families tended to borrow more for their housing

than rural families. The data also indicates that over half of the sampled rural families among those who had had outstanding housing debts, only borrowed money for housing purposes, while overall three quarters of urban families were only with uncleared housing debts.

Table 5.8 The Percentiles of the Ratio of Housing Debts as Part of Total Family Debts in CFPS 2018 (unit: %)

		N	Mean	Std. Deviation	Percentiles					
					10%	25%	(median) 50%	75%	90%	95%
China overall		13,395 (4,521)	73.9	46.6	0	0	63	100	100	100
HOUSE_DEBTT>0	Subtotal	2,734	89.2	23.1	50	90	100	100	100	100
	Rural	1,281	84.2	26.2	44.8	71.4	100	100	100	100
	Urban	1,424	90.6	19.4	55.6	100	100	100	100	100

* There is statistically significant rural-urban difference of -6.81% (95% CI, -8.5414 to -5.0881), t (2703) = -7.739, p < 0.0005.

Next, the distribution of the share of non-housing debts (referring to other financial debts excluding the housing debts) among CFPS 2018 families was examined in Table 5.9. After excluding those cases who had no outstanding non-housing debts at all from the sampled 13,395 CFPS 2018 families, 1,455 rural families and 1,070 urban families were finally included in the percentile analysis here. The mean values suggest that the amount of non-housing financial debts of these rural families averagely accounted for 69.6% of their total family debts, while the average share for urban families was 55.2%. Again, an uneven distribution can be found here in the proportion of non-housing debts, providing that the median value fell to 100% for both rural and urban families. Over hall of the sampled 2,571 families only borrowed money for other financial reasons, implying that only a small group of sampled CFPS 2018 families had both outstanding housing and non-housing debts (also refer to Table 5.9). In this sense as well, the rural-urban gap for the share of non-housing debts indeed only appeared in lower quartile groups- for example, the 1st quartile of the sampled families' ratio of non-housing debts fell on 69.6% for rural families, whilst 55.2% for urban families.

Table 5.9 The Percentiles of the Ratio of Non-housing Debts as Part of Total Family Debts in CFPS 2018 (unit: %)

		N	Mean	Std. Deviation	Percentiles					
					10%	25%	(median) 50%	75%	90%	95%
China overall		13,395 (4,521)	26.1	46.6	0	0	37.0	100	100	100
Non-housing debt>0	Subtotal	2,571	58.9	30	30	63.6	100	100	100	100
	Rural	1,455	69.6	27.8	38.3	71.4	100	100	100	100
	Urban	1,070	55.1	32.4	21.6	50.0	100	100	100	100

* There is statistically significant rural-urban difference of 4.62% (95% CI, 2.2623 to 6.9769), t(2523) = 3.843, p < 0.0005.

Table 5.10 then further disaggregates the non-housing debts to compare the share of its each component, specifically uncleared other bank loan excluding mortgage, outstanding non-housing debts owed to relatives or friends, as well as other debts to other individuals or institutions (such as a private loan institution[17]). Among the analytical sample size of 2,571 families who had outstanding non-housing debts, the outstanding other bank loan tends to be the largest component of their non-housing debts as it on average accounted for 52.0% of their non-housing debts. In comparison, the average ratio of outstanding debts (to relatives or friends) to other financial debts was relatively lower, falling on a percentage of 40.6%. Despite such a gap between the two ratios, the data still highlights the significance of family network's financial support for Chinese families in the case of borrowing for financial purposes as the family averagely subsidised 50.0% of the money that Chinese families needed for non-housing purposes. Such significant supportive functions of the family network can be magnified more among rural families, among which the share of other bank loans (other than mortgage loans) accounted for 48.4% and the ratio of outstanding debts to relatives and friends at 44.8%, generating a difference of less than 4.0%.

Table 5.10 The Percentiles of the Percentage of Sub-components to Other Financial Debts in CFPS 2018 (unit: %)

			N	Mean	Std. Deviation	Percentiles					
						10%	25%	(median) 50%	75%	90%	95%
Non-housing debt>0 & Other bank loan>=0 & Debt to relatives /friends>=0 & Debt to other individuals/ institutions> =0	Total	Other bank loan	2,571	52.0	46.5	0	0	0	100	100	100
		Non-housing debt to relatives/friends	2,571	40.7	46.2	0	0	63.8	100	100	100
		Debts to other individuals/ institutions	2,571	7.3	16.5	0	0	0	0	0	33.33
	Rural	Other bank loan	1,455	48.4	45.6	0	0	0	100	100	100
		Non-housing debt to relatives/friends	1,455	44.8	45.5	0	0	85.4	100	100	100
		Debts to other individuals/ institutions	1,455	6.8	16.6	0	0	0	0	0	35.3
		Sub-total		100.0							
	Urban	Other bank loan	1,070	53.7	47.1	0	0	33.3	100	100	100
		Non-housing debt to relatives/friends	1,070	38.6	46.5	0	0	45.3	100	100	100
		Debts to other individuals/ institutions	1,070	7.7	16.7	0	0	0	0	0	33.3
		Sub-total		100							

Different from rural families who almost equally depended on both bank and family, urban families were more likely to rely on banks than on family, given that the two ratios respectively fell to 53.7% and 38.6%. Even if the average percentages show a slightly stronger reliance

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[17] **"Private loan"** refers to loans between individuals, between individuals and enterprises, as well as those between enterprises. **It does not involve any legal financial organisations.** The original questionnaire codebook indicates that this measurement concerns loans from **non-financial organisations**.

towards bank among Chinese families for borrowing for non-housing purpose, the detailed percentile analysis indicates that more CFPS 2018 families tend to resort to their family for borrowing money rather than to the bank. To be specific, at least half of the sampled families (2,571 observations in total)[18] did not have any outstanding non-mortgage bank loan to pay off referring to the median value standing at 0, whilst the median value of the ratio of debts owed to relatives or friends was 63.8%, and even reached 85.4% among rural families. In contrast, the outstanding loans owed to other individuals or institutions like private institutions on average only accounted for 6.8% of other financial debts for rural families and 7.7% for urban families.

The data further revealed that 90% of these 2,571 sampled families had had no debts owing to private institutions at all, meaning that only a tiny minority of sampled families borrowed private loans from other individuals or institutions as the 95th percentile was at 35.3% for rural families and 33.3% for urban families. One of the main reasons for such a wide gap between the private loan and bank loan or debts to family can rely on the fact that the private loan normally doesn't involve any legal financial institutions and such borrowing activity is often under the 'grey area'. Thus, the important finding here reveals the lack of trust or reliance towards the formal financial system like bank among Chinese families especially within rural families, despite their existing exposure to bank credits. Instead, it is informal institutions like relatives and/or friends as the (broader and extended) family network that play the key role for helping Chinese families with credit, which is a manifestation of how social and informal relations can often become central for the development of the economy or even sometimes can crowd out formal credit transactions (bank loan). There were only a small group of the sampled families that borrowed money from other individuals or institutions (i.e. private institutions).

5.3 Family assets growth from CFPS 2010 to CFPS 2018

This section will focus on household wealth mobility between CFPS 2010 and CFPS 2018, by focusing on the dynamic changes to the composition of household wealth among CFPS sampled families at the family level from a micro perspective, thereby reflecting the change of wealth holdings of Chinese families from a macro perspective. Taking into account the price differences and inflations across years, especially for the asset items that are measured by the real-time market price in the corresponding, assets values surveyed in CFPS 2018 can be much higher than that in CFPS 2010. As the comparison of two waves of data listed here is intended to capture more about the dynamic changes in the composition of household wealth between the two survey years rather than reflect and compare the net worth of real asset holdings, it is

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[18] Here the total sample size included 2682 families, but when it divides between rural families and urban families, it only includes 2637 families in total as there were families whose urban/rural ID is missing.

not necessarily to adjust the CFPS 2010 asset data to CFPS 2018 based on the Consumer Product Index (CPI).

To better describe the growth of household wealth and the changes to the share of each component asset, in each of the following analyses the sampled CFPS families are divided into four quartile groups in an ascending order, and it further computes the weighted average value of each group by year and area type (rural or urban). Table 5.11 illustrates the average net total family assets growth from CFPS 2010 and CFPS 2018. In terms of absolute growth, household net wealth in 2018 on average increased up to 773,000 yuan (£91,817) from the 2010 level of 233,100 yuan (£27,688), with a growth rate of 231.6%. The growth rate overall differed among different quartile groups and among different areas. The highest growth rate appeared within the bottom quartile, at a level of 213.2%, followed by the richest quartile at 212.1%, and the lowest respectively at 172.5% and 170.4% for the two middle quartiles. This result suggests that families with less household net wealth experienced a higher increase rate for their wealth accumulation over the period between 2010 and 2018. Even if for both rural and urban families' household net wealth grew overall as a parallel trend with the nationwide growth, they show different patterns of growth. In rural areas, families with more wealth had higher growth rates – on average the richest quartile group experienced a growth rate of 194.0%, whilst it was only 39.3% for the bottom quartile. In contrast, the pattern was opposite as urban families with less wealth had higher growth rates – the increase rate was at 405.2% for the bottom quartile and at 160.2% for the richest quartile.

Table 5.11 Average Household Net Wealth Growth from CFPS 2010 to CFPS 2018
(unit: 10,000 yuan)

Wealth quartiles	Total			Rural			Urban		
	2010	2018	Growth rate (%)	2010	2018	Growth rate (%)	2010	2018	Growth rate (%)
	(N=14,161)	*(N=13,395)*		*(N=7,395)*	*(N=6,420)*		*(N=6,766)*	*(N=6,781)*	
Q1	1.4	4.5	213.2	1.5	2.0	39.3	1.9	9.8	405.2
Q2	7.7	20.7	170.4	5.7	12.9	124.3	12.8	35.8	180.1
Q3	17.4	47.5	172.5	11.2	26.3	134.1	29.3	80.2	173.4
Q4	74.0	212.1	186.6	36.2	106.6	194.0	115.4	300.3	160.2
Mean	23.3	77.3	231.6	13.3	38.2	187.8	34.0	101.2	198.1

To further examine the changes to the composition of household wealth over time, Table 5.11 analyses the growth to the ratio of income generated from land from CFPS 2010 to CFPS 2018. On average, the share of income generated from land among Chinese families declined from the level of 7.3% in 2010 to 2.23% in 2018, with a declining rate of 49.53%. As mentioned above in the previous section, land as a possessed asset, namely the income generated from

land is not a common asset among Chinese families, especially in urban China. And as presented in the top half of Table 5.11, the sample size of families who accumulated income generated from land shrunk in CFPS 2018, whilst that for urban families expanded. By narrowing down the scope onto those who accumulated wealth from income generated from land, the ratio of income generated from land to total family assets dropped by 55.87% for rural families and decreased by 48.05% for urban families. Like the national overall pattern, the highest decline rate for both rural and urban areas was within the bottom quartile of families who had a lower share of income generated from land.

Table 5.12 Average Growth of the Ratio of Income Generated from Land to Total Family ASSETS from CFPS 2010 to CFPS 2018 (units ％)

Ratio of income generated from land quartiles	Total			Rural			Urban		
	2010	2018	Growth rate (%)	2010	2018	Growth rate (%)	2010	2018	Growth rate (%)
	(N=14,161)	*(N=13,395)*		*(N=7,395)*	*(N=6,420)*		*(N=6,766)*	*(N=6,781)*	
Q1	0	0		0.5	0		0	0	
Q2	0.7	0		10.8	1.4	-86.7	0	0	
Q3	11.0	1.8	-83.8	32.5	10.9	-66.5	0.0	0.1	
Q4	55.0	28.0	-49.1	69.9	40.2	-42.5	13.6	9.0	-34.2
Mean	7.3	2.2	-69.5	19.5	7.3	-62.7	2.1	1.1	-49.5
Samples with income generated from land	*(N=7,437)*	*(N=6,595)*		*(N=5,880)*	*(N=4,745)*		*(N=1,557)*	*(N=1,835)*	
Q1	3.4	0.7	-79.5	4.6	1.1	-76.9	1.5	0.3	-77.9
Q2	17.7	4.8	-73.1	21.0	6.8	-67.7	7.7	2.1	-72.2
Q3	37.4	14.0	-62.5	41.4	16.9	-59.2	21.0	7.2	-65.5
Q4	72.2	43.1	-40.3	75.1	45.8	-39.1	53.1	35.6	-33.1
Mean	21.6	9.1	-57.8	25.5	11.3	-55.9	13.6	7.1	-48.1

On the contrary, the ratio of housing assets to total family assets grew overall for both rural and urban families (see Table 5.13). Generally, Chinese families' share of housing assets to total family assets in 2018 averagely grew by 4.2% from the level at 74.9% in 2010. The overall pattern shows that families with lower-level share of housing assets witnessed a higher increase rate. Specifically, the growth rate was the highest at 106.9% for the bottom quartile, followed by the 2nd quartile at 16.7% and 3rd quartile at 0.7%. In both rural and urban areas, families with less ratio of housing assets had higher growth rates, although the pattern was much more pronounced in rural areas than in urban areas – the growth rate for urban families was at 58.8% for the bottom quartile, which is lower than the level of 70.1% among rural families. Furthermore, the increase rates among middle and top quartiles were at a much lower level in rural families and even for urban families the ratio of housing assets dropped by a minor

percentage. For example, the growth rate for the 3rd quartile among rural families fell to 9.3%, while the ratio of housing assets among urban families decreased by 3.3% for the 3rd quartile.

Table 5.13 Average Growth of the Ratio of Housing Assets from CFPS 2010 to CFPS 2018
(unit: %)

Ratio of housing assets quartiles	Total			Rural			Urban		
	2010	2018	Growth rate (%)	2010	2018	Growth rate (%)	2010	2018	Growth rate (%)
	(N=14,161)	*(N=13,395)*		*(N=7,395)*	*(N=6,420)*		*(N=6,766)*	*(N=6,781)*	
Q1	16.9	34.9	106.9	15.4	26.2	70.1	28.1	44.6	58.8
Q2	59.3	69.1	16.7	47.3	59.7	26.4	77.1	76.7	-0.5
Q3	86.0	86.6	0.7	73.8	80.6	9.3	93.2	90.1	-3.3
Q4	97.8	96.9	-0.9	94.5	96.1	1.6	98.9	97.6	-1.3
Mean	74.9	78.0	4.2	64.2	71.4	11.2	79.4	79.4	0.0

By comparison, Chinese families' ratio of financial assets remained less than 10.0%, although it on average increased to 9.9% by 61.2% from the 2010 level. In rural China, family households experienced a higher growth rate at 90.7%, compared to the overall growth of 51.9% among urban families. The average growth of each quartile group also indicates that there's an increasing trend among Chinese families to accumulate financial assets as household wealth, namely saving more money or investing more in financial products. When further shrinking the sample size to families who practically held financial assets, families in rural areas on average experienced a growth rate of 14.0% for their share of financial assets, whilst urban families witnessed a higher rate of increase.

Table 5.14 Average Growth of the Ratio of Financial Assets from CFPS 2010 to CFPS 2018
(unit: %)

Ratio of financial assets quartiles	Total			Rural			Urban		
	2010	2018	Growth rate (%)	2010	2018	Growth rate (%)	2010	2018	Growth rate (%)
	(N=14,161)	*(N=13,395)*		*(N=7,395)*	*(N=6,420)*		*(N=6,766)*	*(N=6,781)*	
Mean	6.1	9.9	61.2	5	9.5	90.7	6.6	10.1	52
Families with financial asset	*(N=6,410)*	*(N=10,432)*		*(N=2,644)*	*(N=4,714)*		*(N=3,766)*	*(N=5,558)*	
Q1	1.2	1.0	-17.2	1.1	0.8	-29.0	1.2	1.1	-10.3
Q2	4.6	4.6	0.0	4.7	4.4	-6.6	4.6	4.7	1.5
Q3	11.2	12.6	12.8	10.8	13.3	23.7	11.9	12.3	4.0
Q4	34.8	35.1	0.9	31.8	37.8	18.7	37.2	33.7	-9.5
Mean	9.7	11.4	17.9	10.4	11.9	14.0	9.5	11.4	20.5

As shown in Table 5.14, the changing pattern in rural areas differed from that of urban areas. In urban families, the two middle quartiles experienced growth in the ratio of financial assets respectively at rates of 1.5% and 4.0%, whilst the bottom quartile and top quartile encountered decline. Different from this, in rural areas families with larger share of financial assets experience a higher growth rate – the growth rate was the highest at 24.0% for the 3rd quartile, followed by the top quartile at 19.0%, whereas the decline rate for the bottom quartile was up to 29.0%.

As the final component of the household wealth, Table 5.15 examines the ratio of fixed assets for production and durable goods. Considering that the components of total family assets in CFPS 2010 including business asset, valuable collections, other asset as well as the components of financial assets (see Table 4.4b) are slightly different from the further integrated design of fixed asset (for production) and durable goods from CFPS 2010, here it reconstructed all these assets into fixed asset and durable goods to make it more comparable between the two waves of data. The ratio of fixed assets and durable goods on averagely dropped from the 2010 level at 11.7% to the 2018 level of 9.9%. Referring to the nationwide pattern, the highest growth rate was at 258.3% among the bottom quartile, meaning that households with lower ratio of fixed assets and durable goods experienced a higher growth rate. However, this is somehow misleading as the ratio for the bottom quartile only grew from 0.1% in 2010 to 0.4% in 2018. In line with the nationwide pattern, the highest growth rates in both rural and urban areas were among bottom quartiles, followed by the seconded highest at 29.9% and 75.8% for the 2nd quartile. However, the decline rates for the top quartile contributed more to the overall changing pattern given that the ratio of fixed asset and durable goods among urban families declined by 20.4%, while that of rural households on average only increased by 4.7%.

Table 5.15 Average Growth of the Ratio of Fixed Assets for Production and Durable Goods from CFPS 2010 to CFPS 2018 (unit: %)

Ratio of fixed assets for production and durable goods quartiles	**Total**			**Rural**			**Urban**		
	2010	2018	Growth rate (%)	2010	2018	Growth rate (%)	2010	2018	Growth rate (%)
	(N=14,161)	*(N=13,395)*		*(N=7,395)*	*(N=6,420)*		*(N=6,766)*	*(N=6,781)*	
Q1	0.1	0.4	258.3	0.2	0.5	135.0	0.1	0.4	660.0
Q2	17.2	2.5	-85.3	2.2	2.9	29.9	1.3	2.3	75.8
Q3	58.1	7.5	-87.1	6.3	8.2	30.1	5.2	6.8	32.2
Q4	44.0	30.5	-30.7	39.4	33.5	-15.0	46.2	28.9	-37.4
Mean	11.7	9.9	-15.6	11.4	11.9	4.7	11.8	9.4	-20.4

Apart from this, the following analysis also examines the dynamic changes to total family debts and its composition from CFPS 2010 to CFPS 2018. Table 5.16 tracks the changes to the ratio

of total family debts to gross total family assets among Chinese families over time. In general, the debts to assets ratio grew by 5.1%, from the 2010 level at 16.6% to the 2018 level of 17.4%, implying that Chinese families overall were in more burdens with debts in 2018. Such a burden for liabilities became much heavier over time for the lower quartile of families – the growth rate was the highest for the 2nd quartile, followed by the bottom quartile and 3rd quartile respectively at 47.7% and 32.7%. Similarly, the pattern in urban families was parallel with the nationwide pattern - the highest growth rates at 53.7% and 36.9% respectively for the 2nd quartile and bottom quartile. By comparison, in rural areas the highest growth of debts to assets ratio was at 84.8% for the 2nd quartile, higher than the 3rd quartile and bottom quartile that were respectively at 61.6% and 59.0%. The results here imply that the debt burdens became even much heavier for both rural and urban families in 2018 compared to 2010, especially for rural families among the middle quartiles to top quartile such burden increased a lot over time. In contrast, urban families among the top quartile were more likely to be partially relieved from the debts burdens as their debts to assets ratio declined from 77.3% in 2010 to 55.4% in 2018.

Table 5.16 Average Growth of Debts to Assets Ratio from CFPS 2010 to CFPS 2018
(unit: %)

Debts to assets ratio quartiles	Total			Rural			Urban		
	2010	2018	Growth rate (%)	2010	2018	Growth rate (%)	2010	2018	Growth rate (%)
	(N=4,143)	(N=4,521)		(N=2,694)	(N=2,306)		(N=1,449)	(N=2,150)	
Q1	2.0	2.9	47.7	2.1	3.4	59.0	1.9	2.6	36.9
Q2	7.8	13.3	70.6	8.2	15.1	84.8	7.5	11.5	53.7
Q3	20.4	27.1	32.7	19.2	31.1	61.6	21.8	24.0	10.1
Q4	68.0	66.5	-2.2	62.7	83.8	33.6	77.3	55.4	-28.4
Mean	16.6	17.4	5.1	16.9	19.2	13.6	16.4	16.9	3.6

Table 5.17 and Table 5.18 then tracks the dynamic changes to the ratio of housing debts and non-housing debts for CFPS sampled families from 2010 to 2018. As shown in Table 5.17, an increasing number of Chinese families were with housing debts – i.e., the ratio of housing debts for the 2nd quartile on average grew to 42.1% from the 2010 level of null. Regarding the national overall growth, the ratio of housing debts for Chinese families increased by 72.5% to the 2018 level of 63.9%. In rural areas, the ratio averagely grew by 96.2%, whilst that of urban families increased by 52.7%. The growth in rural areas was more dramatic than in urban areas especially for the two middle quartiles – the rural families' ratio for the 3rd quartile rose by 369% while the 2nd quartile grew to 29.6% from the 2010 level of null. This finding suggests on one hand an increasing number of Chinese families, regardless of in rural or urban areas, took the burden of housing debts on their shoulder, and on the other hand, families whose non-housing debts overtaken housing debts experienced a sharply higher growth in their housing debts from

2010 to 2018. By comparison, the ratio of non-housing debts among Chinese families declined by 54.3%, from the 2010 level at 57.1% to the 2018 level of 26.1% (see Table 5.18). Even if in both rural and urban areas, there was an overall declining pattern similar to the nationwide pattern, the ratio of non-housing debts remained at 100% for the top quartile.

Table 5.17 Average Growth of the Ratio of Housing Debts to Total Family Debts
from CFPS 2010 to CFPS 2018 (units: %)

Ratio of housing debts quartiles	Total			Rural			Urban		
	2010	2018	Growth rate (%)	2010	2018	Growth rate (%)	2010	2018	Growth rate (%)
	(N=4,143)	*(N=4,521)*		*(N=2,694)*	*(N=2,306)*		*(N=1,449)*	*(N=2,150)*	
Q1	0	0		0	0		0	0	
Q2	0	42.1		0	29.6		0	90.6	
Q3	81.3	96.5	18.7	19.4	91.1	369.0	97.6	100.0	2.5
Q4	95.8	100.0	4.4	92.5	100.0	8.2	100.0	100.0	0
Mean	42.9	73.9	72.5	32.2	63.1	96.2	50.6	77.3	52.7

Table 5.18 Average Growth of the Ratio of Non-housing Debts to Total Family
Debts from CFPS 2010 to CFPS 2018 (units: %)

Ratio of other financial debts quartiles	Total			Rural			Urban		
	2010	2018	Growth rate (%)	2010	2018	Growth rate (%)	2010	2018	Growth rate (%)
	(N=4,143)	*(N=4,521)*		*(N=2,694)*	*(N=2,306)*		*(N=1,449)*	*(N=2,150)*	
Q1	0.6	0		7.7	0		0	0	
Q2	96.9	15.6	-83.9	99.9	30.4	-69.6	93.7	0	
Q3	100.0	83.6	-16.4	100.0	92.6	-7.5	100.0	55.2	-44.9
Q4	100.0	100.0		100.0	100.0		100.0	100.0	
Mean	57.1	26.1	-54.3	67.8	36.9	-45.7	49.4	22.7	-54.1

5.4 Reflections on household wealth in China

Referring to the detailed percentile analyses above for CFPS 2018 data, there is overall a high magnitude of inequality of household wealth among Chinese families, providing that most of the wealth is in the hands of a minority group of families. Specifically, the richest 1% of the sampled families (*N=13,395* in total) possess net household wealth with values more than 7,920,400 yuan (£940,788), whilst the poorest 1% of the sampled families were indeed in debt with net family wealth lower than -56,000 yuan (£6,652) in the latest wave of CFPS 2018 survey (again refer to Table 5.2). Being consistent with the nationwide trend, among families with positive equity such gap of wealth still remained as huge, considering the fact that the top 1% of the families owned more than a value of 8,002,800-yuan (£950,575) net family wealth,

while the bottom 1% of the sampled families held only less than 8,000 yuan (£950) of household wealth. On the other hand, a wide urban-rural gap regarding household wealth also can be observed through the detailed percentiles analysis and such imparity becomes much wider in higher quantile groups.

In sum, as they contribute to more than 70.0% share of the total family assets, housing assets are the largest and dominant component of household wealth in China. Such dominance is particularly pronounced in more developed areas like eastern or southern coastal regions (i.e., Shanghai and Guangdong), where the property market is more competitive and housing price can be dramatically high. In the meanwhile, other categories of assets only accounted for small portions and in total only accounted for less than one third of the household wealth. On average, in 2018 both the share of financial assets, and fixed asset and durable goods accounted for around 10% of the household wealth among Chinese families, followed by income generated from land lowest at 2.2%. Moreover, the detailed percentile analysis over the distribution of ratios for each type of asset suggests an apparent rural-urban gap among Chinese families regarding their share of income generated from land and housing asset, whilst for other types of assets there were similar distribution patterns among rural and urban families. For example, income generated from land on average accounted for only 1.1% among rural families but 7.3% of total family assets among urban families in China. Also, the medium quartile (50th) for the share of the income generated from land fell to 10.8% for rural families and 3.9% for urban families. Similarly, the median value for the share of housing assets respectively fell to 71.1% and 84.6% for rural and urban families.

Apart from that, the debts also differed among rural and urban families. The gap between total debts and household wealth is generally wider among rural families than in urban areas (refer to Table A2.2) – for example, for a quarter of the in-debt rural families their total family debts accounted for almost half of their total wealth, whereas the debts among urban families only took up for one third of their total family assets. Liabilities are not very common for Chinese families as only around one third of the sampled CFPS 2018 families had outstanding family debts (also see Table 5.8 and Table 5.9). To be more specific, the proportion of CFPS 2018 families who had outstanding housing debts and outstanding non-housing debts were respectively at 20.4% and 19.2%. And by further investigating the components of non-housing debts, more Chinese families are more likely to borrow money from their relatives or friends rather than from the bank.

To further examine the factors that contributed to the household wealth growth from 2010 to 2018 among Chinese families, Table 5.19 decomposes the gross family total assets into four

major categories including each component, and then calculates their absolute and relative growths via mean average of amount of each category of asset and their ratios to the total. On average, the net household wealth in China increased to 834,629 (99,138) yuan in 2018 from the level of 243,619 yuan (28,937) in 2010. Despite the slightly different structure of household wealth composition in 2010 and 2018, housing assets still acted as the primary contributor to the total family assets, as the ratio of housing assets in rural China grew from 64.2% to 71.4%, whilst the ratio among urban families maintained the level of 79.0%. Meanwhile, the ratio of income generated from land for urban families was as high as 19.5% in 2010, before dropped to 7.3% in 2018. For the other two types of assets, the share of financial asset increased from 2010 to 2018 while the ratio of fixed asset and durable goods tends to be stable. Specifically, even if the average value of fixed asset and durable goods had jumped from 28,497 yuan in 2010 to 82,367 yuan in 2018, its share as part of gross total family asset decreased slightly from 11.7% to 9.9%, with rural families' ratio stabled around 11% and urban families' fell to 9.4% from the level of 11.8% in 2010.

By comparison, the share of financial assets among rural families jumped from 5% to 9.5%, while the ratio of urban families raised to 10.1% from 6.6%. When dropping down to the sub-component of financial asset, the highest growth was in the ratio of cash and deposit savings, on average from 3.8% to 7.1%. among Chinese families, with the mean value expanded from 9,315 yuan to 59,155 yuan. Although the average value of financial products had increased from 2,087 to 8,800 yuan, financial products were still not commonly held among Chinese families as the ratio only raised from 0.9% to 1.1%. Moreover, as for borrowing and lending behaviour of Chinese families, both the money they lend to others and the money they borrowed have increased dramatically. The money lent out from Chinese families took up for 1.5% as part of household wealth in 2010 and this grew to 1.7% in 2018. As for household debts, rural families' total family debts jumped from 8,616 yuan to 39,854, with that of urban families increased to 74,505 yuan from 12,529 yuan.

To sum up, the household wealth composition in China had changed from 2010 to 2018, especially with more pronounced structural change among rural families. In 2010, the composition of total family assets in urban areas clearly differed from that in rural families – housing assets as the largest share (64.2%), followed by income generated from land as the second largest share (19.5%), with minor contribution from fixed assets and durables good (11.4%) as well as tiny share from financial asset (5.0%). By comparison, the household wealth composition among urban families in China showed a different pattern – much higher contributions from housing assets than rural families, followed by appropriate contributions from fixed asset and durable goods (11.8%) as well as financial assets (6.1%).

Table 5.19 The Changes to Household Wealth Composition from CFPS 2010 to CFPS 2018
(units: yuan, %)

Household wealth	CFPS 2010			CFPS 2018		
	Rural *(N=7,395)*	Urban *(N=6,766)*	Total *(N=14,161)*	Rural *(N=6,420)*	Urban *(N=6,781)*	Total *(N=13,395)*
Total family assets (gross)	141,246	352,052	243,619	421,448	1086,452	834,629
-Income Generated from Land	**27,470**	**7,526**	**17,785**	**30,549**	**11,761**	**18,638**
	(19.5%)	**(2.1%)**	**(7.3%)**	**(7.3%)**	**(1.1%)**	**(2.2%)**
-Housing Assets (gross)	**90,712**	**279,521**	**182,403**	**300,885**	**862,922**	**651,147**
	(64.2%)	**(79.4%)**	**(74.9%)**	**(71.4%)**	**(79.4%)**	**(78.0%)**
--Value of current residence	74,097	226,527	148,121	235,080	638,261	487,885
	(52.5%)	(64.4%)	(60.8%)	(55.8%)	(58.8%)	(58.5%)
--Value of other residences	16,615	52,994	34,282	65,805	224,661	163,261
	(11.8%)	(15.1%)	(14.1%)	(15.6%)	(20.7%)	(19.6%)
-Fixed Asset & durable goods	**16,064**	**41,665**	**28,497**	**50,152**	**102,359**	**82,367**
	(11.4%)	**(11.9%)**	**(11.7%)**	**(11.9%)**	**(9.4%)**	**(9.9%)**
(Fixed Asset)				**22,189**	**43,392**	**35,287**
				(5.3%)	**(4.0%)**	**(4.2%)**
--Business Asset	3,981	17,391	10,493	19,752	42,522	33,841
	(2.8%)	(4.9%)	(4.3%)	(4.7%)	(3.9%)	(4.1%)
--Agricultural machinery				2,437	870	1,446
				(0.6%)	(0.1%)	(0.2%)
(Durable Goods)	**2,536**	**12,892**	**7,565**	**27,963**	**58,967**	**47,080**
	(1.8%)	**(3.7%)**	**(3.1%)**	**(6.6%)**	**(5.4%)**	**(5.6%)**
-Financial Asset	**7,000**	**23,339**	**14,934**	**39,862**	**109,410**	**82,477**
	(5.0%)	**(6.6%)**	**(6.1%)**	**(9.5%)**	**(10.1%)**	**(9.9%)**
--Cash and deposits	4,545	14,367	9,315	31,014	76,902	59,155
	(3.2%)	(4.1%)	(3.8%)	(7.4%)	(7.1%)	(7.1%)
--Financial products	163	4,125	2,087	763	13,891	8,800
	(0.1%)	(1.2%)	(0.9%)	(0.2%)	(1.3%)	(1.1%)
--Money lent out to others	2,291	4,847	3,532	8,085	18,616	14,521
	(1.6%)	(1.4%)	(1.5%)	(1.9%)	(1.7%)	(1.7%)
Total family Debts	8,616	12,529	10,516	39,854	74,505	61,604
-Housing debts	2,773	6,344	4,507	25,165	57,610	45,530
	(32.1%)	(50.6%)	(42.9%)	(63.1%)	(77.3%)	(73.9%)
-Non-housing debts	5,842	6,186	6,009	14,690	16,896	16,075
	(67.8%)	(49.4%)	(57.1%)	(36.9%)	(22.7%)	(26.1%)
Total family assets (net)	132,630	339,522	233,103	381,594	1011,946	773,025

However, such rural-urban difference in the composition of household assets weakened in 2018 and was replaced by a convergence trend of dominant largest share of housing assets, followed by equivalent minor share for financial assets as well as fixed asset and durable goods, with a tiny minor contribution from income generated from land. Similarly, the household debts

composition also differed between rural and urban areas and changed over time. As illustrated in Table 5.19, urban families in 2010 tended to borrow equally for housing (50.6%) and non-housing (49.4%) purposes, whereas the largest share of debts among rural families fell on non-housing debts (67.8%). The years later in 2018, the housing debts for both rural and urban families had grown drastically and became the largest share of total family debts, with a ratio of 63.1 % for rural families and 77.3% for urban families. For this sense, what is imperative to keep in mind is that even if the share of housing assets for Chinese families still increased despite its existing dominant share, this is accompanied with a high growth of housing debts and its ratio to total family debts.

To further observe the dynamic changes to the share of each type of asset, we divide the CFPS families into five quantile groups in an ascending order of their net household wealth and compute the weighted average values respectively for the bottom 20%, middle 20% and top 20% families, by year and area types (rural or urban). Hereafter, it will refer to these quantile groups as the poorest, moderately wealthy, and the richest group in the following analysis. Table 5.20 displays the changes to the household wealth composition of families within this three different wealth holding groups over time. For the nationwide pattern in 2010, the highest ratio of income generated from land fell on 48.4% for the poorest quintile group, followed by the moderately wealthy group with a mean value of 18.7% Different from such pattern, the ratio of housing assets for the richest quintile stood highest at 77.3%, whilst the housing ratio of the middle quantile on average took up for 68.4%. This means that for the least wealthy Chinese families, most of their household wealth was accumulated via both housing and income generated from land. By comparison, housing assets accounted for a dominant larger share for the moderately wealthy families, and even became the only major contribution for household assets for the richest quintile of families. As for the ratio of fixed asset and durable goods, it was the highest for the poorest and richest quantile, at around 14.0% Furthermore, the least wealthy group of families held the highest ratio of financial asset at 9.2%, followed by the richest and moderately wealthy quantile respectively at 6.2% and 5.9%. Moving the scope onto family debts, the richest quintile was in heaviest burdens with debts as their liabilities averagely reached 20,199 yuan, while the moderately wealthy families had the lowest level of debts at 6,794 yuan. Moreover, the poorest quintile of families tended to borrow money more for non-housing purposes, whilst the richest families' debts more equally fell on both housing and non-housing purposes. In another word, the gap between housing and non-housing debts shows a narrowing trend form the least wealthy to the richest quintile of families. The household wealth composition among Chinese families still maintained such a pattern in 2018. However, the gap between the average ratio of fixed asset and durable goods, as well as the share of financial asset for these three different groups of families narrowed down and fell on

a similar level. For instance, the average share of financial assets for the least wealthy, moderately wealthy and the richest quantiles respectively stood at 11.3%, 11.1% and 9.3%. However, the ratio of housing and non-housing debts experienced a contrasted pattern among CFPS 2018 families. The poorest families' debts were more likely to fall equally on both housing and other financial aspects, whereas housing debts became the major share of debts among wealthy families.

Table 5.20 The Household Wealth Composition in CFPS 2010 to CFPS 2018 by Different Net Household Wealth Quantiles (units: yuan, %)

Net household wealth quantiles	Total					
	CFPS 2010			**CFPS 2018**		
	0-20%	40-60%	80-100%	0-20%	40-60%	80-100%
Total family assets (gross)	21,261	122,163	903,129	73,413	337,836	2,614,252
-Income Generated from Land	**27.1**	**18.7**	**2.5**	**12.3**	**5.9**	**1.0**
-Housing Asset (gross)	**49.8**	**68.4**	**77.3**	**66.8**	**73.0**	**79.8**
--Value of current residence	45.6	63.1	58.6	61.6	66.2	55.7
--Value of other residences	4.3	5.4	18.7	5.2	6.8	24.2
-Fixed Asset & durable goods	**13.9**	**7.0**	**14.0**	**9.6**	**10.0**	**9.9**
(Fixed asset for production)				**2.2**	**2.1**	**5.2**
--Business Asset	0.8	0.4	6.6	1.3	1.6	5.1
--Agricultural machinery				0.9	0.5	0.1
(Durable goods)				**7.5**	**7.9**	**4.8**
-Financial Asset	**9.2**	**5.9**	**6.2**	**11.3**	**11.1**	**9.3**
--Cash and deposits	6.5	4.3	3.5	8.5	9.6	6.2
--Financial products	0.6	0.3	1.1	0.0	0.2	1.4
--Money lent out to others	2.1	1.3	1.6	2.8	1.3	1.8
Total family Debts	12,331	6,794	20,199	44,727	31,112	134,549
-Housing debts	31.7	39.5	49.9	50.0	70.8	81.8
-Non-housing debts	68.3	60.5	60.5	50.0	29.2	18.2
Total family assets (net)	8,930	115,369	882,930	28,686	306,724	2,479,703
	Rural					
Total family assets (gross)	20,969	87,654	429,275	49,117	203,487	1,324,288
-Income Generated from Land	**36.3**	**28.5**	**13.4**	**18.3**	**12.5**	**4.7**
-Housing Asset (gross)	48.3	59.4	67.5	61.4	67.3	73.7
--Value of current residence	45.6	56.4	50.3	58.7	63.1	53.0
--Value of other residences	2.8	3.1	17.2	2.7	4.2	20.7
-Fixed Asset & durable goods	**10.6**	**7.0**	**14.0**	11.0	8.6	13.1
(Fixed asset for production)				**2.2**	**1.6**	**7.1**

--Business Asset	0.4	0.3	4.7	0.6	0.7	6.7
--Agricultural machinery				1.6	0.9	0.4
(Durable goods)				**8.8**	**7.0**	**6.0**
-Financial Asset	**4.9**	**5.1**	**5.1**	**9.3**	**11.6**	**8.5**
--Cash and deposits	3.4	3.2	3.1	7.6	10.1	6.2
--Financial products	0.0	0.1	0.2	0.0	0.1	0.2
--Money lent out to others	1.5	1.8	1.8	1.6	1.4	2.1
Total family Debts	10,523	6,869	13,722	40,867	17,071	96,111
-Housing debts	24.2	45.0	31.3	41.1	56.1	75.0
-Non-housing debts	75.8	55.0	68.7	58.9	43.9	25.0
Total family assets (net)	10,447	80,785	415,553	8,250	186,416	1,228,177

Urban						
Total family assets (gross)	23,288	202,159	1,431,613	125,772	572,827	3,738,631
-Income Generated from Land	**13.6**	**4.2**	**0.9**	**5.8**	**2.2**	**0.5**
-Housing Asset (gross)	52.4	82.4	77.6	72.5	76.8	80.7
--Value of current residence	46.8	75.9	58.0	67.6	68.1	53.9
--Value of other residences	5.7	6.5	19.6	4.9	8.7	26.8
-Fixed Asset & durable goods	**18.8**	**6.6**	**15.2**	**10.0**	**8.9**	**9.3**
(Fixed asset for production)				**2.9**	**1.7**	**5.1**
--Business Asset	1.1	0.8	8.1	2.5	1.6	5.1
--Agricultural machinery				0.4	0.2	0.0
(Durable goods)				**7.1**	**7.2**	**4.2**
-Financial Asset	**15.1**	**6.8**	**6.4**	**11.7**	**12.1**	**9.5**
--Cash and deposits	10.8	4.7	3.6	8.9	9.8	6.2
--Financial products	1.3	0.9	1.4	0.0	0.6	1.6
--Money lent out to others	3.0	1.1	1.4	2.7	1.7	1.7
Total family Debts	14,187	7,733	27,956	50,765	49,019	167,474
-Housing debts	36.3	58.9	57.7	53.9	79.3	83.8
-Non-housing debts	63.7	41.1	42.3	46.1	20.7	16.2
Total family assets (net)	9,101	194,426	1,403,656	75,007	523,808	3,571,158

Parallel with the nationwide trend, among both rural and urban families the moderately wealthy families were least indebted, whilst the richest quintile of families was with the highest mean level of debts. However, the composition of household debts displayed a different changing trend to the nationwide trend. In 2010, wealthy families in both rural and urban areas tended to borrow equivalently for both housing and non-housing purposes, whilst among the poorest families' other financial assets accounted for the larger share of family debts. However, such a

pattern did not exist anymore in 2018 – housing debts became the dominant share of household debts for the richer families in both rural and urban areas. Only among the poorest families in rural areas, they still borrowed more for non-housing purposes than for housing purposes. Another rural-urban difference was on the changes to the ratio of fixed asset and durable goods, as in urban areas, the gaps between the average ratios displays a convergence over time, while in rural families the gap still existed. The richest quintile of families in rural areas held the highest ratio of fixed asset and durable goods in 2018 at 13.1%, followed by the poorest quintile with a mean value of 11%, with the lowest level at 8.6% for the moderately wealthy quantile.

5.5 Chapter summary

This chapter analyses the composition of household wealth of Chinese families from 2010 to 2018. This finding suggests that despite the slight changes to the share of each type of asset, the housing assets remain as the dominant share of the total family assets among both rural and urban families, with other types of assets contributing to minor share of household wealth. The changing trend over time also shows a convergence to the share of financial assets and the fixed asset and durable goods among Chinese families. Another key finding from the comparison of household wealth composition among different wealth levels of quantile groups, indicates that the wealthiest families also on average have the highest level of debts, followed by the least wealthy families. However, this is taking place for the same reason, with the former utilising strategies that would involve investment in housing as an asset (and as an attempt to drastically improve living and housing conditions) and the latter attempting to get the on the housing ladder despite the high price tag. In comparison, the moderately wealthy families are unlikely to fall in burdens with debts as often this indicate a less risky strategy for accumulating resources, including investment in housing assets and catching up on improved housing and living conditions The chapter also explored the distribution of debt ownerships, identifying the important role of family for supporting members in gaining access to a house and for the relevant accumulation of housing as an asset.

Chapter 6 Family Income in China

6.1 Chapter introduction

After looking into the household wealth in China in the previous chapter, family income will become the focus of this chapter. It attempts to empirically examine the total family income among the CFPS families, by reporting the household income distribution using multiple indexes. The main purpose of this chapter is to offer a comprehensive review of the sources of income, exploring among others, the importance of financial support received from extended family network by Chinese families. I explore this both for 2010 and 2018 and track these changes over time. Section 6.2 will firstly provide an overview of the household income in China from CFPS 2018 data, by looking into the net total family income, net total family income per capita, as well as the component of household income including salary income, business income, transfer income, property income and other income. The section 6.3 then moves the focus onto the growth of total family income and the changes to the share of each sub-component of income from CFPS 2010 to CFPS 2018. Before drawing to the brief conclusion in section 6.5, it attempts to summarise the dynamic changes to the household income among Chinese families from CFPS 2010 to CFPS 2018, both as an overall and among different levels of income groups.

6.2 Total family income in CFPS2018

This chapter conducts an analysis on total family income and the ratio of its each component income. Any observations whose value for net total family income (both *FINCOME1* and *FINCOME2*) or net total family income per capita (both *FINCOME1_PER* and *FINCOME2_PER*) equal to null will be excluded from the analytical sample. After leaving out those observations with missing or null values, the valid study sample size for family income analysis in this chapter contains 13,895 CFPS 2018 families, including 6,635 in rural areas and 7,061 in urban areas.

As illustrated in Table 6.1, families in China averagely earned an amount of 95,531-yuan (£11,347) net total family income in 2018, with the median value standing at a much lower of 60,000 yuan (£7,127). This indicates the concentration of family earnings among upper percentile groups. By dividing between rural and urban areas, rural families on average only earned 61,998 yuan (£7,364) annually compared to urban families' annual earnings up to 116,391 yuan (£13,825), with a difference of almost 55,000 yuan (£6,533). And such nearly twofold disparity for net total family income between urban and rural families exists in each percentile group, implying the wide urban-rural gap for net family earnings in China. However,

as the family sizes vary among CFPS families (see again Figure 6.1), it is likely to be inevitably biased to reach to a conclusion by only looking into the net total family income as an index.

Table 6.1 The Percentiles of the Total Family Income (net) in CFPS 2018 (unit: yuan)

	N	Mean	Std. Deviation	Percentiles						90/10 ratio
				10%	25%	(median) 50%	75%	90%	95%	
China overall	13,895	95,531	193,610	12,536	30,000	60,000	100,000	175,000	242,424	13.96
Rural	6,635	61,998	72,585	8,619	20,000	42,300	75,000	120,000	168,102	13.92
Urban	7,061	116,391	259,047	23,584	45,000	78,000	126,700	207,000	300,000	8.78

Table 6.2 then examines the distribution of the net total family income per capita among CFPS 2018 families. In 2018, the annual per capita income of Chinese families on average reached 34,015 yuan (£4,040), with rural families' average per capita income at 19,315 yuan (£2,294) and urban families' mean value higher at 42,479 yuan (£5,046) - nearly 2.2 times larger. The lower level of median value at 17,500 yuan (£2,079) again suggests the concentration of overall income earnings among the higher quantile groups, implying a huge gap between the lower income groups of families and those with higher income per capita. The bottom 10% of rural families earned an average per capita income less than 3,333 yuan (£369), compared to the annual per capita income of more than 36,000 yuan (£4,276) among the top 10% families in rural areas, generating a 90/10 ratio of 10.80. Even if urban families overall had higher levels of per capita incomes, their 90/10 ratio also maintained a similar level falling to 10.2, implying a high magnitude of inequality over household income in China. In the similar vein, the above-mentioned twice the difference between rural and urban families also exists for per capita net household income as a general pattern among each quantile group. That is to say, as a basic income recipient unit, family households in urban areas on average earned over twice more than rural families annually, meaning that also as net saving department urban families are more likely to accumulate household wealth in a shorter time than rural families.

Table 6.2 The Percentiles of Net Total Family Income Per Capita in CFPS 2018 (unit: yuan)

	N	Mean	Std. Deviation	Percentiles						90/10 ratio
				10%	25%	(median) 50%	75%	90%	95%	
China overall	13,895	34,015	81,263	4,632	8,860	17,500	34,100	60,000	85,000	12.95
Rural	6,635	19,315	27,051	3,333	6,200	11,400	20,008	36,000	50,000	10.80
Urban	7,061	42,479	109,411	7,500	14,000	26,000	45,871	76,667	100,000	10.22

Before further investigating the composition of household income among Chinese families in CFPS 2018, Figure 6.1 firstly provides a brief overview of the source of family income among

CFPS sampled families by year and by region. The data shows that for the majority of CFPS 2018 families, their household income came from salary earnings and transfer income via government subsidies, compensations, or pensions etc. Around 80% of the CFPS 2018 families had earnings from salary income, followed by the ratio of who had transfer income at 65.0 %. By comparison, other income only became the source of household income for around 30% of CFPS 2018 families, while only around 15% of sampled families earned income via their investment or rental from properties. Comparing the pattern in rural and urban families, rural families were more dependent on business or agricultural work, public transfer, or monetary support from family or friends for receiving income. Specifically, 50% of rural families relied on business income for earning, whilst the ratio of rural families earned business income was only 23.8 %. And regarding monetary support or donations, the percentages of rural and urban families receiving other income were respectively at 34.4% and 26.61% in CFPS 2018.

Figure 6.1 The Resources of Family Income in CFPS 2010 and CFPS 2018, by Regions (unit: %)
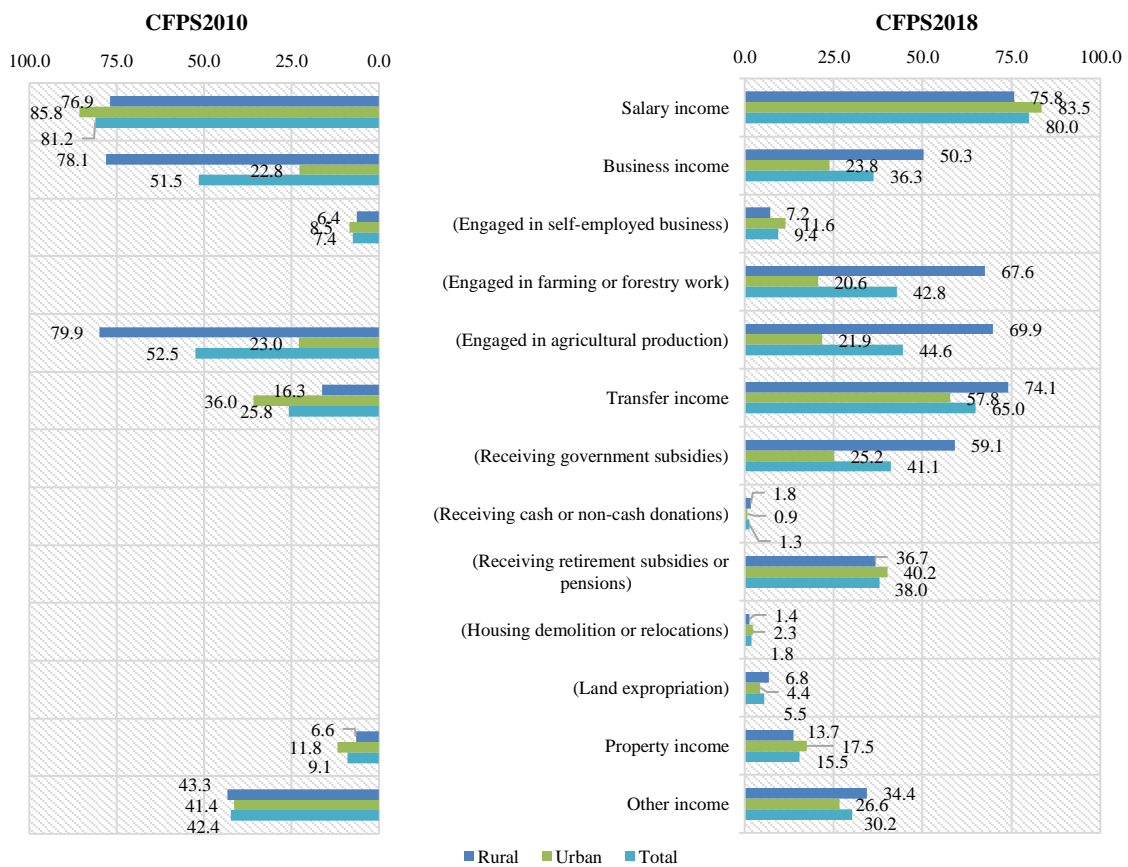
To map out a comprehensive overview for Chinese families' sources of income, the following analyses examine these components income of household earnings. Table 6.3 starts with observing the salary income among CFPS 2018 families and the results show that salary income on average accounted for more than 58.3% of the net total family income in China,

with the mean value falling to 68.0%. And by further focusing on the subtotal study sample of those who indeed earned salary income, its average share was at a slightly higher percentage of 63.8% among CFPS 2018 families, with the mean value in rural and urban areas respectively standing at 66.3% and 62.7%. Moreover, the percentile analysis suggests that for half of the sampled 11,115 families with salary earnings, their salary income took up over 80.0% of their net total family income. Besides, both rural and urban families among the bottom quartile had more resources of income compared to the top quartile families, providing that the share of salary income for the former group of families only accounted for half of their net total household income, while for the latter almost all their household income were from their salary income.

Table 6.3 The Percentiles of the Ratio of Salary Income as Part of Total Family Income (net) in 2018 for China (unit: %)

| | | N | Mean | Std. Deviation | Percentiles | | | | | |
					10%	25%	(median) 50%	75%	90%	95%
China overall		13,893	58.3	38.1	0.0	18.8	68.0	94.5	100	100
FWAGE_1>0	Subtotal	11,115	63.8	27.8	28.6	52.4	80.0	97.6	100	100
	Rural	5,026	66.2	27.9	25.0	50.0	78.4	95.2	100	100
	Urban	5,897	62.7	27.5	32.0	52.8	81.1	99.6	100	100

* There is statistically significant rural-urban difference of -3.05% (95% CI, -4.0932 to -2.0076), t (10921) = -5.734, p < 0.0005.

Table 6.4 then shows the business income averagely constituted 9.7% of the net household income among families in China. By further screening out those observations who had received earnings by engaging with agricultural work or self-employed business or been involved in for both, the share of business income among CFPS 2018 families averagely reached 31.0%. Such difference is due to that business income is not a common resource of income among Chinese families, providing only 9.4% of CFPS 2018 families were engaged in self-employed business, while the proportion of families who were engaged in farming or forestry work, and of those who were involved in agricultural production were respectively at 42.8% and 44.6% (see again Figure 6.1). Among those 4,887 CFPS 2018 families earning business income, the mean ratio of business income in rural areas was slightly lower at 23.9% than urban areas' average level of 35.5%. And such rural-urban gap turns to be increasingly wider from lower to higher percentile groups, suggesting the inequality of business income among Chinese families. Specifically, for the bottom 25% of rural families, their shares of business income were below 4.6%, while for the top 25% of rural families' business income accounted for more than 33.2% of their net total family income. In urban families, the 25th percentile and 75th percentile for the ratio of business income respectively stood at 4.8% and 48.4%. Even for the top 5% of urban families, the ratio of their business income reached over 84.08%, with the ratio of rural families higher than 71.4%.

Table 6.4 The percentiles of the ratio of business income as part of total family income (net) in CFPS 2018 (unit: %)

		N	Mean	Std. Deviation	Percentiles					
					10%	25%	(median) 50%	75%	90%	95%
China overall		13,893	9.7	18.8	0.0	0.0	0.0	6.0	33.9	53.9
FOPERATE_1>0	Subtotal	4,887	31.0	24.7	1.5	4.7	15.3	37.7	62.4	77.6
	Rural	3,243	23.9	22.9	1.7	4.6	14.1	33.2	56.4	71.4
	Urban	1,627	35.5	27.4	1.3	4.8	19.5	48.4	72.7	84.1

* There is statistically significant rural-urban difference of -6.18% (95% CI, -7.6391 to -4.7235), t (4868) = -8.313, p < 0.0005.

Then the analysis on transfer income in Table 6.5 suggests a mean level of 16.8% for the share of transfer income as part of net total household income in China. By narrowing down to those families who gained income from government subsidies, social donations, compensation of housing/land demolition/relocation etc (*FTRANSFER_1*>0), the subtotal sample size then contains 8,765 families, including 4,773 rural families and 3,969 urban families. Among these sampled families, their transfer income on average accounted for 17.1% of net total family income in rural areas, with the mean value for urban areas at a higher level standing at 32.6%. Meanwhile, the median values for both stood at a lower level, respectively at 5.4% and 20.0%. Furthermore, according to the percentile analysis, for the bottom quartile of families their transfer income merely accounted for around 2% while for the top quartile of families' majority of their income source depended on public transfer income. This is somewhat understandable, given that transfer income not only contains the pension for those families with members who have already retired from employment, but also government subsidies targeted more on low-income and vulnerable groups of families, as well as the compensations for those families with land expropriation, housing demolition or relocation. For those families with retired members gaining pension, and those low-income families receiving government subsidies, transfer income will be more likely to be their main source of income.

Table 6.5 The Percentiles of the Ratio of Transfer Income as Part of Net Total Family Income in CFPS 2018 (unit: %)

		N	Mean	Std. Deviation	Percentiles					
					10%	25%	(median) 50%	75%	90%	95%
China overall		13,632	16.8	26.5	0.0	0.0	1.8	18.4	54.6	87.5
FTRANSFER_1>0	Subtotal	8,765	28.1	29.8	0.7	2.0	9.6	37.5	77.9	97.6
	Rural	4,773	17.1	25.4	0.6	1.7	5.4	22.2	57.4	82.8
	Urban	3,969	32.6	32.6	0.8	3.5	20.0	50.0	92.4	100.0

* There is statistically significant rural-urban difference of -14.18% (95% CI, -15.402 to -12.9673), t (8740) = -22.84, p < 0.0005.

Like business income, property income is not a very common resource of income for families in China, as only around 15.0% of CFPS 2018 families had land or properties for rental (see Figure 6.1 and Table 6.6). On average, the ratio of property income accounted for only 1.6% of the net total family income in China, with the average share of those who earned property income standing at 8.8%. The results indicate a lower ratio level at 5.5% among rural families and a higher level of average in urban areas at 9.8%, implying that urban families could get easier access to make profit from their property assets, mostly the real estate properties, than rural families who in most cases find it harder to make profit from their land or machineries. However, the detailed percentile analysis shows a minor gap regarding the share of property income between rural and urban families. Another finding from the percentile analysis indicates that for a minority group of families among CFPS 2018 families, property income via renting out properties or collectively distributed land. became a substantial source of income for them. As for the disparity between the lower and higher percentile groups, the 90th percentile for rural and urban families respectively fell to 27.1% and 28.6%, whilst the the10th percentiles were respectively at 0.6% and 0.7%.

Table 6.6 The Percentiles of the Ratio of Property Income as Part of Net Total Family Income in CFPS 2018 (unit: %)

		N	Mean	Std. Deviation	Percentiles					
					10%	25%	(median) 50%	75%	90%	95%
China overall		13,862	1.6	6.8	0	0	0	0	2.8	10
FPROPERTY_1>0	Subtotal	2,120	8.8	14.3	0.7	1.8	5.2	13.3	28.4	41.0
	Rural	898	5.5	14.6	0.6	1.4	4.0	12.3	27.1	41.6
	Urban	1,211	9.8	14.1	0.7	2.0	6.1	14.3	28.6	39.5

* There is statistically significant rural-urban difference of -1.24% (95% CI, -2.4765 to --0.0007), t (2107) = -1.962, p =0.025.

Before moving the lens to the distribution of other income, Table 6.7 first investigates the sources of other income among Chinses families in CFPS 2018. The distribution of data shows that 22.4% of the sampled families received monetary support from non-coresident children, while 9.9% of them received monetary support from non-coresident relatives and 3.1% got monetary support from other individuals. By comparing between rural and urban distribution patterns, families in rural areas tended to receive more monetary support from their non co-resident children than urban families, as 22.8% of rural families got support from their non-coresident children, with the proportion of urban families stood at 17.7%. Then by leaving out those who did not gain any of these monetary supports, 4,113 CFPS 2018 families were identified as receiving monetary support as other income, including 2,239 rural and 1,833 urban families. Among these rural families, 82.2% of them received other income via non-coresident

children and 27.0% of them gained support from non-coresident relatives. By comparison, among those who gained other income in urban areas, the proportions of families who received support from children and relatives respectively stood at 68.1% and 40.5%. This finding implies that close family-like children play a dominant contributor to the other income of Chinese families, followed by the devotion of extended family network like non-coresident relatives. Compared to the overall average level of 3.6% among Chinese families in 2018, the share of other income among CFPS 2018 families with other income earnings on average stood at 14.3%, with the median value fell on 7.8% (see Table 6.8). Among rural families, other income on average contributed a share of 12.4% to their net total family income, with that of urban families taking up for 15.2%. Different to the distribution of other components of household income, the ratio of other income among rural families however was overall higher than that among urban families, yet with a minor gap. Based on the detailed percentile analysis, for the bottom 25% families their other income only averagely contributes to less than 2.4% to their net total family income, but the share of other income for the top quartile families was up to more than 23.9%. Thus, the level of monetary support received by Chinese families from their family network varied.

Table 6.7 The Resources of Other Income in CFPS 2018, by Regions (unit: %)

	CFFPS 2018		
	Rural	Urban	Total
CFPS 2018 overall	*(N=6,635)*	*(N=7,061)*	*(N=13,895)*
Other income	34.35	26.61	30.23
-Monetary support from non-coresident children	27.78	17.73	22.37
-Monetary support from non-coresident relatives	9.13	10.57	9.91
-Monetary support from anyone else	3.20	2.93	3.07
Families with other income (FELSE>0)	*(N=2,239)*	*(N=1,833)*	*(N=4,113)*
-Monetary support from non-coresident children	82.22	68.14	75.44
-Monetary support from non-coresident relatives	27.02	40.53	33.38
-Monetary support from anyone else	9.42	11.24	10.31

Table 6.8 The Percentiles of the Ratio of Other Income as Part of Total Family Income in CFPS 2018 (unit: %)

		N	Mean	Std. Deviation	Percentiles					
					10%	25%	(median) 50%	75%	90%	95%
China overall		13,807	3.6	15.0	0.0	0.0	0.0	1.3	16.3	35.7
FELSE_1>0	Subtotal	4,113	23.0	0.6	2.4	7.8	23.9	51.4	72.5	72.5
	Rural	2,239	23.6	0.8	2.7	8.6	25.0	55.0	75.0	75
	Urban	1,833	22.5	0.5	2.0	7.0	22.7	49.8	70.3	70.3

* There is statistically significant rural-urban difference of 1.85% (95% CI, 0.4238 to 3.272), t (4070) = 2.544, p =0.01.

Table 6.9 then decomposes the other income of these 4,113 CFPS 2018 families to better understand the monetary support they received respectively from their non-coresident children, non-coresident relatives and other individuals. The result shows that among those sampled families receiving monetary support, the monetary or material supports and/or donations from their non-coresident relatives overall became the largest component of their other income, as it averagely accounted for 59.2% of their other income. In comparison, the monetary support from their non-coresident children on average contributes to 37.2% of their other income, whilst the contribution of monetary support from any other individuals fell to 19.5%. The result from the percentile analysis further suggests that for over 60% of these 4,113 sampled families, the monetary support from their non-coresident children became the only source of their other income, while the monetary support from their non-coresident relatives became the only source of other income for less than a quarter of them.

Table 6.9 The Percentiles of the Ratio of Sub-components as Part of Other Income
in CFPS 2018 (unit: %)

		N	Mean	Std. Deviation	25%	30%	40%	50% (median)	70%	75%	80%	90%	95%
Total	Monetary support from children	4,113	37.2	43.6	0.1	46.5	100	100	100	100	100	100	100
	Monetary support from other relatives	4,113	59.2	40.7	0	0	0	0	20	35.7	100	100	100
	Financial support from anyone else	4,113	3.6	19.5	0	0		0	0	0	0	0.2	33.3
Rural	Monetary support from children	2,239	60.9	39.6	66.7	100	100	100	100	100	100	100	100
	Monetary support from other relatives	2,239	33.5	35.6	0	0	0	0	0	10.7	33.3	100	100
	Financial support from anyone else	2,239	5.6	19.0	0	0	0	0	0	0	0	0	33.3
	Sub-total		100.0										
Urban	Monetary support from children	1,833	29.5	46.5	0	0	67.8	100	100	100	100	100	100
	Monetary support from other relatives	1,833	67.7	44.4		0	0	0	55.9	100	100	100	100
	Financial support from anyone else	1,833	2.8	19.7		0	0	0	0	0	0	6.5	33.3
	Sub-total		100.0										

When further comparing the composition of other income by dividing between 2,239 rural families and 1,833 urban families, the data indicates an imparity between both providing that financial support from non-coresident children played as the largest share of other income for families in rural areas, whereas among urban families the major share was the monetary support or donations from their non-coresident relatives. Specifically, the financial support given to rural families from their non-coresident children averagely accounted for 60.9% of their other income, compared to urban families' mean average of 29.5% Also for urban families, an average of 67.7% of their other income was from the financial support and/or donations given

by their non-coresident relatives, while it only contributed to around one third of other income among rural families. This finding implies that the financial support received by rural and urban families from their family network differs, as the voluntary financial support between direct blood ties like children and parents is more substantial in rural families, while the financially supportive function from the broader family network such as between non-coresident relatives is more pronounced among urban families. Another finding here which is embedded in the detailed percentile analysis, illustrates that more urban families received financial support from their other non-coresident relatives compared to rural families. This means that families in urban areas are more likely to rely on social capital and networking including their broader family network. In other words, this means a narrower reliance on direct blood ties between family members among urban families compared to rural families.

6.3 Family income growth from CFPS 2010 to CFPS 2018

To comprehensively capture the household income growth of CFPS sampled families, in this section we again sort all the valid study samples for both CFPS 2010 and CFPS 2018 into four quantile groups according to the absolute value or the ratio of corresponding investigated variables from the lowest to the highest. We then calculate the average value of each quantile group by year and area to generate the average growth rate over time. Table 6.10 shows the average growth of net family total income from 2010 to 2018 for Chinese families. As the measurements for total family income differed from CFPS 2010 to CFPS 2018 due to the constantly improving and changing questionnaire design, the growth rates here for the following analyses are computed based on the CFPS 2010 average and the 2018 average which were comparable to the 2010 level (such as *FINCOME2*, see again Table 4.5c for a comparison).

As presented in Table 6.10, the 2010 comparable average was overall lower than the normal CFPS 2018 level, for example, the average net family total income was respectively at 71,700 yuan (£8,517) and 95,500 yuan (£11,344). This means that in practice the income growth for the sampled CFPS families was even higher than it suggested here. On average, the net household income in China grew by 118.6% from the 2010 level of 32,800 (£3,896) yuan. As the nationwide pattern, the highest growth of net household income was found for the 3rd quartile at 118.9%, followed by the 2nd quartile group at 112.7%, with the bottom quartile with the lowest growth at 63.8%. This indicates that middle-income family households experienced the highest growth of household income from CFPS 2010 to CFPS 2018. Parallel with the national overall pattern, the growth of household income was the highest for middle quartiles in urban areas, at 116.5% for the 2nd quartile and 111.0% for 3rd quartile. In comparison, the highest growth among rural families appeared among the upper quartiles as the average growth

stood at 110.7% for the 3rd quartile and 93.3% for the top quartile. Thus, slightly different from the nationwide pattern and urban pattern, families with middle to higher income in rural areas were more likely to experience substantial income growth from 2010 to 2018.

Table 6.10 Average Family Total Income Growth from CFPS 2010 to CFPS 2018
(unit: 10,000 yuan)

Net total family income quartiles	Total				Rural				Urban			
	2010	2018 (Comparable with 2010)	2018	Growth rate (%)	2010	2018 (Comparable with 2010)	2018	Growth rate (%)	2010	2018 (Comparable with 2010)	2018	Growth rate (%)
	(N=13,850)	*(N=13,895)*			*(N=7,185)*	*(N=6,635)*			*(N=6,665)*	*(N=7,061)*		
Q1	0.6	1.0	1.6	63.8	0.4	0.5	1.1	28.6	0.9	1.7	2.6	85.9
Q2	1.7	3.5	4.6	112.7	1.2	2.3	3.2	91.8	2.3	5.0	6.1	116.5
Q3	3.0	6.6	8.0	118.9	2.2	4.7	5.8	110.7	4.1	8.6	9.9	111.0
Q4	8.2	16.1	22.2	95.3	5.8	11.2	14.8	93.3	10.3	19.4	27.7	87.4
Mean	3.3	7.2	9.6	118.6	2.5	4.7	6.2	89.0	4.1	8.7	11.6	110.6

In the similar vein, family households in urban areas also experienced higher per capita income growth than rural families. As shown in Table 6.11, the per capita net household income increased by 126.56% from the 2010 level of 6,400 yuan (£760), whilst the average increase rate of urban families reached 141.48%. Overall, Chinese families with the middle-level of per capita income witnessed a dramatic growth from CFPS 2010 to CFPS 2018, for example the per capita household income on average jumped from 8400 yuan (£998) to 21500 yuan (£2,554). Also, the rural-urban difference on the pattern is more pronounced here for per capita household income, compared to the total household income – the growth of the per capita net household income was the highest at 140.1% for the top quartile in rural areas, while the highest growth rates among urban families was respectively at 138.8% and 126.8% for the 3rd and 2nd quartile of families.

Table 6.11 Average Growth of Net Total Family Income Per Capita from
CFPS 2010 to CFPS 2018 (unit: 10,000 yuan)

Net family income per capita quartiles	Total				Rural				Urban			
	2010	2018 (Comparable with 2010)	2018	Growth rate (%)	2010	2018 (Comparable with 2010)	2018	Growth rate (%)	2010	2018 (Comparable with 2010)	2018	Growth rate (%)
	(N=13,850)	*(N=13,895)*			*(N=7,185)*	*(N=6,635)*			*(N=6,665)*	*(N=7,061)*		
Q1	0.2	0.4	0.5	135.3	0.1	0.2	0.4	66.7	0.3	0.6	0.8	89.7
Q2	0.4	1.1	1.3	147.7	0.3	0.6	0.9	106.5	0.7	1.6	2.0	126.8
Q3	0.8	2.2	2.5	156.0	0.6	1.3	1.5	123.2	1.3	3.1	3.4	138.8
Q4	2.6	5.9	8.0	126.7	1.5	3.5	4.6	140.1	3.5	7.8	10.3	120.7
Mean	1.0	2.6	3.4	166.3	0.6	1.5	1.9	126.6	1.4	3.3	4.3	141.5

Then to address the dynamic changes to the composition of household income over time, Table 6.12 firstly examines the growth to the ratio of salary income from CFPS 2010 to CFPS 2018. The statistical estimation on China's overall level suggests that the proportion of salary income among Chinese family households on average took a share of 67.0% in 2010 and the ratio raised by 15.9% in 2018. In rural areas the growth of the share of salary income was at 26.7%, an average which was much higher than that of urban families falling to 9.6%. By only shedding light on those observations with salary income, the average growth rate among CFPS families was at 13.0%, with the ratios of rural and urban families averagely increased by 23.6 % and 7.4 %. With the upper quartile families' average shares of salary income almost stabilised between 80.0% to 100.0%, leaving less space for further improvement, the highest growth rate was identified among the families in the bottom quartile, both for rural and urban families. Especially in urban areas, the growth rate for the bottom quartile of families reached to 60.6%, with the average ratio of salary income increased from 2010 level of 29.1% to 46.7% in 2018.

Table 6.12 Average Growth of the Share of Salary Income from CFPS 2010 to CFPS 2018
(unit: %)

Ratio of salary income quartiles	Total				Rural				Urban			
	2010	2018 (Comparable with 2010)	2018	Growth rate (%)	2010	2018 (Comparable with 2010)	2018	Growth rate (%)	2010	2018 (Comparable with 2010)	2018	Growth rate (%)
	(N=13,850)	(N=13,893)			(N=5,526)	(N=6,634)			(N=5,716)	(N=7,060)		
Q1	9.0	10.5	5.1	16.6	1.7	0.7	0.2	-59.4	21.9	20.4	8.6	-7.0
Q2	53.4	64.6	47.1	20.9	42.7	56.8	35.2	32.9	63.4	69.3	53.7	9.3
Q3	83.0	93.1	82.3	12.2	73.4	90.0	77.9	22.6	92.5	97.8	85.4	5.7
Q4	98.8	100.0	99.1	1.2	94.9	99.2	97.4	4.5	99.9	100.0	99.7	0.1
Mean	67.0	77.7	58.3	15.9	61.4	77.7	58.3	26.7	70.6	77.3	58.0	9.6
Families with salary income	(N=11,242)	(N=11,115)			(N=5,526)	(N=5,026)			(N=5,716)	(N=5,897)		
Q1	36.1	48.5	24.9	34.2	29.1	46.7	25.0	60.6	43.3	48.3	24.7	11.6
Q2	68.1	83.0	67.8	21.9	61.7	81.5	65.1	32.2	76.6	83.7	68.8	9.3
Q3	90.0	98.7	89.7	9.7	82.1	94.8	87.5	15.6	97.9	99.2	91.3	1.3
Q4	99.6	100.0	99.7	0.5	97.0	99.7	98.8	2.8	100.0	100.0	100.0	0.0
Mean	72.8	82.2	63.8	13.0	67.5	83.4	66.2	23.6	76.0	81.6	62.7	7.4

As for the operating income from self-employed business or agricultural work or production, there was overall a decreasing trend among CFPS sampled families. As shown in Table 6.13, the data suggests that fewer Chinese families earned business income in 2018 compared to 2010. Specifically, around 78.0% of sampled families in rural areas had earnings from business income in 2018, whilst the ratio of rural families in CFPS 2018 who gained operational income was lower at 50.3% (see Figure 6.1). In contrast, the proportions of urban families who earned

business income in CFPS 2010 and CFPS 2018 fluctuated around 20.0%, respectively at 22.8% and 23.8%. The average ratio of business income decreased by 79.3% overall, with the urban families' rate lower at 79.4% than the rural families' average at 69.9%. Among those who had operational earnings as one of their sources of income, the sharpest decline rate was at 75.6% among the bottom quartile of families, implying that family households depending least on business income for revenues experienced the rapidest decline in business income. Consistent with such nationwide trend, the most drastic decline rates in both rural and urban areas appeared among the lower quartile groups, namely within the families who relied less on self-employed business or agricultural work/production as source of their household income.

Table 6.13 Average Growth of the Share of Business Income from CFPS 2010 to CFPS 2018
(unit: %)

Ratio of business income quartiles	Total				Rural				Urban			
	2010	2018 (Comparable with 2010)	2018	Growth rate (%)	2010	2018 (Comparable with 2010)	2018	Growth rate (%)	2010	2018 (Comparable with 2010)	2018	Growth rate (%)
	(N=13,850)	(N=13,759)	(N=13,745)		(N=)	(N=6,542)	(N=6,539)		(N=6,665)	(N=7,018)	(N=7,008)	
Mean	15.5	3.2	9.7	-79.3	27.5	8.3	12.1	-69.9	8.0	1.6	9.0	-79..7
	(N=7,131)	(N=4,035)	(N=4,887)		(N=5,613)	(N=3,019)	(N=3,243)		(N=1,518)	(N=1,007)	(N=1,627)	
Q1	6.5	1.6	2.0	-75.6	7.6	2.0	2.0	-73.3	4.1	0.9	2.0	-77.9
Q2	23.9	7.3	9.5	-69.4	26.9	8.8	8.3	-67.5	14.6	4.5	11.6	-69.0
Q3	48.1	22.5	25.7	-53.2	51.7	25.2	23.0	-51.2	34.7	15.6	32.0	-55.0
Q4	88.7	69.5	62.5	-21.6	92.8	71.1	58.6	-23.4	69.0	64.9	67.0	-6.0
Mean	35.1	17.3	31.0	-50.7	35.6	19.2	23.9	-46.2	34.2	15.0	35.5	-56.1

Different from the declining pattern of the share of business income, an increasing number of Chinese families gained transfer income from 2010 to 2018. To be specific, in CFPS 2018 the proportion of sampled families whose income sources include transfer income reached up to 65.0%, compared to the CFPS 2010 level of 25.7% (refer to Figure 6.1). In rural areas, the percentage of families who had transfer income grew dramatically from the CFPS 2010 level at 16.3% to 74.1% in CFPS 2018, whereas in urban China the proportion increased from 36.0% to 57.8%. As shown in Table 6.14, although the ratio of transfer income among Chinese families on average grew by 28.6% overall, the share of transfer income for families who indeed gained transfer income had dropped by 36.5% from CFPS 2010 to CFPS 2018. In rural areas, the ratio of transfer income dropped more with an average declining rate at 46.6% comparing to the average level of 30.6% among rural families. In both rural and urban China, the highest declining rate was found among the bottom quartile groups, followed by the 2nd quartile of families. This implies that the families that depended more on public transfer like government subsidies experienced less decline in their transfer income, whilst those who relied less on public transfer experienced a substantial decrease in their share of transfer income.

Table 6.14 Average Growth of the Share of Transfer Income from CFPS 2010 to CFPS 2018
(unit: %)

Ratio of transfer income quartiles	Total				Rural				Urban			
	2010	2018 (Comparable with 2010)	2018	Growth rate (%)	2010	2018 (Comparable with 2010)	2018	Growth rate (%)	2010	2018 (Comparable with 2010)	2018	Growth rate (%)
	(N=13,850)	*(N=13,703)*	*(N=13,632)*		*(N=7,185)*	*(N=6,519)*	*(N=6,489)*		*(N=6,665)*	*(N=6,989)*	*(N=6,948)*	
Mean	9.6	12.4	16.8	28.6	3.2	8.0	11.7	150.2	13.6	14.0	18.7	2.6
	(N=3,568)	*(N=8,583)*	*(N=8,765)*		*(N=1,170)*	*(N=4,703)*	*(N=4,773)*		*(N=2,398)*	*(N=3,857)*	*(N=3,969)*	
Q1	5.5	1.0	0.9	-82.4	2.4	0.9	0.7	-65.2	10.1	1.5	1.3	-85.4
Q2	23.1	6.7	5.0	-71.1	10.7	3.8	3.1	-64.3	30.5	13.6	10.8	-55.4
Q3	45.2	27.3	21.5	-39.7	30.9	15.9	11.5	-48.6	49.5	39.1	35.5	-20.9
Q4	85.0	70.0	74.4	-17.7	59.1	61.4	64.4	3.9	92.1	84.5	86.6	-8.2
Mean	36.0	22.9	28.1	-36.5	23.1	12.4	17.1	-46.6	39.2	27.2	32.4	-30.6

Table 6.15 then moves focus onto the average growth of share of the property income among Chinese families. Even if the proportion of CFPS families who relied on property income as their source of revenue had increased from 9.1% in 2010 to 15.5% in 2018, the ratio of property income among Chinese families on average declined from 2.4% to 2.2%. In urban areas, the share of property income grew by 31.8%, whilst the ratio decreased by 60.9% in rural areas from CFPS 2010 to CFPS 2018. When spotlighting on those observations who practically earning revenue from renting out properties (including real estate properties, collectively distributed land, or agricultural machineries etc.), the share of property income among CFPS sampled families average dropped by 66.1% in rural areas, whereas the average declining rate in urban areas was just at 1.5%. The data also indicates a diverse changing pattern for the share of property income among the sampled families from CFPS 2010 to CFPS 2018, differing between rural and urban areas. In rural areas, the substantial decline rate at 61.1% was found among the top quartile, whilst the highest growth rate was at 13.4% for the bottom quartile. This implies that the family households who relied least on property rental for revenue experienced the highest growth in their property income, while the families that relied much more on property for household income witnessed the substantial decrease in their property income. Unparallel with such a pattern, urban families who depended on property more for household income experienced a continuing growth in property income providing the growth rate was at 12.4% for the top quartile. Moreover, the higher share of property income was always found in urban areas than among rural families, implying a slightly stronger reliance on property for household revenue among urban families.

As shown in Table 6.16, the average share of other income among Chinese families overall indicates a growing trend, even if the proportion of families who got monetary supports or donations as other income had shrunk to 34.4% in 2018 from the 2010 level of 43.3% in rural

Table 6.15 Average Growth of the Share of Property Income from CFPS 2010 to CFPS 2018
(unit: %)

Ratio of property income quartiles	Total				Rural				Urban			
	2010	2018 (Comparable with 2010)	2018	Growth rate (%)	2010	2018 (Comparable with 2010)	2018	Growth rate (%)	2010	2018 (Comparable with 2010)	2018	Growth rate (%)
	(N=13,850)	*(N=13,862)*			*(N=7,185)*	*(N=6,626)*			*(N=6,665)*	*(N=7,037)*		
Mean	2.4	2.2	1.6	-10.3	3.3	1.3	1.0	-60.9	1.9	2.5	1.9	31.8
Samples with property income	*(N=1,262)*	*(N=2,120)*			*(N=476)*	*(N=898)*			*(N=786)*	*(N=1,211)*		
Q1	0.8	1.0	0.7	17.9	0.7	0.8	0.6	13.4	1.1	1.3	0.8	20.8
Q2	5.0	4.3	3.4	-14.4	3.4	3.2	2.6	-5.3	5.9	5.3	4.0	-10.2
Q3	12.1	11.5	8.7	-5.1	11.5	9.5	6.8	-17.5	12.6	12.5	9.8	-1.0
Q4	51.3	36.8	27.7	-28.4	77.4	30.1	23.8	-61.1	33.9	38.1	29.8	12.4
Mean	16.8	11.7	8.8	-30.0	22.8	7.7	5.5	-66.1	13.1	12.9	9.8	-1.5

areas, with the urban areas' percentage dropped from 41.4% to 26.6%. Among the sampled families whose source of household income include monetary supports from their family or other individuals, their average share of other income had increased by 89.2% from the 2010 level of 9.7% The highest growth rates were respectively at 253.6% and 180.8% for the middle quartiles, with the lowest rate at 84.0% for the top quartile. The patterns in rural and urban areas also echo with such nationwide trends, with the higher growth rates in rural areas. To be more specific, the highest growth rates for rural and urban families were respectively at 310.3% and 207.7% for the 3rd quartile. Moreover, the gaps between the average growth rates for different quartile groups also suggests a more unequalled growth of pattern for the share of property income among urban families compared to the rural families. Overall, the findings here suggest an increasing reliance on financial support from family networks among Chinese families both in rural and urban areas, with the family's dependent more on such monetary support experiencing higher growth in the share of their other income.

Table 6.16 Average Growth of the Share of Other Income from CFPS 2010 to CFPS 2018
(unit: %)

Ratio of other income quartiles	Total				Rural				Urban			
	2010	2018 (Comparable with 2010)	2018	Growth rate (%)	2010	2018 (Comparable with 2010)	2018	Growth rate (%)	2010	2018 (Comparable with 2010)	2018	Growth rate (%)
	(N=13,850)	*(N=13,807)*			*(N=7,185)*	*(N=6,595)*			*(N=6,665)*	*(N=7,015)*		
Mean	4.68	4.82	3.61	2.99	4.09	5.03	3.77	22.98	5.06	4.77	3.58	-5.73
Samples with other income	*(N=5,871)*	*(N=4,113)*			*(N=)*	*(N=2,239)*			*(N=)*	*(N= 1,833)*		
Q1	0.6	1.1	0.9	101.8	0.4	1.4	0.9	216.3	0.7	1.0	0.8	40.6
Q2	2.1	5.8	4.6	180.8	1.9	6.5	4.8	250.3	2.3	5.4	4.2	130.0
Q3	5.6	19.8	14.5	253.6	5.3	21.5	15.6	310.3	6.0	18.5	13.4	207.7
Q4	34.4	63.3	53.4	84.0	30.3	66.2	52.7	118.4	37.2	61.6	52.7	65.8
Mean	9.7	18.4	14.3	89.2	8.3	16.2	12.4	94.9	10.7	19.4	15.2	82.0

6.4 Reflections on household income in China

In summary, the findings from the previous sections indicate an inequality of household income as well as per capita household income between rural and urban families, providing that the urban families on average earned almost as twice annual net total family income as rural families. Specifically, as shown in Table 6.17, rural families earned an average of 24,635 yuan (£2,926) of annual net household income in 2010, while the mean average of urban families was up to 41,430 yuan (£4,921), nearly 1.7 times higher. Such rural-urban gap even widened in 2018 along with the average net household income for rural and urban families respectively increased to 46,519 yuan (£5,526) and 87,242 yuan (£10,363), with the latter almost 1.9 times higher than the former. Moreover, the rural-urban disparity tends to be more pronounced when looking into the per capita household income. The average level of per capita household income in rural areas grew to 14,495 (£1,722) yuan in 2018 from the 2010 average of 6,372 yuan (£757), whilst the average per capita household income among urban families increased from 14,477 yuan (£1,720) to 32,613 yuan (£3,874). The nearly twofold difference can be observed in each percentile group within the sampled CFPS 2018 regardless of in rural or urban families, and it became even much wider among those with higher level of income. On the other hand, the wide disparity between the lower and higher percentile groups reflected by the gap between the mean average and the median value for the household income also reflects the wide inequality of household income in China (see Table 6.1 and Table 6.2). The 90/10 ratio of net total family income in rural China was higher at 13.9, compared to that of 8.8 among urban families.

Among all categories of income, salary income, which is the main source of revenue for the majority of Chinese families, had been contributing to the dominant largest share of net household income among the sampled families from This mainly includes the family members' after-tax income from their employed job containing wage, bonus, subsidy, and non-cash benefit. And also, earnings from agricultural-related jobs for those who are engaged in employed agricultural work and the wage income (including any non-cash benefit and subsidies converted to cash) of those rural migrant workers who work away from their hometown. This suggests that Chinese families overall had relied more on recruited employment as sources of household income than self-employed business. As presented in Table 6.17, salary income on average accounted for 61.4% of the net household income among Chinese families in 2010, whilst the average share of salary income was higher at a level of 70.6%. Then in CFPS 2018, the ratio of salary income in both rural and urban areas increased to a similar level, respectively at 77.7% and 77.3%. Such a changing pattern is meanwhile accompanied by the decline to the ratio of business income among Chinese families, particularly in rural areas where there was a substantial decrease – the business income on

average only took up for 8.3% of rural families in 2018 compared to the 2010 level of 27.5%. This to some extent echoes with the findings in the previous chapter regarding the sharp decrease of income generated from land in rural areas, which is mostly likely because of the increasing difficulty in making profits from collectively distributed land and an increasing preference among rural families for being engaged in recruited employment.

Table 6.17 Family Income Composition from CFPS 2010 to CFPS 2018 (units: yuan, %)

Family income	CFPS 2010			CFPS 2018 (comparable with 2010)		
	Rural *(N=7,185)*	Urban *(N=6,665)*	Total *(N=13,850)*	Rural *(N=6,635)*	Urban *(N=7,061)*	Total *(N=13,895)*
Net total family income	24,635	41,430	32,815	46,519	87,242	71,732
-Salary Income	15,115 (61.6%)	29,240 (70.6%)	21,994 (67.0%)	36,168 (77.7%)	67,470 (77.3%)	55,717 (77.7%)
-Business Income	6,766 (27.5%)	3,299 (8.0%)	5,078 (15.5%)	3,843 (8.3%)	1,420 (1.6%)	2,305 (3.2%)
-Transfer Income	791 (3.2%)	5,646 (13.6%)	3,156 (9.6%)	3,727 (8.0%)	12,187 (14.0%)	8,869 (12.4%)
-Property Income	801 (3.3%)	783 (1.9%)	793 (2.4%)	589 (1.3%)	2,172 (2.5%)	1,558 (2.2%)
-Other Income	1,006 (4.1%)	2,096 (5.1%)	1,537 (4.7%)	2,343 (5.0%)	4,171 (4.8%)	3,462 (4.8%)
--Monetary support from non-coresident children				1,416 (3.0%)	1,223 (1.4%)	1,279 (1.8%)
--Monetary support from non-coresident relatives				779 (1.7%)	2,808 (3.2%)	2,037 (2.8%)
--Monetary support from anyone else				130 (0.3%)	116 (0.1%)	123 (0.2%)
Net family income per capita	6,372	13,495	9,841	14,477	32,613	26,075

Regarding the overall composition of household income in 2010 among Chinese families, in rural areas the salary income and business income were the two main sources of income, followed by almost equal share of transfer income from government subsidies, property income from rental activity as well as other income via monetary support from family networks. Unparallel to such rural pattern, in urban areas the salary income took up for the dominant share of household income while the transfer income as the second largest at 13.6%, followed by business income (8.0%) and other income (5.1%), with the property income contributed least at only 1.9%. Such composition of household income was still the pattern for urban families until CFPS 2018 despite the changes to their salary and operational income ratios. In comparison, the rural pattern in CFPS 2018 had changed to a scenario of salary income taking the largest share, followed by the similar share of transfer income (8.0%) and operational

income (8.3%), with the least contribution from property income (1.3%). Beyond this, by referring to the detailed percentile analysis on the CFPS 2018 data, the relatively wider rural-urban difference existed in the share of transfer income and business income, on one hand indicating the diverse subsidising policies and the differentiated social security systems between rural and urban China, and on the other hand reflecting the different accessibility for engaging in self-employed business or production.

Despite of the dynamic changes to the ratio of each component income, a non-negligible finding here is that share of other income had fluctuated between 4.0-5.0%, maintaining a similar level over time. This implies the significant role of family network on providing voluntary financial support to Chinese families, which had not been weakened of faded over time. Due to the limited availability in CFPS 2010 of comparable variables for the sub-components of other income, it is unable for us to further observe the dynamic changes to the monetary supports respectively from non-coresident children, non-coresident relatives and other individuals. However, the CFPS 2010 data suggest a rural-urban difference for the composition of other income- intra-family monetary supports (like from children to parents) as the main source of other income in rural areas, versus to the larger share of monetary supports within the broader family network among urban families. Such a different pattern is more magnified and pronounced among different income groups.

As shown in Table 6.18, in both rural and urban areas in 2018, lower income group of families on average had the highest share of other income, followed by higher and middle-income groups with a much lower level of share for other income. For example, in rural areas where such a gap is wider, the ratio of other income among lower income quantile reached to 22.3%, followed by the higher income group at 4.5%, with the middle-income group lowest at 5.6%. However, the pattern in CFPS 2010 suggests a much narrower gap between the ratio of other income among different income quantile groups. These findings indicates that Chinese families with lower income had received more financial support from their family network over time, thereby implying family as an economic actor in China is playing a significant supportive role within the process of mobilising resources among Chinese families.

Then when observing the composition of household income by comparing the sources of income among different income groups, the pattern varied and changed a lot over time. In CFPS 2010, lower income groups mainly gained household revenues via salary income (39.5%) and operational income (43.4%), followed by the property income (12.6%). By comparison, for middle income and higher income groups, salary income on average took the dominant share, followed by business income and transfer income, with the middle-income group of families having a higher level of reliance on operational income for household earnings. By CFPS 2018, the composition of household income for the lower income group of families had changed into a pattern of more equalled reliance on different channels to make money, with

Table 6.18 Family Income Composition from CFPS 2010 to CFPS 2018, by Different Quantile Groups (units: yuan, %)

Net total family income quantiles	Total					
	CFPS 2010			**CFPS 2018 (comparable with 2010)**		
	0-20%	40-60%	80-100%	0-20%	40-60%	80-100%
Net total family income	4,664	22,420	93,156	6,876	49,108	177,275
-Salary Income	39.5	68.0	67.4	33.6	78.7	78.9
-Business Income	43.4	18.1	12.9	16.7	4.2	1.8
-Transfer Income	7.2	8.2	10.0	27.8	12.9	11.4
-Property Income	12.6	0.8	3.8	4.0	1.4	2.8
-Other Income	6.1	3.8	5.4	18.8	3.2	5.3
--Monetary support from non-coresident children				15.2	1.8	1.2
--Monetary support from non-coresident relatives				2.6	1.1	4.0
--Monetary support from anyone else				0.8	0.3	0.1
Net family income per capita	1,822	6,909	27,028	3,253	20,037	59,891
	Rural					
Net total family income	3,442	16,874	65,064	4,195	34,622	123,261
-Salary Income	28.7	62.0	62.2	16.1	72.9	82.6
-Business Income	53.8	30.5	24.2	20.8	11.2	5.7
-Transfer Income	6.3	2.8	3.4	37.8	9.4	6.0
-Property Income	0.7	0.4	5.6	4.1	1.3	1.3
-Other Income	7.5	3.6	4.3	22.3	5.6	4.5
--Monetary support from non-coresident children				18.7	4.0	2.1
--Monetary support from non-coresident relatives				2.8	1.4	2.2
--Monetary support from anyone else				0.5	0.2	0.2
Net family income per capita	1,399	4,743	15,431	2,179	11,732	34,470
	Urban					
Net total family income	7,658	30,502	115,419	13,803	65,992	213,200
-Salary Income	62.7	73.4	69.3	54.3	78.0	77.5
-Business Income	15.8	5.7	9.6	7.8	2.0	1.1
-Transfer Income	13.0	15.2	12.0	24.1	15.8	12.4
-Property Income	1.8	1.1	2.6	2.8	1.4	3.3
-Other Income	4.6	3.1	6.1	11.4	3.0	5.9
--Monetary support from non-coresident children				7.8	1.3	0.9
--Monetary support from non-coresident relatives				2.8	1.4	4.9
--Monetary support from anyone else				0.7	0.2	0.1
Net family income per capita	3,030	10,263	35,961	6,438	26,902	73,647

Note: percentages do not sum to 100.00 in each column due to rounding errors.

salary income (33.6%) still as the larger share, but transfer income (27.8%) contributed as the second largest share, followed by the equal contribution of business income (16.7%) and monetary supports from family network (18.8%). Unlike such diverse means of making money, middle-income and higher income families showed a paralleled pattern of salary income taking the dominant largest share around 80.0% while transfer income contributed to more than 11.0%.

Then by comparing between rural and urban families, the composition of household income had more dynamically changed in rural areas in comparison to urban families. Salary income had always been the major contribution to household income among the sampled families from CFPS 2010 to CFPS 2018, followed by transfer income as the second largest share. But for the lower income and higher income families, operational income contributed almost equally as transfer income in CFPS 2010, while the 2018 level was at a much lower mean value. As for rural families in CFPS 2010, the pattern differed among different income groups. Within the lower income families, they on average relied most on self-employed business or agricultural production for household income (53.8%), followed by salary income with an average share of 28.7%, with minor contribution of other income. By contrast, salary income is attributed to the largest share of household income, supplemented by business income among middle-income and higher-income families. Such pattern was maintained in 2018 – but with a sharp increase in share of salary income for higher income groups reached to 82.6%, whilst the share of middle-income group grew to 72.9% followed with a relatively equivalent share of operating income (11.8%) and transfer income (9.4%). Unparallel to such a pattern, the lower income families had a strong reliance on public transfer and family support as the share of transfer income and other income on average respectively accounted for 37.8% and 22.3% of their household income.

To go a step further, by connecting the findings from household wealth and income, it provides an insight on the pattern of wealth accumulation among Chinese families. Based on the CFPS 2010 data, the average net family total income was 32,815 yuan (£3,898) in 2010, and the average household net wealth was with a value of 233,103 yuan (£27,688), generating a wealth/income ratio of 7.1. By implicitly assuming family as a net saving unit and Chinese families' annual revenues stabilised around a similar level according to the stable wealth/income theory (Piketty, 2014), this means that for Chinese families their annual household wealth on average tends to be the accumulation of seven years of their household income. Until CFPS 2018, the wealth/income ratio had increased to 10.8, suggesting that the household wealth on average is nearly the accumulation of ten years of household income, thereby implying it became more demanding and harder for Chinese families to accumulate household wealth in 2018. In urban areas, it takes longer for family households to accumulate

household wealth as the wealth/income ratio for urban families was 8.2 while the ratio of rural families stood at 5.4, and such gap remained in CFPS 2018.

As shown in Table 6.19, the wealth/income ratio differs a lot from the lowest income quantile (bottom 10% of sampled families with lowest net household income) to upper income quantile (top 10% with the highest level of net household income) and experienced a substantial growth from CFPS 2010 to CFPS 2018. The wealth/income ratio among urban families for the lowest income group was high at 47.1, while for the highest income quantile the ratio was at 7.5. With a narrower gap, the ratios for the two quantiles among rural families in CFPS 2010 were respectively at 24.1 and 3.0. Apart from the high magnitude of inequality of wealth and income, this indeed suggests the diverse abilities of Chinese families on accumulation and mobilisation of financial resources in rural and urban families. Such a gap was even widened in 2018 with the ratio for the lowest income quantile of families drastically jumped to 79.4% in rural areas and 146.4 in urban families.

Table 6.19 Wealth/Income Ratio in CFPS 2010 and CFPS 2018

		CFPS 2010			**CFPS 2018** (comparable with 2010)		
		Rural	Urban	Total	Rural	Urban	Total
China overall	Total family income (net)	24,635	41,430	32,815	46,519	87,242	71,732
	Total family assets (net)	132,630	339,522	233,103	381,594	1011,946	773,025
	Wealth/income ratio	**5.4**	**8.2**	**7.1**	**8.2**	**11.6**	**10.8**
Bottom 10% families with lowest income	Total family income (net)	2,572	2,521	2,558	3,027	2,922	2,989
	Total family assets (net)	61,964	118,858	77,591	240,456	427,639	308,796
	Wealth/income ratio	**24.1**	**47.1**	**30.3**	**79.4**	**146.4**	**103.3**
Top 10% families with highest income	Total family income (net)	143,388	131,118	134,106	218,393	236,650	233,505
	Total family assets (net)	433,505	987,157	852,429	1,196,041	2,387,475	2,223,148
	Wealth/income ratio	**3.0**	**7.5**	**6.4**	**5.5**	**10.1**	**9.5**

6.5 Chapter summary

This chapter has presented an overview of the findings from the data analysis, concerned with household income and its distribution in China from the empirical evidence in CFPS 2010 and CFPS 2018. One repeatedly demonstrated finding is that most Chinese families depended on salary income as their major source of household income, with the ratio varied among different income groups and the pattern of household income changed over time. By reviewing the evidence on national trends in household income growth and the dynamic changes of the

composition of household income, it suggests that no matter how Chinese families' strategies had changed over time on gaining income and mobilising their resources, the financial support from family networks always played its significant role. Despite different levels of reliance on public transfer among different income groups over time, the contribution of monetary support from family networks had maintained its average level, with the supporting function substantial among lower income groups. The analysis presented in this chapter offers a nuanced understanding on how family support is taking place, including both amounts but also whether this is taking place by family members who are non-coresident (which is more likely for rural families and less so for urban ones).

The chapter also identified important differences in terms of income generated between urban and rural families but also widening inequalities between low- and high-income groups. Often the literature focuses on poverty rates and disparities within China, but the analysis presented here focuses on income earn and aiming to explore how families are able to mobilise their financial resources. With salaries earned being the most important source of income, it becomes imperative that family income depends much on labour market developments with the latter often reflecting regional disparities. For those families who rely on salaries, it is clear that wages in urban areas have offered them a clear advantage over rural populations, identifying the need to curb the uneven growth of the economy within China. The analysis presented in this chapter indicates that important changes have taken place between 2010 and 2018 - and although wage disparities continue to remain high between rural and urban families, it is important to note that the nominal value of income earned by wages in rural areas has increased substantially. The increase here is likely to be important for improving living conditions as the relative increases for those on low wages in 2010 are more important for addressing basic needs, than the relative increases for those on higher wages (which often relate to meeting needs for a better living standard).

Chapter 7 Family Expenditure in China

7.1 Chapter introduction

Following the previous chapters on looking into Chinese families' strategies for mobilising resources (household income) and accumulating resources (household wealth), this chapter then goes on to investigate in family expenditure to understand how Chinese families' spending has changed over time. Section 7.2 starts with a distribution analysis on household expenditure and its composition among the CFPS 2018 sampled families, including their annual total family expenditure, residents' consumption expenditure, transfer expenditure (spending on financial supports to family, social donations, spending on banquets and ceremonies etc.), insurance expenditure, and mortgage. Then in section 7.3, it observes the average growth(/decline) to the share of these each type of expenditure from CFPS 2010 and CFPS 2018 among different quartile groups. Following the identification on the dynamic changes to the household expenditure composition among Chinese families, section 7.4 finally provides a more comprehensive picture of the changing pattern to household expenditure in China from 2010 to 2018, both by comparing between different areas (rural vs urban) and by overseeing among different expenditure level of families. After this, it will also summarise the key findings of this chapter in section 7.5.

7.2 Total family expenditure in CFPS 2018

As mentioned in the previous chapters, there are in practice 14,218 observations in total who have been surveyed in CFPS 2018. Here, after leaving out those with missing values or null values for their total family expenditure (*EXPENSE*), the final analytical sample for family expenditure include 14,158 CFPS 2018 families, including 6,728 from rural and 7,214 from urban regions. Table 7.1 then demonstrates the percentile analysis of the total family expenditure of these families in CFPS 2018. To be specific, as the figure suggests, Chinese families on average spent 79,110 yuan (£ 8,763) a year on their daily expenses, social relations and/or repaying mortgage loan. Overall, the sampled urban families on average spent much more annually than the rural families, as rural families have an average annual spending of 55,613 yuan (£6,476) whilst the urban families' average spending level was higher at 93,204 yuan (£10,911) per year. To go a step further, a wide gap between the bottom and top percentile groups can also be observed, suggesting a high magnitude of disparity as Chinese families spending and costs for family practices vary a lot. For the families among bottom quartile (25%) group, their total family expenditure was averagely less than 26,060-yuan (£3,094) per year, while for the families within the top quartile (75%) group the annual family expenditure exceeded more than 89,166 yuan (£10,594). Even for the top 5% of sampled families, their

annual total family expenses averagely reached over the amount of 211,204 yuan (£25,233), among which rural families with over 156,711 yuan (£18,621) of total household expenditure per year and urban families 'level higher than 258,603 yuan (£30,683).

Table 7.1 The Percentiles of Total Family Expenditure in 2018 for China (unit: yuan)

	N	Mean	Std. Deviation	Percentiles						
				10%	25%	(median) 50%	75%	90%	95%	99%
China overall	14,158	79,110	89,647	13,534	26,060	49,995	89,166	153,602	211,204	406,504
Rural	6,728	55,613	69,282	10,236	20,000	37,625	66,192	110,156	156,711	322,676
Urban	7,214	93,204	100,846	19,600	36,330	64,720	111,401	184,410	258,603	497,757

When moving to the distribution of the share of residents' consumption expenditure as part of total family expenditure, the final study sample size shrunk to 12,561 families due to data attritions (including 6,028 rural families and 6,352 urban families). As indicated in Table 7.2, in 2018 residents' consumption expenditure on average accounted for 87.21% of Chinese families' total family expenditure, with the average ratios respectively standing at 81.56% for rural families and 79.16% for urban families, without a big difference between the two. However, Chinese families in urban areas where there is normally higher living costs and higher housing prices, tended to spend more to cover their daily expenses for life (will be discussed in more details in section 4.4 later). Also, the distribution analysis suggests the median values for both rural and urban families also stood at a similar level — 89.66% for rural families and 88.5% for urban families. What is noteworthy from the detailed distribution analysis is that there was almost no urban-rural disparity for the share of residents' consumption expenditure, given that among each percentile groups both rural families and urban families have similar level of percentile point values. However, when connecting such reality to the findings in the previous sections, it reminds us that urban residents are more likely to have access to a wider variety goods and services than their counterparts in rural areas, considering the different levels of household wealth and household income.

Table 7.2 The Percentiles of the Ratio of Residents' Consumption Expenditure as Part of Total Family Expenditure in CFPS 2018 (unit: %)

	N	Mean	Std. Deviation	Percentiles						
				10%	25%	(median) 50%	75%	90%	95%	99%
China overall	12,561	79.6	16.3	61.1	77.1	89.1	95.4	98.7	100	100
Rural	6,028	81.6	16.7	61.3	78.4	89.7	95.7	98.7	100	100
Urban	6,352	79.2	16.0	60.9	76.3	88.5	95.1	98.5	100	100

* There is statistically significant rural-urban difference of 0.57% (95% CI, -0.0053 to 1.145), t (12378) = 1.94, p =0.026.

Table 7.3 then further shows the composition of their residents' consumption expenditure, including spendings on food, clothing, daily necessities, medical care and fitness service, transportation and communication, education etc. In general, their expenditure on food on average took the largest share at 32.0% of the residents' consumption expenditure, followed by expenditure on family equipment and daily necessities (15.5%), with relatively equivalent spending to education and entertainment (10.5%), medical and fitness (9.1%), as well as communication and transportation (8.5%). By comparison, the spending share on clothing and other aspects of daily life were lowest respectively at 5.3% and 2.2%. This suggests that for families in China, besides their basic consumption needs, they tend to coordinate their recourses more on welfare and well-being needs for family members.

Table 7.3 The Percentiles of the Ratio of Sub-components of Residents' Consumption Expenditure in CFPS 2018 (unit: %)

Components		N	Mean	Std. Deviation	Percentiles						
					10%	25%	50% (median)	75%	90%	95%	99%
Residents' expenditure on food	Total	12,561	32.0	19.0	12.8	23.1	37.1	51.2	63.6	70.2	82.0
	Rural	6,028	30.1	19.1	10.8	20.1	33.9	48.6	61.5	68.4	81.9
	Urban	6,352	32.8	18.6	15.3	26.3	39.9	53.4	65.1	71.7	82.1
Residents' expenditure on clothing	Total	12,561	5.3	5.5	0.7	2.1	4.2	7.4	11.9	15.7	27.0
	Rural	6,028	4.9	5.6	0.6	2.0	4.2	7.4	11.9	15.7	28.2
	Urban	6,352	5.4	5.3	0.8	2.1	4.1	7.3	11.7	15.3	24.4
Expenditure on family equipment and daily necessities (adjusted)	Total	12,561	15.5	13.1	1.2	2.7	6.2	12.5	23.5	35.7	71.5
	Rural	6,028	14.9	13.1	1.2	2.7	6.1	12.8	23.5	34.4	71.9
	Urban	6,352	15.7	13.1	1.1	2.6	6.2	12.1	23.2	36.5	70.9
Medical and fitness expenditure	Total	12,561	9.1	15.9	0.0	1.5	4.8	13.6	31.9	46.7	76.8
	Rural	6,028	11.8	17.7	0.1	1.9	6.2	17.6	37.9	54.9	80.7
	Urban	6,352	8.2	13.8	0.0	1.2	4.0	11.1	25.3	39.3	69.4
Expenditure on communication and transportation (adjusted)	Total	12,561	8.5	7.9	2.3	4.4	8.0	13.2	20.0	25.3	37.6
	Rural	6,028	9.5	8.7	2.3	5.0	8.9	14.9	22.7	28.2	41.3
	Urban	6,352	8.2	6.9	2.2	4.0	7.1	11.9	17.7	22.1	32.2
Expenditure on education and entertainment	Total	12,561	10.5	13.4	0.0	0.0	3.5	13.7	28.2	38.6	58.4
	Rural	6,028	9.2	14.1	0.0	0.0	1.9	12.0	29.0	41.3	62.5
	Urban	6,352	11.1	12.8	0.0	0.0	5.2	15.1	27.8	36.1	54.6
Other expenditure	Total	12,561	2.2	3.8	0.0	0.3	0.8	1.7	3.6	5.8	15.9
	Rural	6,028	1.7	3.1	0.0	0.2	0.7	1.5	3.0	5.0	12.4
	Urban	6,352	2.3	4.2	0.0	0.4	0.9	2.0	4.1	6.4	18.0

By observing the detailed distribution analysis, families in both rural and urban areas display a paralleled pattern with each other regarding to their share of expenditure on clothing and daily expenses. For example, the median value of the share of spending on clothing among

rural families stood at 4.2%, and urban families at 4.1%. By comparison, there were relatively wider rural-urban gap when it comes to the share of spending on food, medical and fitness, communication, and transportation, as well as education and entertainment. The gap of the spending level on food, as well as transportation and communication can be explained by the difference on the goods price and the infrastructure constructions in the two regions. And the disparity on medical expenditure or educational expenditure is significant for us to understand how the differentiated public welfare service coverage rates and qualities in two areas can have an impact on the varying coordination strategies for resources among rural and urban families. The less accessibility level to public service in rural areas put higher challenges on rural families to pay more attention to coordinating more resources on welfare and well-being needs.

Another finding from the detailed percentile analysis is the wide disparity between families within lower and higher percentile groups, indicating a diverse and varying residents' consumption expenditure structure. Also, wider disparity between the bottom and top percentile families exists among the sub-component spendings such as food expenditure, medical and fitness expenditure, as well as expenditure on education and entertainment. For instance, the 10th percentile for the share of medical and fitness expenditure fell on null, while its 90th percentile stood at 31.9%. A similar pattern can also be observed within the share of expenditure on education and entertainment, as for the bottom quartile (25th percentile) families they had no spending on education and entertainment, while the 90th percentile stood at 28.2%.

Table 7.4 then presents the percentile analysis for the ratio of transfer expenditure in CFPS 2018, of which include expenses on social donations, financial supports for relatives or friends, spending on gifts (both cash and in-kind) for social relations etc. The data suggests that the transfer expenditure among Chinese families on average took up for 11.4% of their total family expenditure, with the mean value stood at 7.1%. Then by excluding the sampled families without any transfer expenditure in practice, the subtotal sample size consists of 11,571 observations, including 5,549 rural families and 5,866 urban families. As shown in Table 7.4, for these sampled families their transfer expenditure averagely took up to 11.8% of their total family expenditure, with the ratio of urban families at 11.1% and rural families with a higher level at 13.5%. The detailed percentile analysis also suggests that rural families overall displayed higher percentages than urban families' across all percentile groups. This suggests that rural families were more likely to coordinate their resources more onto support their extended family and/or onto spending for gifts to maintain social networks than urban families. Even for a minority group of the sampled families, the share of transfer expenditure took accounted for more than 54.3% in rural areas and 39.0% in urban areas.

Table 7.4 The Percentiles of the Ratio of Transfer Expenditure as Part of Total Family Expenditure in CFPS 2018 (unit: %)

		N	Mean	Std. Deviation	Percentiles						
					10%	25%	(median) 50%	75%	90%	95%	99%
China overall		12,561	11.4	13.7	0.8	3.0	7.1	15.2	28.8	40.6	67.1
EPTRAN>0	Subtotal	11,571	11.8	13.8	2.0	3.8	8.0	16.4	30.1	42.1	68.9
	Rural	5,549	13.5	14.7	2.2	4.1	8.8	18.0	32.6	45.3	72.3
	Urban	5,866	11.8	13.8	2.0	3.8	8.0	16.4	30.1	42.1	68.9

* There is statistically significant rural-urban difference of 2.13% (95% CI, -1.6251 to 2.6342), t (11413) = 8.724, p <0.0005.

Then to further observe the composition of transfer expenditure among the CFPS 2018 sampled families, Table A3.1 presents the percentile analysis on the ratio of each sub-components spending of transfer expenditure, by examining those who had indeed transfer expenditure in CFPS 2018 (*EPTRAN>0*). As the figure indicates, majority of the sampled families spent on gifts for social relations and this spending on average took a share of 47.5% nationwide, with the ratio higher among rural families at 50.8% and urban families at 46.5%. An alternative term for this expenditure is often known as '*renqing (expenditure)*' or 'gift giving' in the Chinese context, which indeed extends the inherent to include both material gifts and cash notes in 'red packet'. The note-worthy point here is that for almost half the families who had transfer expenditure in CFPS 2018, all their spending were on gift giving for social relations, with the median value for rural families at 100.0% and 90.9% for urban families. This is indeed a significant point for us to understand how a family as a collective socio-economic actor is practicing the social norms and the cultural value of reciprocity and empathy, which is argued as deeply rooted in Chinese society as a foundational pillar of social intercourse (for example see Hwang 1987; Wang, 2007; Zhang, 2022).

Among the remaining sub-components of transfer expenditure, the household spending on banquets and ceremonies, together with the spending on financial supports to non-coresident relatives leads as the second largest share, respectively with an average percentage of 24.6% and 23.1%. Different from the household spending on gift giving for social relations, there exists a wider gap between rural and families for their share of spending on banquets and ceremonies, as well as the spending on financial support to their extended family. The data suggests that urban families were more likely to coordinate their resources more onto support their extended family network, whilst the rural families tended to coordinate more on banquets and ceremonies.

To go step further, to better observe the resources coordinating strategies among the sampled families here we also observe the transfer expenditure composition among a sample size of

family, by leaving out those observations who were with no consumption on supporting non-coresident relatives or on supporting other individuals, or the spending on gift giving for social relations[19]. Table A3.2 presents the analysis results for these 490 families, including 139 rural families and 337 urban families. As a nationwide pattern, their spending on financial supports to relatives became the largest share of the transfer expenditure, with an average level of 36.1%, followed by the ratio of spending on gift giving at 343.2%. By splitting between the rural and urban areas, their composition for transfer expenditure shows a differentiated pattern – spending on gift giving leads as the largest share for rural families (45.1%), followed by the financial supports to relatives at 33.8%. By comparison, urban families tended to coordinate their resources more equally on both, providing that the average ratios respectively standing at 31.4% and 36.6%. Following this, their spending on banquets and ceremonies. and the financial supports to other individuals on average accounted for 15.2% and 10.9% of transfer expenditure, with expenditure for social donations as the smallest share at 3.6%. The findings here again are important for us to understand the familial practices of Chinese families, especially when a family have to spend on both own needs for maintaining own social networks as '*renqing*' and also for supporting the extended family financially. Rural families are more likely to focus on a wider social relations maintenance while the urban families tend to support their extended families more.

Then for the last two categories of sub-component expenditure to total household consumption, it will investigate the sampled families' consumption (investment) on commercial insurance and the spending on paying off mortgage loan. By firstly looking into the overall nationwide trend, the insurance expenditure on average took up for only 2.9% of total household consumption for families in China, indicating the low penetration of relying to commercial insurance in the country. Considering that the insurance here includes commercial medical insurance, commercial life insurance, car insurance, and property insurance etc., the low entry level to commercial insurance means that Chinese family overall tend to coordinate their resources more onto family support or social network maintenance, rather than saving if for investment in extra supplementary welfare guarantee (like medical insurance) or securing and enhancing their property asset (like property insurance). Another point to mention here is that the percentile analysis also suggests a wide disparity between the sampled families in terms of their investment in commercial insurance. For example, for the bottom 10% of the families their ratio of consumption on commercial insurance was less than 0.7%, whilst for the top 10% families it was more than 14.0%, and even for the minority of them the ratio was higher than

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[19] Here among all the families with valid ID for urban/rural classification, it attempts to only include those cases who have an actual spending on financial support to non-resident relatives (*FP515*>0), financial support to other people (*FP516*>0), spending for social donations (*FP517*>0) as well as spending on gifts for social relations (*FU201*>0). Considering that for the majority of the cases, their spending on banquets and ceremonies are null, so that in order to maintain as many as samples possible for analysis, for this component only, it keeps all the cases equals to 0 and higher than 0 (*FU101*>=0).

32.5% (see Table 7.5). This also clearly indicates the importance of family as an economic institution with significant number of resources directed towards family members' needs while at the same time the marketisation of insurance contracts remains less used. The latter could implicate market solutions as being under-developed in rural areas with urban families also indicated a reluctance to entrust commercial solutions for insurance against various risks. The fact that market provisions are only becoming a significant option to higher income families has significant connotations for market development itself but also for policy makers as it could show the lower level of trust, including affordability, of private insurance provisions.

Table 7.5 The Percentiles of the Ratio of Insurance Expenditure as Part of Total Family Expenditure in CFPS 2018 (unit: %)

		N	Mean	Std. Deviation	Percentiles						
					10%	25%	(median) 50%	75%	90%	95%	99%
China overall		12,561	2.9	4.7	0.0	0.0	0.0	1.7	6.4	10.5	22.7
Families with insurance expenditure	Subtotal	3,981	5.4	6.7	0.7	2.0	4.0	7.7	14.0	19.0	32.5
	Rural	1,467	4.8	6.5	0.5	1.7	3.8	7.5	13.5	18.9	32.3
	Urban	2,468	5.6	6.8	1.0	2.1	4.0	8.0	14.5	19.2	34.5

* There is statistically significant rural-urban difference of -0.42% (95% CI, -0.8523 to 0.018), t (3933) = -1.8795, p <0.0005.

Table 7.7 then moves forward to examine the ratio of spending on paying off mortgage loan among the CFPS 2018 sampled families. Considering that mortgage loan is not a debt that is very common among all the sampled families, the mortgage repayment spending on average only took up for 6.1% of the total household consumption for Chinese families in 2018. By only looking into the families who indeed have outstanding mortgage loan and repaid for it, the study sample then shrunk to 1,395 families, including 469 rural and 908 urban families. Their spending on paying back the mortgage loan on average accounted for 23.2% of their total family expenditure, with the median value stood at a lower percentage of 19.5%. When splitting between rural and urban areas, the urban families' spending for repaying their mortgage took up for a higher percentage of the total family expenditure at 23.3% than that of rural families at 19.8%. Again, a higher magnitude of inequality can be found among the lower percentile and higher percentile of families, as for 10% of them the share of spending on paying off mortgage reached more than 45.0% of their total household expenditure. This indicates that for a minority group of the sampled families, they had to coordinate almost majority of their financial resources onto paying off the formal credits they had secured.

Table 7.6 The Percentiles of the Ratio of Mortgage Repayment as Part of Total Family Expenditure in in CFPS 2018 (unit: %)

	N	Mean	Std. Deviation	Percentiles						
				10%	25%	50% (median)	75%	90%	95%	99%
Total	12,561	6.1	9.2	0	0	0	0	4.4	21.5	47.2
For families who have mortgage on housing										
Total	1,395	23.2	16.9	4.4	10.8	19.5	30.6	45.3	56.1	78.2
Rural	469	19.8	19.8	0.6	7.0	18.5	33.9	50.0	63.1	80.3
Urban	908	23.3	15.2	7.1	12.3	19.7	29.4	42.8	51.4	77.3

* There is not a statistically significant rural-urban difference as the p = 0.95> 0.05.

7.3 Family expenditure growth from CFPS 2010 to CFPS 2018

This section will then move onto examining the spending mobility between CFPS 2010 and CFPS, by observing the dynamic changing pattern of the household spending on different aspects. Before going deeper into the analysis, Figure 7.1 first compares the proportion of sampled families who had spending for different sub-component expenditure from CFPS 2010 to CFPS 2018. For a daily survival expense nature, all the sampled families non surprisingly had residents' consumption expenditure. Following this, 91.6% of the sampled families spent on monetary supports to relatives, donations, as well as gifts for social relations in CFPS 2010. Until CFPS 2018, this percentage maintained at similar level and moderately grew to 92.1%. By splitting the transfer expenditure further, the figure indicates that an increasing number of Chinese families had spent on financial support to their non-coresident relatives in 2018, with the proportion increased from 18.5% to 27.7% overall and higher growth in urban China. Similarly, the proportion of those who spent on gifting for social relations (i.e., red packet money or gifts for relatives/friend's wedding ceremony) had also increased moderate, from the 2010 level of 87.1% to 88.7% in 2018. In meanwhile, less Chinese families had spent on banquets or ceremonies, as well as social donations. In comparison, both the percentage of families spending on purchasing insurances as well as on paying off mortgage loan had witnessed a substantial growth. In CFPS 2018, around one third of the sampled families spent for purchasing commercial insurances (such as commercial medical insurance, car insurance, property insurance, and commercial life insurance), compared to that of 11.9% in 2010. This implies that as time went on, an increasing number of Chinese families are mobilising their resources to invest in their welfare by relying on the market instead of on the state support. As for the proportion of families who spent for paying off their mortgage loan, it had risen from the initial 3.0% in 2010 to 11.1% in 2018. This supports the findings in the previous chapters suggesting Chinese families were in more burdens with housing debts over time and that a significant proportion of this indebtedness is related to housing with the percentage of

outstanding mortgage payments for rural families in 2018 overcoming the percentage of urban families in 2010. In this area, the penetration of market and banks as lenders and issuers of credit has increased drastically between 2010 and 2018 among rural areas.

Figure 7.1 Consumption of Chinese families in CFPS 2010 and CFPS 2018 (unit:%)
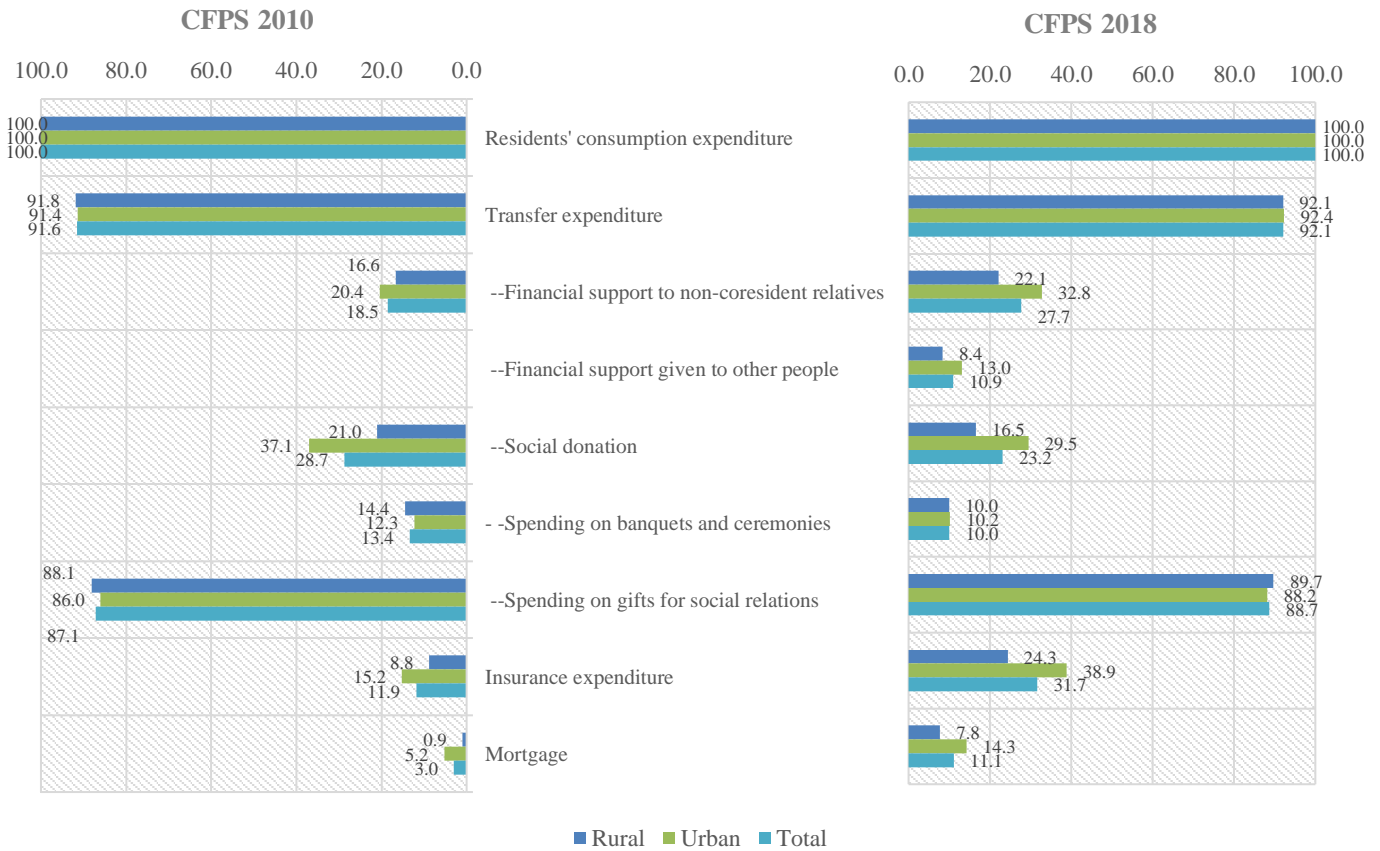
Again, to capture the dynamics of families' spending composition, it will divide the sampled families into four quartiles in an ascending order and compare the average value for each quartile by different regions between different year of 2010 and 2018. To start with, Table 7.7 presents the analysis on the growth to Chinese families' total family expenditure over time. On average, the annual total family income among Chinese families have grown from 2010 level of 30,500 yuan to 82,100 yuan in 2018, with the growth rate reached to 169.2%. Overall, the average growth rates show an ascending order among the bottom to top quartile group of families, with the highest growth rates respectively at 155.5% and 145.8% for the top and 3rd quartile group. The pattern in rural and urban China also indicates a consistency with the overall growth pattern, implying that families with higher level of spending experienced more growth in their total family expenses.

Table 7.7 Average Total Family Expenditure Growth from CFPS 2010 to CFPS 2018
(unit: 10,000 yuan)

Expenditure Quartiles	Total			Rural			Urban		
	2010	2018	Growth rate (%)	2010	2018	Growth rate (%)	2010	2018	Growth rate (%)
	(N=12,837)	*(N=12,561)*		*(N=6,670)*	*(N=6,028)*		*(N=6,167)*	*(N=6,352)*	
Q1	0.8	1.6	107.7	0.6	1.2	95.2	1.1	2.4	124.3
Q2	1.7	3.9	134.5	1.3	2.9	119.6	2.2	5.2	135.6
Q3	2.8	7.0	145.8	2.2	5.1	131.1	3.6	8.9	148.5
Q4	7.2	18.4	155.5	5.5	13.7	147.8	8.8	21.8	149.2
Mean	3.1	8.2	169.2	2.4	5.7	139.2	3.7	9.7	159.8

By looking into details about the composition of their household expenditure, the data indicates that the share or residents' consumption expenditure overall witnessed a slight drop (see Table 7.8). In CFPS 2018, the share of residents' consumption expenditure among Chinese families had dropped to 79.64% compared to the 2010 level of 81.53%, with a minor declining rate of 2.32%. Comparing between the rural and urban families, the average share for urban families dropped more, from 81.54% to 79.16%, whilst the average level of rural families maintained around 81%. Even if the decline rate was at a minor level compared to other expenditure, this can still help us to understand how Chinese families' familial practices had changed over time. For families in urban areas, the highest decline rate was among the bottom (3.59%) and 2nd quartile (3.41%), indicating these families had switched to spend their resources more on other aspects rather than on covering their daily needs. Although the data here is not able to suggest in detail how far they spent on other expenditures, it still implies that the changing strategy might include to support their family network, to purchase insurance or to pay for mortgage loan namely securing their housing needs. Unparallel with the urban pattern, the ratio of residents' consumption expenditure for the bottom quartile in rural areas had coordinated their resources more on daily expenses to guarantee their survival or basic needs.

Table 7.8 Average Growth of the Ratio of Residents' Consumption Expenditure from
CFPS 2010 to CFPS 2018 (unit: %)

Ratio of residents' consumption expenditure	Total			Rural			Urban		
	2010	2018	Growth rate (%)	2010	2018	Growth rate (%)	2010	2018	Growth rate (%)
	(N=12,837)	*(N=12,561)*		*(N=6,670)*	*(N=6,028)*		*(N=6,167)*	*(N=6,352)*	
Q1	58.9	58.1	-1.3	56.6	58.3	3.0	60.2	58.0	-3.6
Q2	86.3	83.7	-3.1	86.8	84.4	-2.8	85.9	82.9	-3.4
Q3	93.9	92.5	-1.5	94.2	92.7	-1.6	93.6	92.1	-1.6
Q4	98.6	97.7	-0.9	98.7	98.0	-0.8	98.4	97.5	-1.0
Mean	81.5	79.6	-2.3	81.5	81.6	0.1	81.5	79.2	-2.9

As shown in Table 7.9, the average share of transfer expenditure among Chinese families declined from 2010 level of 15.3% to 11.4% in 2018. The nationwide pattern suggests that the sharpest declining rate was at 18.1% for the top quartile families, followed by the 3rd quartile at 10.4%, while for the bottom quartile their share of transfer expenditure grew by 11.5%. This suggests a varying and changing coordination strategies between different families – families who were more willing to spend on support their families or gifting for social relations in 2010, tended to reduce their transfer expenditure in 2018. In contrast, the families whose transfer expenditure were at a minor level were more likely to spend more for financial support to relatives or for social relations. Even though the changing patterns in rural and urban China are generally consistent with the overall nationwide pattern, such gap between different quartile groups was more pronounced in rural areas for the bottom quartile families. Specifically, the ratio of transfer expenditure for the bottom quartile among rural families grew by 31.4%, whereas urban families 'ratio declined for all the quartile groups. This means that families with lower level of transfer expenditure in rural areas were keener on increasing their spending on supporting family or for social relations on over time.

Table 7.9 Average Growth of the Ratio of Transfer Expenditure from CFPS 2010 to CFPS 2018 (unit: %)

Ratio of transfer expenditure quartiles	**Total**			**Rural**			**Urban**		
	2010	2018	Growth rate (%)	2010	2018	Growth rate (%)	2010	2018	Growth rate (%)
	(N=12,837)	*(N=12,561)*		*(N=6,670)*	*(N=6,028)*		*(N=6,167)*	*(N=6,352)*	
Q1	1.3	1.5	11.5	1.2	1.6	31.4	1.4	1.3	-3.7
Q2	5.3	4.9	-8.7	5.3	5.3	-1.1	5.3	4.5	-15.0
Q3	11.8	10.5	-10.4	12.3	11.3	-8.7	11.3	9.8	-13.3
Q4	37.8	30.9	-18.1	42.6	35.3	-17.0	33.8	28.3	-16.4
Mean	15.3	11.4	-25.9	17.3	13.0	-25.2	14.0	10.8	-22.9

Table 7.10 then displays the changing pattern for the ratio of insurance expenditure from CFPS 2010 to CFPS 2018. In general, spending on purchasing commercial insurances is not very common among the Chinese families, as the average share of insurance expenditure to total family expenditure was only at 0.8% among rural families and 2.0% for urban families. Even though the growth rates on average respectively reached to 162.3% and 68.4%, the ratios were at 2.0% in rural areas and 5.7% in urban areas, indicating that urban families were more likely to coordinate their resources to invest in commercial insurances. However, when leaving out those sampled families without spending on insurance, the ratio of expenses on insurance overall presents a downward trend over time. For the nationwide pattern, the ratio on average declined from the 2010 level of 7.5% to 5.4% in 2018, with the share among rural families dropped by 13.6% and urban families by 32.7%. Consistent with the nationwide pattern, the

sharpest declining rate among urban families was at 35.2% for the top quartile, followed by the middle two quartiles. By comparison, in rural areas the highest growth rate was at 39.5% for the 2nd quartile, whilst the average ratio for the top quartile declined by 24.0%. This implies that the rural families with lower level of spending on insurance tended to coordinate resources more on investing in insurance, whilst the families with higher level of insurance expenditure tended to spend more on other aspects. Even if from the data here we are not able to tell more in details about the composition of sampled families purchased insurance types, the finding here is still significant for us to understand the coordination of resources among Chinese families. Given that the insurance here includes both welfare nature of commercial medical insurance and commercial life insurance, as well as property securing nature of car insurance and property insurance, increasing spending level on insurance can be understood as a coordination strategy to secure family members' well-beings. This is because medical insurance is often a supplementary protection to the limited coverage in public medical care or to their limited access to the public medical service. One the other hand, coordinating resources to invest in car or property insurance is a way of maintaining the value of their assets to protect family members from financial losses.

Table 7.10 Average Growth of the Ratio of Insurance expenditure from CFPS 2010 to CFPS 2018 (unit: %)

Ratio of insurance expenditure quartiles	Total			Rural			Urban		
	2010	2018	Growth rate (%)	2010	2018	Growth rate (%)	2010	2018	Growth rate (%)
	(N=12,837)	(N=12,561)		(N=6,670)	(N=6,028)		(N=6,167)	(N=6,352)	
Mean	1.5	2.9	98.0	0.8	2.0	162.3	2.0	3.3	68.4
	(N=1,521)	(N=3,981)		(N=586)	(N=1,467)		(N=935)	(N=2,468)	
Q1	0.5	1.0	96.1	0.2	0.8	315.0	1.1	1.1	-1.8
Q2	3.0	2.9	-2.0	1.9	2.7	39.5	3.7	3.0	-18.5
Q3	6.8	5.5	-18.6	5.7	5.4	-5.9	7.5	5.7	-23.5
Q4	22.3	15.0	-32.4	17.9	13.6	-24.0	24.3	15.8	-35.2
Mean	7.5	5.4	-28.3	5.5	4.8	-13.6	8.3	5.6	-32.7

Moving the scope onto the share of spending on repaying the mortgage, it on average increased from a percentage of 1.7% to 6.1% overall in China, with the rural average level increased from 0.4% to 3.5% and urban families from 2.5% to 6.8%. As presented in Table 7.11, 381 out of 12,387 families were with spending on paying off their mortgage loan in CFPS 2010, of which the average ratio was at 23.4%. In comparison, for those 1,395 CFPS 2018 families, they on average spent 23.2% of their household expenditure on paying off their mortgage loan, which almost remained at the similar level as in CFPS 2010. Consistent with the nationwide pattern, the highest growth to the ratio of repayment for mortgage loan in urban areas was at 12.7% for

the top quartile families, while the average ratio for the bottom quartile experienced decreased by 22.3%. This means that for urban families who coordinated their resources more on paying off mortgage loan tended to spend more for the repayment over time, whilst those coordinated less were less likely to spend more on the repayment. Unparallel with the urban pattern, the ratio for all the quartile groups in rural areas grew from the 2010 level in 2018, with the growth rate higher among the bottom quartiles. This finding suggests that rural families had struggled more to coordinate their resources to pay off their mortgage over time when compared to the urban families, especially those who coordinated less to repay the mortgage loan.

Table 7.11 Average Growth of the Ratio of Spending on Mortgage from CFPS 2010 to CFPS 2018 (unit: %)

Ratio of mortgage repayment quartiles	**Total**			**Rural**			**Urban**		
	2010	2018	Growth rate (%)	2010	2018	Growth rate (%)	2010	2018	Growth rate (%)
	(N=12,837)	*(N=12,561)*		*(N=6,670)*	*(N=6,028)*		*(N=6,167)*	*(N=6,352)*	
Mean	1.7	6.1	267.3	0.4	3.5	810.5	2.5	6.8	169.3
	(N=381)	*(N=1,395)*		*(N=60)*	*(N=469)*		*(N=321)*	*(N=908)*	
Q1	8.3	6.0	-26.8	1.3	2.1	63.4	9.3	7.2	-22.3
Q2	17.0	14.9	-12.6	11.8	12.4	5.6	17.4	15.6	-10.4
Q3	25.7	24.6	-4.3	21.4	25.7	20.3	26.4	24.1	-8.6
Q4	44.0	53.2	20.8	39.9	52.5	31.6	44.8	50.5	12.7
Mean	23.4	23.2	-0.6	20.5	19.8	-3.4	23.7	23.3	-1.9

7.4 Reflections on household expenditure in China

In general, the average total family expenditure in China increased from the 2010 level of 24,856 yuan to 65,393 yuan in China. According to the CFPS data, urban families on average had a much higher level of annual household expenditure than the rural families, and the rural-urban gap had become even wider over time. In 2018, Chinese families in rural areas on average spent 46,840 yuan annually, whilst the urban families' average annual household expenditure at 76,733 yuan (see Table 7.12). Such a wide rural-urban disparity can also be found for different percentile points (see Table 7.1). These findings on one hand indicate the wide gap of living cost in rural and urban China, meaning that urban families must spend much more to cover their survival and welfare needs than the rural families. On the other hand, the wide disparity between the lower quantile and higher quantile families suggests the varying willingness among Chinese families to coordinate their resources for investing in assets (such as housing or property insurance), providing financial supports to family network, or spending on gifting for social relations. This can be more explained by looking into the changing pattern for their consumption composition from CFPS 2010 to CFPS 2018.

Table 7. 12 Family Total Expenditure from CFPS 2010 to CFPS 2018 (units: yuan, %)

Expenditure	CFPS 2010			CFPS 2018		
	Rural (N=6,670)	Urban (N=6,167)	Total (N=12,837)	Rural (N=6,028)	Urban (N=6,352)	Total (N=12,561)
Total family expenditure	23,997	37,316	30,486	57,429	96,935	82,112
-Residents' consumption expenditure	**19,562 (81.5%)**	**30,428 (81.5%)**	**24,856 (81.5%)**	**46,840 (81.6%)**	**76,733 (79.2%)**	**65,393 (79.6%)**
--Expenditure on food	6,692 (27.9%)	10,103 (27.1%)	8,353 (27.4%)	14,095 (24.5%)	25,121 (25.9%)	20,938 (25.5%)
--Expenditure on clothing	794 (3.3%)	1,549 (4.2%)	1,162 (3.8%)	2,313 (4.0%)	4,169 (4.3%)	3,488 (4.3%)
--Expenditure on family equipment and daily necessities (adjusted)	2,104 (8.8%)	3,512 (9.4%)	2,790 (9.2%)	6,979 (12.2%)	12,053 (12.4%)	10,121 (12.3%)
--Medical and fitness expenditure	2,988 (12.5%)	3,502 (9.4%)	3,238 (10.6%)	5,546 (9.7%)	6,258 (6.5%)	5,929 (7.2%)
--Expenditure on communication and transportation (adjusted)	2,302 (9.6%)	4,083 (10.9%)	3,170 (10.4%)	4,436 (7.7%)	6,282 (6.5%)	5,572 (6.8%)
--Expenditure on education and entertainment	2,482 (10.3%)	4,192 (11.2%)	3,315 (10.9%)	4,307 (7.5%)	8,484 (8.8%)	6,887 (8.4%)
--Other expenditure	1,223 (5.1%)	966 (2.6%)	1,098 (3.6%)	781 (1.37%)	1,758 (1.8%)	1,467 (1.8%)
-Transfer expenditure	**4,160 (17.3%)**	**5,218 (14.0%)**	**4,675 (15.3%)**	**7,441 (13.0%)**	**10,454 (10.8%)**	**9,338 (11.4%)**
--Financial support given to non-coresident relatives	444 (1.9%)	1,030 (2.8%)	730 (2.4%)	1,220 (2.1%)	2,678 (2.8%)	2,155 (2.6%)
--Financial support given to other people				181 (0.3%)	380 (0.4%)	308 (0.4%)
--Social donation	23 (0.1%)	121 (0.3%)	71 (0.2%)	82 (0.1%)	179 (0.2%)	142 (0.2%)
--Spending on banquets and ceremonies	1,918 (8.0%)	1,554 (4.2%)	1,740 (5.7%)	2,352 (3.8%)	2,177 (2.4%)	2,294 (2.8%)
--Spending on gifts for social relations	2,513 (7.4%)	1,775 (6.7%)	2,134 (7.0%)	3,781 (6.6%)	4,865 (5.0%)	4,439 (5.4%)
-Insurance expenditure	**184 (0.8%)**	**733 (2.0%)**	**451 (1.5%)**	**1,162 (2.0%)**	**3,195 (3.3%)**	**2,408 (3.0%)**
-Mortgage	**92 (0.4%)**	**938 (2.5%)**	**504 (1.7%)**	**6,553 (3.5%)**	**1,985 (6.8%)**	**4,973 (6.1%)**

As the largest share of the total family spending, the residents' consumption expenditure on average accounted for around 80.0% of the total family expenditure over time. Despite the wide gap on the average amount of their spending on daily life, rural and urban families had the same level of share for residents' consumption expenditure at 81.5%. In CFPS 2018, the ratio among urban families slightly dropped to 79.2%, while that of rural families maintained

at the same level. Even if the rural families and urban families generally share a similar consumption composition structure for their residents' consumption expenditure, there is still subtle difference between their sub-component spendings like on medical and fitness expenditure. For example, in CFPS 2018, on average 9.7% of rural families' residents consumption expenditure was spent on health care and/or fitness equipment, while the percentage of urban families was at lower at 6.5%. Although this does not necessarily mean that rural families are more likely to spend more for health care as a general, it is still significant for us to understand the disparity of rural and families' coordination strategies due to their differentiated accessibility to public welfare support, i.e., health care.

Then from the remaining sub-component expenditure, transfer expenditure took a larger share than the spending on purchasing insurance and on paying off the mortgage loan. In CFPS 2010, the share of transfer expenditure among Chinese families was at 15.3%, with insurance expenditure and repayment on mortgage loan taking up for similar share respectively at 1.5% and 1.7%. As time passed by, such pattern has changed to a layered odder in CFPS 2018 – with the ratio of transfer expenditure dropped to 11.4%, followed by repayment on mortgage at 6.1%, with the insurance expenditure lowest at 2.9%. Considering that the share of spending on daily expenses had remained at the same level, such changing patterns for other spendings indicate that overall families in China tended to spend their financial resources more on their own households over time rather than spending on to support their family network or maintain their social relations and networks. As mentioned before, we can probably understand investment in insurance as a complement to the state support they received or a mean to protect themselves from financial losses due to property damage. As for spending on repaying the mortgage loan, is indeed a family practice of securing family members' housing needs by resorting to the formal credits. In this sense, as a collective socio-economic actor, the family in China had started to prioritise their resources on securing domestic household needs, rather than spending more on to support family members or relatives like before.

With all the sub-component of transfer expenditure, the largest share in 2010 centres on the spending on banquets and ceremonies (5.7%), as well as the spending on gift (both cash and in-kind) for social relations (7.0%). Then in CFPS 2018, this is only partially true as the ratio of spending on banquets and ceremonies dropped to 3.0% while spending on gifts for social relations fell to 5.4%. By splitting between rural and urban areas, the ratio of spendings on both the former and the latter one among rural families were at a similar level (respectively at 8.0% and 7.4%), while there was a gap between the two ratio among urban families (4.1% and 6.7%). Until CFPS 2018, the pattern for both rural and urban families showed a convergency, with the ratio of spending on banquets for rural families decreased to 3.8%, which was lower than the

spending on gifting for social relations at 6.6%. Another noteworthy finding here is that no matter how Chinese families' strategies has changed over time to coordinate the spending on banquets and ceremonies, or on gifts for social relations, their share of spending on financial support to non-coresident relatives had fluctuated around the same level. Specifically, the ratio for rural families increased from 1.9% to 2.1%, whereas that of urban families maintained at 2.8%. Also taking into account the increasing percentage of families who spent for financial supports to relatives, the finding here indicates that the family network's support stayed as substantive and intensive as before over time.

Table 7.13 Family Total Expenditure from CFPS 2010 to CFPS 2018, by Different Quantile Groups (units: yuan, %)

Family expenditure quantiles	Total					
	CFPS 2010			**CFPS 2018**		
	0-20%	40-60%	80-100%	0-20%	40-60%	80-100%
Total family expenditure	6,813	21,868	80,343	13,994	52,262	204,838
-Residents' consumption expenditure	**88.4**	**86.9**	**77.0**	**88.5**	**84.5**	**76.9**
-Transfer expenditure	**11.3**	**12.2**	**18.0**	**10.9**	**11.4**	**10.8**
--Financial support to non-coresident relatives	1.0	1.6	3.1	1.1	2.1	2.8
--Financial support given to other people				0.1	0.4	0.4
--Social donation	0.1	0.1	0.3	0.1	0.1	0.2
--Spending on banquets and ceremonies	0.7	1.8	9.1	0.6	1.6	3.5
--Spending on gifts for social relations	**9.6**	8.6	5.6	9.0	7.1	4.0
-Insurance expenditure	**0.3**	**0.7**	**2.2**	**0.5**	**2.3**	**3.3**
-Mortgage	**0.0**	**0.2**	**2.8**	**0.1**	**1.8**	**9.0**

Parallel with the previous chapters, here we again divide the CFPS sampled families into five quantile groups in an ascending order of their family consumption level and then compare their average values respectively for the bottom 20% (lower consumption), middle 20% (moderate consumption) and top 20% families (higher consumption). Table 7.13 presents the dynamic changes to their household consumption composition from CFPS 2010 to CFPS 2018. In general, the nationwide pattern suggests that the highest percentage of residents' consumption expenditure was at 88.4% for the families of moderate consumption in 2010, followed by the families with lower consumption at 88.4%. This pattern hadn't changed much until CFPS 2018, given that the ratio for the bottom and the top quantile respectively stood at 88.5% and 76.9%. In comparison, the highest ratio of transfer expenditure in CFPS 2010 was found among families with higher consumption at 18.0%, with those of lower- and moderate-level consumption families with no big difference at 11.3% and 12.2%. However, until CFPS 2018

such gap had narrowed down among different groups of families, with the ratio for families with moderate spending level at 11.4% whilst those of families with lower and higher consumption standing at a slight lower level (10.9% and 10.8%).

Unlike the dynamic changes to the average amount of insurance expenditure, the ratio of insurance expenditure remained the similar pattern in CFPS 2018 – the highest ratio was at 3.3% among the families with highest consumption, followed by the families with moderate spending level with an average level of 2.3%, with the lowest ratio at 0.5% for the families with lowest consumption. By comparison, the families of the highest consumption were with the highest share of spending for paying off mortgage loan at 9.0% in CFPS 2018, while that of the families with moderate spending standing at 1.8%. These findings mean that families with higher consumption are those who tend to coordinate their resources more on to invest in insurance to secure family member's needs (like health care, or housing despite relying onto borrowing for mobilising resources) and assets (cars, properties etc.). Moreover, by decomposing the transfer expenditure, a consistent pattern over time is that families of lower consumption had higher level of spendings on gifts for social relations, whilst those of higher consumption had higher level of spending for the financial supports to the extended family network. To sum up, the overall changing pattern for household consumption composition from CFPS 2010 to CFPS 2018, suggests that families who were more possible for mobilising their resources were more likely to make an investment to secure family members' well beings over time instead of spending on supporting the extended family or on maintaining social networks.

7.5 Chapter summary

Thus, this chapter has explored how Chinese families' strategies for resource coordination had changed over time, by observing the dynamic changes to their household spending from CFPS 2010 to CFPS 2018. The finding suggests that there is potentially a growing trend of mobilising resources onto insurance purchasing or housing asset among Chinese families, especially among those of higher consumption. In comparison, even if the ratio of transfer expenditure showed a slightly downward trend among families both in rural and urban China, their share of spending on financial support to the extended family had remained at similar level, or more precisely speaking, witnessed a slight increase. The changing trend over time also shows a convergence tendency to the share of transfer expenditure among Chinese families of different consumption levels. In detail, although the average absolute spending on banquets or ceremonies, as well as the spending on gifting for social relations had both increased, both of their shares to the total family expenditure had dropped. In comparison, the share of expenditure as financial supports to broader family network had maintained the similar level,

implying the consistent family support between Chinese families. Furthermore, the findings from the comparison of different spending level families suggests an increasing trend for families of higher consumption to reduce their transfer expenditure (for support family or maintaining social network), and instead mobilising their resources more onto investing in insurance (to improve family members welfare or maintaining the value of fixed durables or properties) or securing housing needs (even via resorting to formal credits).

Chapter 8 Family Debts in China

8.1 Chapter introduction

This chapter is aiming to shed light on a topic that remains largely unexplored both within contemporary social policy but also in social policy research focusing on China. The importance of household debt has been captured by few scholars (see Papadopoulos and Roumpakis, 2017), with an attempt to display key trends in the political of welfare. Few have however researched in depth the importance of growing debt for Chinese households. While it remains important to take into account the political perspectives, existing research has focused on macro-level indicators without detailing the distribution of debt amongst households, or specifying to whom that debt is owed. This is an important aspect as it allows us to capture the significance of debt volume and ownership, which indicates how far household are in debt in modern China, but more importantly how family as a cultural and economic actor is exposed to debt. For example, there is a significant difference if families are exposed to friends or relatives for their debt, or whether they have used formal channels for accessing lending, possibly housing or business loans. The latter particularly indicates how far formal loans penetrate family strategies in China. This implies how far households are likely to rely on extended family or family as well as financial institutions. The cultural significance of these findings is able to indicate the extent to which families may prefer to trust relatives or friends rather than resort to financial institutions. The importance of these cultural aspects (e.g. trust) have direct implications on the development of financial markets in China and how far households could be resisting being part of a formal market loan relationship.

This chapter analyses family debts among the sampled families in the CFPS dataset. It will investigate the total family debts among Chinese families from a range of dimensions, including the axis of housing debts vs. non-housing dimensions, as well as debts owed to bank vs. debts owed to family etc. Section 8.2 starts with an overview of the total family debts of CFPS 2018 sampled families and the distribution of their outstanding total family debts, bank loans and debts to family. To further observe their borrowing reliance and borrowing purposes, it then analyses the share of bank loans and debts to family by dividing them into different groups depending on whether they resorted to bank alone, to family alone, or even to both. After this, section 8.2.1 specifically looks into the overall housing debts (mortgage loan vs. housing debt to family) among CFPS 2018 sampled families by linking their practical borrowing reliance for housing purpose with their first choice of person(/institution) to approach when borrowing relatively a large amount of money (especially for purchasing house

or for turnover of capital), as well as with their previous experiences of being refused by the potential lenders.

Section 8.2.2 goes on to examine the other financial debts of CFPS 2018 families by firstly comparing the borrowing preference among rural and urban families, with a subsequent distribution analysis on their other bank loans and financial debts to family for those who only resorted to formal credits, who depended on family network alone and those who integrated both channels. Following this line, within those who had outstanding non-housing debts, it also compares the commitments from bank and family among sampled families with or without their own family business. Furthermore, section 8.2.3 then attempts to carry out an analysis on both bank loans and debts to family by narrowing down the sample size to those who had borrowed money for turnover for both housing and non-housing reasons. To further map out Chinese families' redistribution regarding the resources they collected via formal and/or informal credits, it also evaluates the usage of their total family debts by tracing back to CFPS 2010 due to the limited variables provided in CFPS 2018 dataset owning to the nuance on the questionnaire design of the baseline survey of CFPS 2010 and the recent wave of CFPS 2018.

After considering financial supports received by Chinese families via formal financial institutions and informal lending and borrowing within the family network, section 8.2.4 moves the scope towards 'voluntary' financial support within family network built on kin linkage and friendship by conducting a distribution analysis towards Chinese families' monetary supports provided by non-coresident children, relatives, and friends etc. Then to have a deeper understanding of how and to what extent family networks can act as a financial absorber to families with lower and higher level of household wealth, section 8.3 compares the financial commitments from the bank and family for those sampled families respectively with positive and negative equity. Subsequently, the section also specifically and deeply focuses on those CFPS 2018 families with negative equity by carrying out a distribution analysis to their total family debts, including overall housing debts vs. other financial debts, as well as bank loans vs. debts to family.

Section 8.4 is then concerned with a comparison between CFPS 2010 and CFPS 2018, with section 8.4.1 tracking the changes to bank loans and debts to family of those CFPS sampled families who were with outstanding debts in CFPS 2010, and also tracing a smaller sample size of families who had been in debt since CFPS 2010 until CFPS 2018. This chapter finally

finishes with concluding remarks highlighting the significant findings and implications on these aspects in section 8.5, before ends with a brief chapter summary in section 8.6.

8.2 Total family debts in CFPS 2018

Table 8.1 presents a detailed breakdown of the total family debts among the families surveyed in the CFPS 2018, distinguishing between debts owed to banks and those owed to family and friends. The data reveals that the average total debt for Chinese families stood at 62,075 yuan (approximately £7,323), with a total sample size of 14,062 families. Notably, 34.3% of these families had outstanding debts. This figure includes 36.5% of rural families and 32.3% of urban families. For those with uncleared debts, the average amount of incurred debts was 187,971 yuan (£22,327) in 2018. The data further indicates a significant reliance on informal lending- 21.9% of families resorted to family for credit, compared to 19.4% who borrowed from bank. However, a closer look at the rural-urban divide reveals a more nuanced story. A higher proportion of rural families (26.8%) relied on loans from family, compared to 17.7% who borrowed from banks. This suggests two critical insights – firstly, that either trust in, or access to, the formal banking system may not be as prevalent among rural households as it is among urban ones; and secondly, that familial trust bonds remain a strong financial foundation in rural China.

Table 8.1 Total Family Debts of CFPS 2018 Sampled Families (by different groups) (unit: yuan)

	N	Mean	Std. Deviation	Percentiles			Percentage (%)		
				25%	50% (Median)	75%	Rural	Urban	Total
Total sample size									
Total family debts	14,062	62,075	200,350	0	0	30,000			
Overall bank loans	14,108	45,875	178,228	0	0	0			
Debts to family	14,162	15,194	60,151	0	0	0			
Families with outstanding total family debts									
Total family debts	4,718	187,971	316,861	30,000	70,000	200,000	36.5%	32.3%	34.3%
Families with outstanding bank loans									
Overall bank loans	2,653	237,669	361,130	40,000	100,000	270,000	17.7%	21.0%	19.4%
Families with outstanding debts to family (and/or friends)									
Debts to family	3,060	76,189	112,783	20,000	40,000	80,000	26.8%	17.6%	21.9%

Interestingly, 21.0% of the urban families borrowed from bank while 17.5% of them borrowed from their family. This indicates that urban families are more likely to owe to formal banking institutions which could resemble both better access to these loan markets and more trust towards these financial institutions. It is important of course to indicate that exposure to debt

from families remains considerably even for urban families, implying that long-established forms of relationships among family members continue to matter and even have direct repercussions into how financial markets are developed and perhaps more importantly how families, despite modernisation of the economy, remain strongly rooted within familial relationships. Among 2,653 sampled families who still had remaining bank loans to pay off to bank, the mean value of their overall bank loans stood at 237,669 yuan (£28,230). In comparison, the average level of debts to family among those who borrowed from family (N=3,060) was lower at 76,189 yuan (£9,050). The findings indicate that the loan amounts are higher from the banking sector, meaning that the financial markets have overtaken considerably informal lending practices and that often the latter refers to smaller amounts than the amounts owed to banks.

Then, when further moving lens onto those families who had outstanding total family debts by particularly looking into their outstanding bank loan and debts to family, there were 1,652 out of 4,718 sampled families who owed money solely to the bank, of which the level averagely was less than that of 2,043 families for those who only borrowed money from their family and/or friends (refer to Table 8.2). By breaking down to rural and urban areas, among those 611 rural families who only had uncleared debts with bank, they had an average outstanding overall bank loans of 177,466 yuan, while the mean value for urban families was much higher reaching up to 272,874 yuan. This could reflect the higher level of collateral in urban areas (e.g. housing valuations). By comparison, the family debts level for those who solely relied on family for borrowing were at a lower level, providing that the mean value of debts to family for rural families stood at 55,824 yuan and 81,509 yuan for urban families.

Apart from this, among the 1,001 families who had outstanding debts to both the bank and family, their bank loans averagely 62.8% of their total family debts, with the proportion of debts owed to family at 36.0%. For these families who relied on both channels for capital turnover, their overall bank loans averaged to 218,524 yuan and debts to family 90,282 yuan. A split between rural and urban families also enables us to compare the breakdown of debt owed in the form of bank loans or debts to family between rural and urban China. This data reveals that urban families who have outstanding debts to both banks and family are more likely to borrow from bank (as bank loans took up to 66.0% of their total family debt) rather than from family (32.7%). Similarly, when relying on both channels, rural families are also more exposed to banks (57.9%) than to family (41.1%), yet it needs to be highlighted that they tend to owe more (as a percentage) to their family members than urban families. The finding here suggests that rural families, although able to resort to bank for loans, they continue to rely more on or prefer to resort to their family network including close family members, relatives or even friends. this has important implications in terms of how far familial relationships remains at

the heart of securing assets and well-being among family members. Access to capital is therefore intermediated by family itself as an institution. Moreover, the maximum amount of outstanding bank loan of rural families stood at 2,000,000, yuan while the maximum amount of unpaid off debts to family also reached 2,000,000 yuan, meaning that the family network as a financial support to rural families can assist with a large amount of money, similar to an amount that a bank can lend even if the average level of debts to family (80,238 yuan) were lower than the mean average of their overall bank loans (128,388 yuan). The importance of this finding is that capacity of the family loan should not be underestimated.

Table 8.2 Bank Loan and Debts to Family Among Different Groups (unit: yuan)

	N	Bank Loans				N	Debts to family			
		Mean	% of total debts	Min	Max		Mean	% of total debts	Min	Max
Families who only borrowed from bank										
Total	1,652	247,344	99.7%	3	5,300,000					
Rural	611	177,466	99.2%	100	3,000,000					
Urban	1,005	272,874	99.9%	3	5,300,000					
Families who only borrowed from family										
Total	2,043						69,288	98.4%	1	1,600,000
Rural	1,236						55,824	98.0%	2	1,060,000
Urban	786						81,509	98.8%	1	1,600,000
Families who borrow both from bank and family[1]										
Total	1,001*(988)*[20]	218,524	62.8%	2	3,000,000	1017 (988)	90,282	36.0%	1	2,000,000
Rural	532 *(526)*	128,388	57.9%	2	2,000000	540 (526)	80,238	41.1%	3	2,000,000
Urban	457 *(451)*	272,351	66.0%	7	3,000,000	465 (451)	97,276	32.7%	1	2,000,000
Families who borrow both from bank and family only for housing purpose[2]										
Total	333 (332)	307,786	73.1%	3,000	3,000,000	339 (332)	75,174	26.3%	1	2,000,000
Rural	165 (164)	177,918	67.6%	3,000	2,000,000	168 (164)	71,301	32.0%	3	600,000
Urban	167	383,127	76.5%	8,000	3,000,000	169	77,610	22.8%	1	2,000,000
Families who only borrow money from bank and family for non-housing purpose[3]										
Total	246 (244)	76,501	50.0%	5	800,000	253 (244)	77,769	48.0%	1,000	600,000
Rural	142	77,357	56.4%	5	800,000	147	55,695	42.9%	1,000	600,000
Urban	99 (97)	75,912	45.0%	7	800,000	101(97)	97,110	52.0%	1,000	500,000

[1] There is statistically significant rural-urban difference of -5.98% (95% CI, -9.2051 to -2.7454) for the share of bank loan ratio, t (974) = -3.63, p < 0.0005; for debts to family: a significant difference of 6.05% (95% CI, 2.88 to -9.2204), t (974)=3.745.

[2] Loan ratio: -7.25% (95% CI, -11.6193 to -2.8951), t (467) = -3.27, p = 0.001; Family to debts: 7.12% (95% CI, 2.7785 to -11.4579), t (467) = 3.22, p =0.001

[3] loan ratio: -6.73% (95% CI, 2.1554 to 14.4018), t (237) =-2.67 , p = 0.008 ; Family to debts: -6.73% (95% CI, -12.8275 to -0.637231), t (237) = -2.18, p =0.03.

As shown in Table 8.2, it further investigates these 1,001 families by filtering those who borrowed money exclusively for housing purpose, and those borrowed only for other financial

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[20] Here the sample size (N) for bank loan and debts to family are different as there are different numbers of missing values generated for both depending on the missing values for variables ft301, ft401, ft501 and ft601 from the CFPS 2018 dataset. And in practice, the % of total family debts is calculated for a smaller sample size by excluding those who have missing values for total family debts. Hereafter the same if not specifically mentioned.

(non-housing) purposes. Among those 333 families who borrowed money both from the bank and family only for housing purpose, 73.1% of their total family debts was owed to the bank while the remaining 26.3% was outstanding debts with family. Such a gap appears even wider among urban families given that their outstanding overall bank loans (in practice namely their mortgage loan) averagely took account for 76.5% of total family debts and outstanding debts owed to family as 22.8%. Such a significant subsidizing role of the family network in the economic dimension is also disclosed when moving focus onto other financial debts, providing that the proportions of money that Chinese families borrowed for non-housing purposes respectively from bank and their family are nearly equal. For rural families the proportion of their bank loan were slightly higher with a mean level of 56.4%, and outstanding debts owed to their families reaching to 42.9%. In contrast, the urban families averagely have slightly more unpaid debts to their family as over half of their total family debts were money owed to family, whilst the outstanding bank loan took account for 45.0% to their total family debts.

On the other hand, such proportional difference of bank loan and debts to family regarding housing and other financial purposed borrowing, as well as the urban-rural difference of reliance preference, can also imply the different accessibility to formal banking among rural and urban families. One of the main reasons is that rural families are often spatially accessible but practically financially excluded to secure loans due to the conditions and requirements imposed by the formal lending policies, which specifies the collateral (normally one's fixed assets and a good credit history/rating) as the key necessary conditions for loans being offered. This is precisely the difficulties that rural families have in securing loans from the formal banking system and formal financial markets, as they could be questioned about their abilities to repay their loans, in particular their lack of collateral and formal credit records. Even though land can often be used as collateral for a loan, for most impoverished rural dwellers the reality is that they have no ownership rights over the land that they cultivate.

8.2.1 Overall housing debts in CFPS 2018

To further observe their preference for resorting, Table A4.1 presents an analysis of 11,995 sampled CFPS 2018 families in terms of their borrowing choice for overall housing debts whose current residence are solely or partially owned by one or more family members. Apart from 9,040 sampled families (75.4%) who claimed themselves as having no outstanding overall housing debts, there were overall 1,100 (9.2%) sampled families stated that they only borrowed from banks when purchasing or decorating a house. In comparison, 1,300 families (10.8%) reported that they only borrowed from family instead, and the number of families who relied on both was smaller at 555 (4.6%). Among these 2,955 families who claimed as having borrowed money for housing purpose, there were finally 2,867 families practically identified

as still having outstanding overall housing debts at an average level of 223,298 yuan (see Table 8.3). Moreover, urban families are overall with much higher levels of housing debts, providing that they on average had almost more than twice the amount of overall housing debts as rural families, of which the mean values respectively stood at 266,562 yuan and 133,874yuan. This typically reflects housing markets disparity and cost differences for housing in urban and rural regions in China.

Table 8.3 The Percentiles of Overall Housing Debts in 2018 for China (unit: yuan)

	N	**Mean**	**Std. Deviation**	**Min**	**Max**	**Percentiles**					
						10%	**25%**	**(median) 50%**	**75%**	**90%**	**95%**
Families with outstanding overall housing debts											
Total	2,867	223,298	336,956	1	4,000,000	15,000	30,000	90,000	250,000	500,000	700,000
Rural	1,336	133,874	195,521	1	3,000,000	10,000	20,000	50,000	110,000	300,000	450,000
Urban	1,500	266,562	408,659	1	4,000,000	20,000	50,000	150,000	347,500	600,000	900,000

The institutional divide of housing policy between rural and urban compartments forms the dualism of rural and urban housing that are distinctively and substantively different from each other because of their fundamental differences determined by land ownership, land supply, land market, housing resources, housing tenure, housing marketisation etc (Cai et al., 2015; Zhang et al.,2016). In rural China, households are normally allocated land for both housing and agricultural use, which means they can build houses on their own and the value of housing mainly depends on self-evaluation, even if they do not amount to full private ownership. Different from their rural counterparts, along with long-term rural residential property marketisation urban households are often exposed more to pressure for housing with a much higher level of housing price primarily determined by the market price. Such housing affordability problem arise from relatively limited living space in urban areas compared to rural regions and a shortage of supply in the urban housing market. Although we are not able to expand on the limitation of the housing market and the structural conditions for offering accessible housing, it is important to note that existing research has already highlighted these issues.

Debts are not common among Chinese families. Families who had no housing debts at all remain as the largest share among the sampled families. 77.4% of rural families and 73.5% of urban families in CFPS reported that they had no overall housing debts at all. Apart from this, 4.6% of the sampled rural families and 4.7% of the urban families claimed not only receiving mortgage loans from banks but also borrowing money from their family/ friends for housing purposes. This reveals no big difference between rural and urban families on their borrowing

choice for relying on both channels. However, by observing their preference for solely relying on any of the single channel, it is more likely for urban families to rely on banks instead of family network, whilst the scenario for rural families is the opposite. In detail, 13.0% of rural families borrowed from family rather than from bank, whilst only 5.0% of rural families had managed to borrow from bank rather than from family for the purpose of purchasing a house. By contrast, 13.3% of urban families chose to borrow from bank rather than from family, and those urban families who preferred to rely only on family was with a percentage of 8.6%. These findings suggest that rural families are more likely to rely on family for capital to purchase a home rather than a bank, which is crucial for understanding how both culture and familial ties intersect with financial transactions in modern day China. Effectively, family remains here a collective socio-economic actor simply as the trust for mobilising capital remains culturally embedded within extended family networks - the latter has also direct economic, in the thesis of formal economic, implications both for how families are exposed to debt (and therefore who they are in debt to) but also how capital markets are developed in rural China.

Table 8.4 then further presents an analysis of the overall housing debts of the sampled CFPS 2018 families in accordance with their different borrowing reliance - whether only relying on bank, only on their family, or on both. For the sampled 1,059 families who only had outstanding mortgage loan to the bank, they on average had mortgage loans of 320,561 yuan, taking up to 90.4% of their total family debts. Among these, urban families averagely had much more outstanding mortgage loan (349,125 yuan) than rural families (180,365 yuan), respectively accounting for 86.2% and 92.1% of their total family debts. In comparison, for families who only had outstanding debts to their family for purchasing/building/decorating houses, their housing debt owed to family on average took up for 82.2% of their total family debts, despite at a relatively lower average level at 70,511 yuan. Furthermore, by investigating the 555 sampled families who borrowed both from the bank and family for housing purposes, 66.0% of their total family debts attributed to mortgage loan, with the remaining 23.8% as the outstanding housing debt to the family. This potentially implies that on one hand the family (even can be broadly expanded to non-coresident relatives and friends as well) undoubtedly acts as a significant support for Chinese families when it is necessary for them to borrow a relatively considerate amount of money such as for purchasing or building house etc. On the other hand, the distinctively different accessibility to bank loans in rural and urban areas, leads rural families to resort more to their family for capital when compared to urban families, especially in case of confronting restricted access to the formal capital sector where there are often firm restrictions on terms and regulations of loans. Among the 266 rural families whose owed housing debts to both sides, their outstanding housing mortgage loan and debt to family respectively contributes to 60.1% and 29.0% of the total family debts. In comparison, the gap

between the share of the two among urban families were slightly wider, with the share of mortgage accounting for 69.5% to the total family debts and the proportion of non-bank housing debts to family took up for 20.7%.

Table 8.4 Overall Housing Debts for Different Groups (unit: yuan)

	N	Mortgage Loan				N	Non-bank housing debt			
		Mean (weighted)	% of total debts (weighted)	Median	Max		Mean (weighted)	% of total debts (weighted)	Median	Max
Families who only borrow from bank for housing										
Total	1,059 (1055)	320,561	95.35%	200,000	4,000,000					
Rural	293 (291)	260,697	92.85%	100,000	3,000,000					
Urban	748 (746)	329,412	96%	240,000	4,000,000					
Families who only borrow from family for housing										
Total						1,277 (1276)	70,511	82.21%	38,000	1,200,000
Rural						779 (778)	56,710	80.45%	30,000	1,000,000
Urban						487	82,966	83.76%	40,000	1,200,000
Families who borrow both from bank and family for housing										
Total	535 (529)	276,036	66.01%	130,000	3,000,000	545 (529)	74,092	23.78%	50,000	2,000,000
Rural	266 (263)*	168,575	60.11%	60,000	2,000,000	270	65,206	28.99%	40,000	1,000,000
Urban	266 (264)	337,489	69.49%	200,000	3,000,000	272 (264)	79,225	20.72%	50,000	2,000,000

Different from such reality of bank loan as the largest share, when asked about the first ideal choice of person to approach when necessary for borrowing relatively a large amount of money, for instance, especially for purchasing house or for turnover of capital), majority of the sampled families (*Valid N= 14,129*)[21] tended to pick up family network rather than the bank as their top preference (as illustrated in Figure 8.1). To be specific, 35.6% of the sampled CFPS 2018 families (equivalent to 5,036 observations) picked up out relatives as their first choice of person to approach, while 14.1% (*N=1,995*) and 5.9% (*N=837*) of the interviewed families respectively chose parents or children, as well as friends as their first point of support to approach. In comparison, 28.7% (*N=4,061*) of the sampled families responded that they will firstly turn to the bank for financial assistance. Furthermore, only less than 1% of the sampled families chose to reach out to formal financial institutions other than the bank (0.3%) or individual or private loan institutions (0.3%). For the rest of 14.9% sampled families, they stated that they would never borrow money under any condition. Such a biased preference for informal borrowing from family network and friends rather than from formal credit market indeed makes sense from economic, institutional, and cultural perspectives. Families can often have easier access to their interpersonal resource of credit (usually parents or children, relatives, and friends), which is more flexible based on a verbal agreement without written contract.

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[21] Here the sample size excludes those observations who are not applicable (N=49), who refuse to answer (1) and who answered unknown (39).

Additionally, families are more likely to be flexible with repayment of the loan and obviously avoiding exposure to formal creditors is a preferred way to manage these economic transactions. Within such informal borrowing and lending, borrowers can be hardly charged by any interest like they do by bank and meanwhile lenders are more likely to agree for borrowers postponing the repayment if they are not able to pay off the debts on time. Given that trust and support network among kin linkage and friendship can be tighter, instead of resorting to formal financial institutions, Chinese families often regard family network as the optimal option to resort to when liquidity is necessary.

Figure 8.1 First Choice of Person to Approach for Borrowing Money (*N=14,129*)
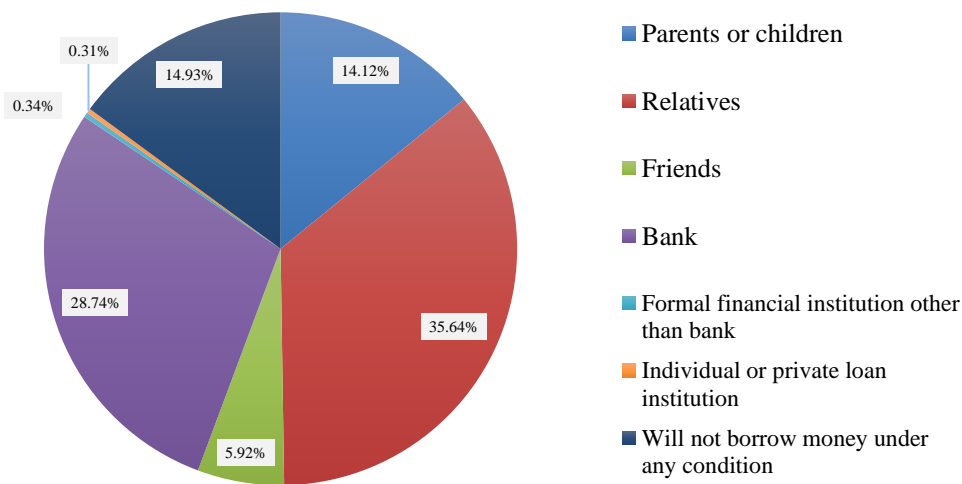
Table 8.5 keeps on observing the overall housing debts of these CFPS 2018 families, by particularly focusing on those who indeed had outstanding housing debts to both the bank and family, sorted by their preference on first choice of person to approach when it is necessary for borrowing a large amount of money for liquidity. Generally speaking, their mortgage loan in practice was at a much higher level than the money borrowed from the family for housing purpose, regardless of their first optional choice of point for borrowing. For instance, for families whose first choice were their parents or children, their average outstanding housing debts to family was up to 109,772 yuan, being the highest level among all the family groups. Apart from these 41 families, the second highest outstanding housing debts to families were among family groups whose first choice were relatives with a mean average of 75,724 yuan, followed by those who preferred to turn to friends (72,458 yuan) or bank (68,028 yuan). Even though for those families whose first choices were their friends, their average amount of housing debts owed to family was at a lower level compared to other group of families, which represents around one third of their total housing debts. Even for those 13 families who stated

that they would not like to borrow money under any condition, they still had outstanding housing debts, among which 77.7 % were owed to the bank and 22.3% to the family. For those 2 families whose first choice was other individuals or private loan institutions, even if the share of mortgage loan at 84.8%, they had much lower average level of mortgage loan than other groups whose first choices were informal borrowing from family or friends. These findings suggest that among those 530 families who indeed had housing debts both to bank and family, the bank as a formal financial institution is the main resource for financing their housing, despite that over half of them have a biased preference for informal borrowing from family network or friends. On average, for these families the size of their mortgage loan from formal borrowing reached to 275,605 yuan, whilst the informal borrowing from family was 71,295 yuan, generating a bank/non-bank debts ratio of 0.3. Thus, it is imperative to capture the significance of this finding as families continue to prefer other family members for accessing capital. This fact is particularly important in terms of highlighting the importance of trust amongst the family return and how relationships of reciprocity and redistribution within the (extended) family are taking place. This is essential for indicating that family continues to mediate substantive economic decision-making and preferences in terms of how their access to capital can be achieved. It is clear that the family continues to underpin as a key cultural - but also - as a financial institution for households to cover their needs or for accessing and improving their housing conditions.

Table 8.5 Overall Housing Debts in CFPS 2018 by First Choice of Preference on Borrowing Money (units: yuan, %)

First-choice of person to approach if needed to borrow a large amount of money (e.g., purchasing house, operation turnover)	N	Mortgage loan		Non-bank housing debt		Debts/ loan ratio
		Mean	% of overall housing debts	Mean	% of overall housing debts	
Parents or children	41	309,082	70.9%	109,772	29.1%	0.4
Relatives	210 (215)[22]	284,913	71.4%	75,724	28.6%	0.3
Friends	50 (51)	297,292	69.2%	72,458	30.8%	0.2
Bank	218 (221)	241,545	74.9%	68,028	25.1%	0.3
Formal financial institution other than bank	0					
Individual or private loan institution	2	90,000	84.8%	35,002	15.2%	0.4
Will not borrow money under any condition	13 (14)	460,028	77.7%	44,386	22.3%	0.3
Total/Average	530	275,605	72.9%	71,295	27.1%	0.3

Despite a tendency towards informal borrowing especially from family and friends among the CFPS 2018 families, the figure however also reflects that family members in practice can be

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[22] Here the number in the brackets refer to the sample size for families with non-bank housing debt.

rejected mostly by their relatives or friends. Among 12,019 sampled families who expressed their willingness to borrow money in case of capital turnover from those who are listed in Figure 8.1, 2,939 of them stated that they had been rejected by these people or institution when tried to borrow a relatively large amount of money purchasing a house or of other temporary use. As shown in Table A4.2, under such a case of borrowing a relatively large amount of money, most of the families are mostly likely to be rejected by their relatives and/or friends. Specifically, up to 61.1% of these 2,939 sampled families mentioned that they used to be refused by their relatives while 47.4% of them rejected by friends, with the bank refused to lend to 16.7% of them. Here, it again echoes with the above-mentioned findings, providing that urban families are less likely to be refused by the bank when compared to rural families. The rural families were more likely to be constrained in credit access in the formal credit market as 18.5% of the sampled families were refused by the bank compared to the percentage of urban families at 15.0%. Moreover, urban families are more likely to be refused by their friends than rural families, given the fact that friends of 44.2% sampled rural families refused to lend to them, whilst the percentage for urban families was higher at 50.8%.

8.2.2 Other financial debts in CFPS 2018

In terms of their preference selections of borrowing money for non-housing purpose, 80.4% of the sampled families (N=11,365 families) claimed themselves as having no other financial debts, whilst the remaining 19.7% (N=2,779 families) had either financial debts needing to be paid off to the bank or outstanding debts to family/friends, or even owed to both sides (see Table A4.3). Regarding their preference of borrowing money for non-housing purposes, generally more families tended to rely solely on family/friends (10.0%) rather than only relying on the bank (6.7%). In contrast, only 2.9 % of the sampled families (N= 415) stated that they borrowed for non-housing purposes both from the bank and family. In comparison to urban families, rural families are more likely to resort to their family instead of bank for non-housing borrowing - 12.6% of rural families borrowed only from family rather from than bank while the percentage of those who only turned to bank instead of family was 6.8%. For urban families, by comparison, 7.6% of them had only financial bank loans and 6.4% of them were with financial debts only to their family.

In practice, 2,699 out of 2,779 observations from the CFPS 2018 dataset were identified as valid cases that indeed had outstanding financial debts who averagely had an amount of 88,806 yuan of other financial debts (refer to Table 8.6). And urban families generally had higher level of outstanding financial debts than rural families, as the mean averages for both were respectively 101,740 and 72,679 yuan, both the median value standing at 100,000 and 80,000

yuan. Table 8.7 then further observes the outstanding other bank loans (non-housing bank loans) and financial debts to family of these families by their preference for borrowing.

Table 8.6 The Percentiles of Financial Debts in 2018 for China (unit: yuan)

| | N | Mean | Std. Deviation | Min | Max | Percentiles | | | | | |
						10%	25%	(median) 50%	75%	90%	95%
Families with outstanding other financial debts											
Total	2,699	88,806	4,979	1	5,000,000	7,000	20,000	40,000	90,000	200,000	300,000
Rural	1,505	72,679	5,557	1	2,000,000	8,000	20,000	40,000	80,000	150,000	200,000
Urban	1,144	101,740	7,645	2	5,000,000	6,000	20,000	50,000	100,000	250,000	400,000

Table 8.7 Other Financial Debts of CFPS 2018 Families, by Preference of Borrowing
(units: yuan, %)

| | | *Other financial debts* | | | | | | | | | |
| | N | *Other bank loan* | | | | N | *Financial debts to family* | | | |
		Mean	% of total debts	Median	Max		Mean	% of total debts	Median	Max
Families who only borrow from bank for other financial purpose										
Total	939 (927)	97,734	79.1%	50,000	2,800,000					
Rural	456	84,305	84.6%	50,000	2,000,000					
Urban	455 (455)	107,314	76.0%	50,000	2,800,000					
Families who only borrow from family for other financial purpose										
Total						1,337 (1326)	54,117	79.2%	30,000	600,000
Rural						806 (800)	43,732	80.3%	30,000	530,000
Urban						516 (511)	63,573	78.0%	30,000	600,000
Families who borrow both from bank and family for other financial purpose ①										
Total	381 (376)	78,163	40.7%	50,000	800,000	388 (376)	80,253	38.7%	40,000	1,000,000
Rural	221 (218)	72,434	45.8%	50,000	800,000	225 (218)	67,130	37.5%	30,000	1,000,000
Urban	153 (151)	82,891	36.9%	60,000	800,000	156 (151)	91,631	39.7%	50,000	800,000

① There is statistically significant rural-urban difference of -1.30% (95% CI, 0.7510 to 11.0328) for the share of other bank loan, t (367) = 2.25, p = 0.0248.

As shown in Table 8.7, for 939 families who claimed only borrowing from banks for non-housing purposes, their outstanding financial bank loan averaged 97,734 yuan, taking account for 79.1 % of their total family debts. Among these families, although the rural families' average other bank loan at 84,305 yuan was averagely lower than that of urban families of 107,314 yuan, their bank loan took a larger share (84.6%) to total family debts when compared to that of the urban families (76.0%). By comparison, the financial debts among those who only resorted to their family was at a lower level with a mean value of 54,117 yuan. Among these families who relied solely on their family network for capital for non-housing borrowing, urban families averagely borrowed more from their family in comparison to rural families, providing that their mean value of financial debts to family were respectively at 63,573 yuan

and 43,732 yuan. Despite such differences on their average amount of outstanding financial debts to family, the ratio for which took up for around four-fifth of their total family debts with an average percentage of 79.2%. In practice, 381 sampled families were finally diagnosed as still having outstanding financial debts to both bank and family/friends in CFPS 2018. For these families who borrow both from bank and family for other financial purposes, the family's supporting role tends to be magnified more when compared to the housing debts (refer to Table 8.4 for a comparison), as their other bank loan averagely took a proportion of 40.7% to total family debts, whilst the financial debts to family took up for 38.7% of the total family debts.

Table 8.8 Other Financial Debts of CFPS 2018 Families, by Engagement in Business
a. Families with and without Business (units: yuan, %)

		Other financial debts								
	N	*Other bank loan (excluding mortgage loan)*				*N*	*Financial debt to family*			
		Mean	*% of total debts*	*Median*	*Max*		*Mean*	*% of total debts*	*Median*	*Max*
Families who have family business										
Total	414 (404)	75,695	38.0%	20,000	2,000,000	420 (405)	50,957	33.0%	10,000	600,000
Rural	166 (162)	87,749	41.3%	20,000	2,000,000	167 (162)	49,649	36.9%	10,000	600,000
Urban	239 (234)	69,818	35.8%	15,000	2,000,000	244 (234)	52,405	32.1%	10,000	600,000
Families without family business										
Total	2314(2274)	39,177	33.8%	0	2,800,000	2314(2274)	32,265	45.2%	10,000	1,000,000
Rural	1355 (1339)	26,982	30.1%	0	700,000	1363 (1339)	30,185	50.5%	13,000	1,000,000
Urban	917 (896)	50,274	36.2%	1,000	2,800,000	922 (896)	34,380	41.3%	10,000	800,000

From a different sense, Table 8.8a then compares outstanding financial commitments between families running their own businesses and those who are not engaged in any self-employed business. The figure suggests that families with family businesses generally borrowed more for capital turnover, as they had more outstanding financial debts than those without any family business. To be precise, for the sampled 414 families (in the CFPS 2018 wave) who own businesses, they had an average of 75,695 yuan of uncleared non-mortgage bank loan compared to the mean average of 36,225 yuan for those without any family business. On the other hand, families with their own business were averagely with 50,957 yuan of outstanding financial debts to other family members while those without business had 32,265 yuan of uncleared financial debts to other family members. Among families who have business, rural families averagely borrowed more amount of money from bank than urban families, while the family network of urban families averagely lend them more than urban families. In general, families with their own business resorted more to bank for other financial borrowing, whilst families without business were supported more by their family network. For families without their own business, the share of their debts owed to their relatives and/or friends (46.2%) were slightly higher than that of their other bank loan (33.4%). Especially among the rural families, over half of them had not resorted to banks to borrow for other financial purpose, given that the median value of rural families' other bank loan equals to null. In the case of families who

operate their own family business, the result indicates that a reverse distribution takes place, as their financial debts to the bank were at 38% when compared to their financial debts to family of which the share was 33.0% to total family debts. This result can suggest that families who have their own businesses are more likely to be part of the formal economy and therefore have easier access to the formal capital market.

b. Families Borrowed oth from Bank and Family (units: yuan, %)

| | N | Other bank loan (excluding mortgage loan) | | | | N | Financial debt to family | | | |
		Mean	% of total debts	Median	Max		Mean	% of total debts	Median	Max
Families with family business										
Total	70	92,157	36.3%	80,000	800,000	70	107,346	35.9%	70,000	600,000
Rural	27	119,774	40.8%	80,000	800,000	27	118,174	39.2%	70,000	600,000
Urban	42	82,859	34.3%	100,000	650,000	42	105,206	35.2%	75,000	500,000
Families without family business										
Total	307	74,392	41.8%	50,000	800,000	307	73,244	39.4%	40,000	1,000,000
Rural	192	66,968	46.3%	40,000	600,000	192	61,277	37.4%	30,000	1,000,000
Urban	109	82,905	38.0%	50,000	800,000	109	86,114	41.5%	50,000	800,000

(header spanning: "Other financial debts" spans the right-hand block)

To better observe how such distribution of share might differ among those who indeed in practice relies on both formal and informal borrowing. Table 8.8b then further focuses only to the families who had outstanding financial debts both to bank and family by contrasting between those who were with and without family business. Again, a similar and clear difference that can be pointed out is that families with their own family business averagely borrowed much more for non-housing purposes than families without their own family business. Families with own business can have more access to formal credits both for housing and non-housing debts. Among these families who borrowed both from bank and family, the outstanding bank loan of those who run family businesses was on average at 92,157 yuan, at a higher level than the mean level of 74,392 yuan among families who are not engaged in family business at all. Furthermore, families with their own business on average borrowed more from families without business, given that their mean value of financial debts (to other family members) respectively stood at 107,346 and 73,244 yuan. Comparing the evidence between rural and urban areas, the mean values of both did not differ substantially, for which were respectively at 118,174 yuan and 105,206 yuan.

By looking into the distribution and commitments of formal vs informal borrowing of these families who practically resorted to both channels, there is in fact no apparent difference between the share of their outstanding other bank loans and the proportion of financial debts to family, irrespective of whether a family is with or without family business. For these two categories of the sampled families, the shares of their other bank loans and financial debts to the family tended to be equal. Among families without family business, the share of other bank

loans took up for 41.8% whilst the proportion of financial debt to family stood at around 39.4%. For families with family business, the other bank loans averagely attributes to 36.3% of their overall financial debts, while the financial debts to family equally reaches 35.9%. Among this, rural families were with higher percentages for both, with an average percentage level of 40.8% and 39.2%. Therefore, it is important to reflect that the data here reveals that rural families who own their own business, on average, are exposed more to financial debts (whether owed to bank or other family members) than urban ones. However, urban families are more likely to experience a higher amount of debt as the median value for both other bank loans and financial debts to other family members were higher than those of rural families.

Table 8.9 Percentile Analysis of the Ratio of Other Bank Loan to Financial Debts to Family
(unit: %)

	N	**Mean**	**Std. Deviation**	**Min**	**Max**	**Percentiles**					
						10%	**25%**	**(median) 50%**	**75%**	**90%**	**95%**
Families who have family business											
Total	70	2.2	2.5	0.0014	12.5	0.3	0.5	1.2	3.3	5.5	7.0
Rural	27	2.0	2.1	0.014	7.5	0.3	0.5	1.0	3.0	5.6	7.0
Urban	42	2.2	2.7	0	12.5	0.3	0.5	1.5	3.3	5.5	6.7
Families without family business											
Total	307	2.2	4.5	0.00005	46.7	0.3	0.6	1.3	2.7	5.0	8.8
Rural	192	2.7	5.2	0.0005	46.7	0.3	0.6	1.3	3.0	5.3	10.0
Urban	109	1.6	2.9	0.00005	20	0.3	0.5	1.3	2.2	5.0	6.7

Table 8.9 then extends the analysis to the ratio of other bank loans to financial debts to family among these sampled families who had outstanding financial debts to both channels. The figures indicate that the higher the number, the higher the ratio of bank loans against family loans. According to the analysis, the other bank loan for families without family business was on average 2.2 times higher than the amount of other financial debts they owed to their family, with the rural ratio (2.7) higher than that of urban one (1.6). Among those families who own family businesses, there was a reverse pattern as the ratio of urban families (2.2) was averagely slightly higher than that of rural families (2.0). Also, the detailed percentile analysis clarifies that for over half of these sampled families, they borrowed more from the bank rather than from their families, as the median value of the ratio for families with and without family business respectively stood at 1.2 and 1.3.

8.2.3 Comparing bank loan and debts to family in CFPS 2018

Following the analysis in previous sections regarding the overall housing debts and other financial debts borrowed from both bank and family among the CFPS 2018 sampled families, this section then generally investigates total family debts by comparing between overall bank loans and overall debts to family of the sampled families for both housing and non-housing

purpose. To better observe the sampled families' preference selection on the bank and/or family when they borrowed both for purchasing a house and/or for other financial reasons, Table 8.10 attempts to set its sight only on those families who had both outstanding overall housing debts and non-housing financial debts. Among the 110 families of them who mainly borrowed money from the bank for both purposes, their mortgage loan averagely took up for 77.7% (with an average amount of 409,412 yuan) and other bank loan for 22.3% (with a mean value of 117,502 yuan). This is an interesting finding as it captures as to why families borrow from the banks and also indicate how the share of debt owed to the formal financial institutions. It is important to note here that bank loans for non-housing purposes is a very broad category which might include personal loans for purchasing cars, tuition fee payment, or operating self-employed business; business loans for starting-up or operating business, as well as agricultural loans etc.

Table 8.10 The Comparison Between Bank Loan and Debts to Family Among Different groups (units: yuan, %)

	Total family debts									
	Bank loans					Debts to family				
	Mortgage loan		Other bank loan			Non-bank housing debts		Financial debts to family		
N	Mean (weighted)	% of total debts (weighted)	Mean (weighted)	% of total debts (weighted)	N	Mean (weighted)	% of total debts (weighted)	Mean (weighted)	% of total debts (weighted)
Families who only borrow from bank for housing and non-housing purpose										
Total	110	401,709	77.7%	120,345	22.3%					
Rural	32	250,577	67.7%	171,626	32.3%					
Urban	74	426,230	79.8%	107,623	20.2%					
Families who only borrow from family or friends for housing and non-housing purpose										
Total						284	57,651	48.0%	61,197	49.6%
Rural						181	48,146	48.8%	45,964	49.0%
Urban						101	68,233	47.0%	78,365	50.6%
Families who borrow both from bank and family/friends for housing and non-housing purpose										
Total	52	208,148	40.3%	98,012	20.3%	52	83,695	17.5%	97,377	19.0%
Rural	28	118,501	34.5%	91,409	28.0%	28	58,299	19.4%	35,968	12.6%
Urban	23	246,277	42.8%	99,336	16.8%	23	94,724	16.9%	122,464	21.6%

An urban-rural comparison further reveals that urban families were exposed more to mortgage loans while rural families borrowed more for non-housing purposes. Such a distribution difference turns out to be wider among urban families whose mortgage loan took up for 79.8% of overall financial debts and other bank loan at 20.2%. By comparison, among families who primarily rely on the family instead of the bank for both housing and non-housing borrowing, the distribution of their housing debts and other financial debts tends to be more equal. Their housing debts to family took a share of 48.0% and other financial debts to family with a percentage of 49.6%. Furthermore, urban families overall tend to borrow more from their family in comparison to rural families, as for instance urban families averagely borrowed

68,233 yuan from family for housing purpose whilst rural families' mean average stood at 48,048 yuan.

Apart from this, in our sample of 52 families who borrowed money from both the bank and family for both housing and non-housing purposes, the evidence indicates that it is more likely for these families to be exposed more to bank loans. Overall, around 60.0% of their total family debts were borrowed from banks, within which mortgage loans on average took account for 40.3% and other bank loans for 20.3%. Meanwhile, the different distribution of mortgage loans and other financial loans among rural and urban families imply that urban families can be exposed more to financial market volatility, while rural families might be exposed more to financial debts than urban families. As for debts to family, their housing debts to family took up for 17.5% of their total family debts, while the financial debts to family accounted for 19.0%. By splitting between the rural and urban areas, urban families generally borrowed much more from their families than rural families. Using financial debts to family as an example, the average level for rural families stood at 35,968 yuan, whilst the urban families' mean value was up to 122,464 yuan. In summary, when a family primarily relies on the formal credit market, housing tends to be the main purpose of their borrowing for capital turnover, whilst other families who mainly depend on family for capital, they tend to borrow money equally for both housing and non-housing purposes. However, among families who relied both on formal and informal credit for both housing and non-housing borrowing, the scenario differs from rural to urban families. Even if for both rural and urban families the overall housing debts remain as the largest share and they mainly resorted to banks for housing, rural families relied more on banks for other financial borrowing while urban families got more support from family for this.

To further examine sampled families' distribution ratio of housing debts and financial debts, Table 8.11 investigates the ratio of overall housing debts to other financial debts among different groups of families between those who were primarily dependent on the bank and those who mainly relied on family for filling their financial gap. Generally, by looking into the gap between housing debts and financial debts, the ratio of families who solely depended on the bank was much higher than that among those who solely rely on their family network. The housing debts of families only borrowing from their family was 1.9 higher than their financial debts to family, while the mortgage loan of families who solely relied on banks was 35.2 times higher than their other bank loan. The data shows a much stronger reliance on banks among urban families for financing their housing with a ratio of 42.3, than rural families whose ratio was only at 7.4. This again reveals a dualistic formal credit market in rural and urban China, which results in differentiated accessibility to formal financial institutions among rural and urban families. Housing could be the main purpose for Chinese families to turn to banks for

support as a subsidy to their financial gap, while families not only support Chinese families on housing but also assist relatively more equally on other non-housing aspects such as on education, medical care etc.

Table 8.11 The Ratio of Overall Housing Debts to Other Financial Debts Among Different Groups

	N	Mean (weighted)	Std. Deviation	Min	Max	Percentiles					
						10%	25%	(median) 50%	75%	90%	95%
Families who only borrowed from bank (mortgage loan/other bank loan ratio)											
Total	104	35.2	49.1	0.1	495.0	0.9	1.5	3.0	8.5	18.4	28.0
Rural	30	7.4	14.5	0.1	76.0	0.5	0.9	1.8	6.0	15.5	28.0
Urban	70	42.3	59.1	0.6	495.0	1.0	1.8	3.3	11.3	17.7	35.7
Families who only borrowed from family (non-bank housing debt/financial debts to family ratio)											
Total	277	1.9	7.6	0.1	120.0	0.3	0.7	1.0	1.1	3.0	5.0
Rural	175	2.5	9.5	0.1	120.0	0.3	0.7	1.0	1.2	3.8	6.5
Urban	100	1.2	1.6	0.1	14.0	0.5	0.8	1.0	1.0	2.0	2.6

So far, the sections above have explored how Chinese families as a collective socio-economic act and in doing so how they are able to mobilise resources via formal and informal borrowing. Additionally, the evidence presented so far show how and to what extent family and family network operate as a financial actor who can support Chinese families in securing access to capital other than formal financial institutions like banks. Due to the constraints of the CFPS 2018 questionnaire design, it is not possible for us to further investigate how Chinese families further practically redistribute the resources they've collected via such formal and informal borrowing. The data availability in the welfare questionnaires of CFPS 2018 makes it less possible to analyse further the relationship between family debts and access to welfare. Such an endeavour remains essential for future research.

However, what CFPS data allows us to do is to explore how far debt exposure has changed over time. We can draw therefore some thoughtful–providing insights from the data in CFPS 2010, which was the first time that data for these questions were collected. The CFPS 2010 dataset potentially shows the sampled families' usage of their bank loans and debts to family. Indicatively, 3,178 out of 4,320 CFPS 2010 sampled families who had outstanding debts responded to identify their usage of total family debts. As presented in Figure 8.2, financing for housing is overall a key area where they spent on, as 37.1% of them used their debts to build or purchase a house. Regarding non-housing usage, 28.7% of them spent on medical care for family members, while 23.1% spent on daily expenditure and 19.9% on education (also see Table A4.4 for more details). This signifies that except for both daily life support and for the costs of social reproduction, Chinese families as a collective socio-economic actor generally

redistribute their financial resources collected from banks and/or family networks to protect their family members by ensuring their medical treatments or investing in education. The latter remains essential for mapping and understanding the political economy of the Chinese welfare regime and in particular the role that families play in investing towards education and covering out-of-pocket payments for health services. However, their usage can differ between rural and urban families, depending on whether they relied either on bank or family or on both.

Figure 8.2 The Usage of Total Family Debts of CFPS 2010 Sampled Families
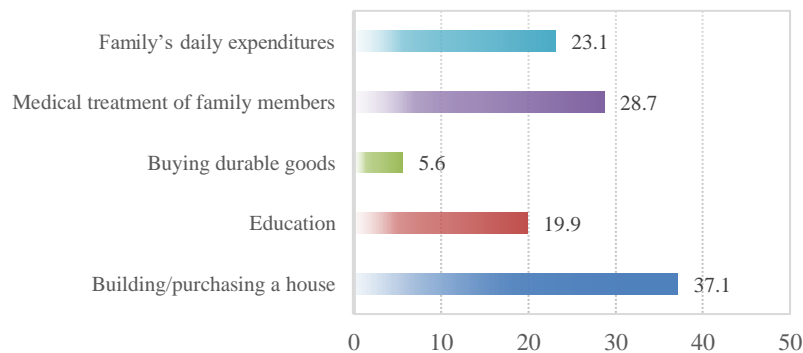
Figure 8.3 further compares the sampled families' usage of debts between urban and rural families by separating between those who only secured formal borrowing, who only resorted to family, and those who relied on both channels. The data shows an overall trend among families included in the CFPS 2010 wave, that they have a strong reliance on the formal credit market for financing housing, but also rely significantly on family networks for the redistribution of resources especially towards productive investments like education, and welfare protection such as the medical treatment of family members. This is a particularly interesting finding as it relates to how far state or families are expected to bear the cost and responsibility for financing social reproduction of welfare capitalism in China and how far social investment as an economic strategy is financed from the state or the family.

Among families purely dependent on formal borrowing, 72.1% of the urban families secured their bank loan for housing while 13.4% of them used a bank loan for daily expenses (see Table A4.5). By comparison, for around half of the rural families their usage of bank loan was on housing, whilst rural families using their bank loan for daily life, education of medical treatment respectively accounted for around 20.0%. Different from such strong reliance on banks for housing, families who only relied on informal borrowing from their family network, are more likely to use the financial supports from family equally towards both housing and non-housing purposes irrespective of whether they are located in rural or urban areas. Then among those who relied both on formal and informal credit, there is a clearer rural-urban

disparity regarding to this redistribution. Urban families again mostly spent on financing housing as more than three-third of the loans are spent on housing, while for 16.7% of them the usage was for education or medical treatment. In contrast, rural families' usage on medical treatment of family members is higher with 30.1% of those loans directed for health purposes, followed by education (22.9%) and daily life expenses (20.5%). Such usage difference suggests that the institutional difference for the level of accessibility to social welfare such as housing, medical care and education differ depending on where the families are located. It is evident in the literature that welfare provision is more extensive in urban areas rather than rural ones (Wang, 2014). Also, the role of the family and its reliance on accessing borrowing for covering key social reproduction costs (e.g., health, education) remains essential and also heavily relied on other family members. The evidence presented shows that rural and urban families tend to rely on banks as formal credit and family as informal credit to different extent to protect and guarantee their family members' welfare provision with different redistributing strategies. This is essential for mapping how family is able to mobilise and redistribute resources for covering key needs of its members but also how these strategies unfold.

Figure 8.3 The Usage of Total Family Debts in CFPS 2010 by Different Borrowing Reliance (unit: %)
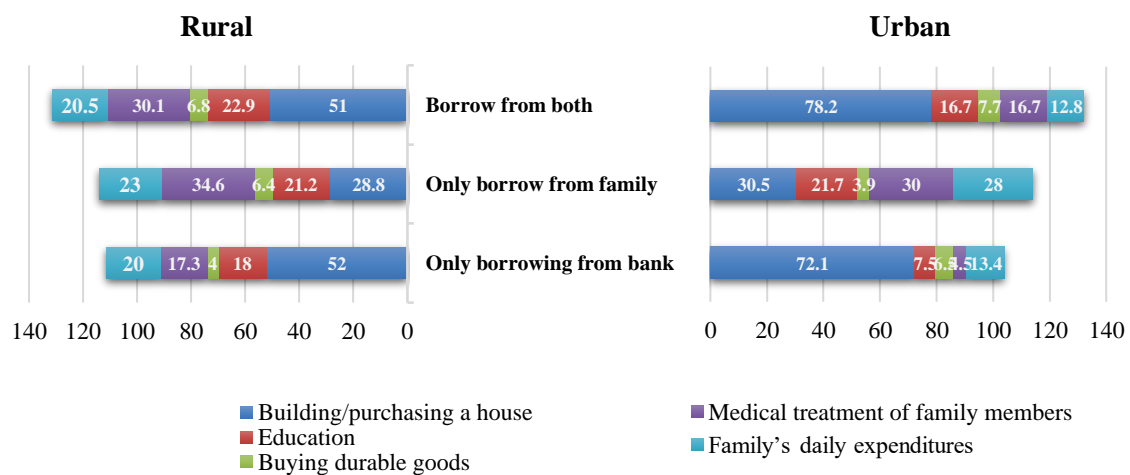
8.2.4 Monetary supports of families without total family debts

Taking the fact into the consideration that the financial support provided by the family can also be voluntary monetary support rather than in forms of debts, Table 8.12 also examines whether the families who claimed themselves as without any outstanding debts received monetary support from their family network. The data shows that even if among the CFPS 2018 sampled families there are more than 9,290 families who had no outstanding total family debts, they still received financial support from their family in the form of monetary support. In the first place, 2,236 out of these 9,290 sampled families had on average received monetary support of 6,347 yuan from their non-coresident children. In comparison, for at least one fourth of these

sampled families without any debts, they still received monetary support from their family although they didn't proactively borrow any money from the bank or family. And for the 806 families who had no debts but got monetary support from their non-coresident relatives, they averagely received monetary supports equivalent to an amount of 13,977 yuan.

Table 8. 12 Family Monetary Support Received by Families Without Debts in CFPS 2018
(unit: yuan)

	N	Mean (weighted)	Std. Deviation	Min	Max	Percentiles					
						10%	25%	(median) 50%	75%	90%	95%
Family monetary support received by families without any debts											
Non-coresident children	9,290	1,447	6,483	0	200,000	0	0	0	0	3,343	7,200
Relatives	9,327	1,303	10,179	0	500,000	0	0	0	0	0	1,000
Friends etc.	9,341	68	976	0	5000	0	0	0	0	0	0
Families received corresponding monetary supports among those without any debts											
Non-coresident children	2,236	6,347	12,156	1	200,000	300	1,000	3,000	6,000	12,000	20,000
Relatives	806	13,977	33,563	1	500,000	5	300	1,500	5,000	20,000	30,000
Friends etc.	263	2,190	5,474	4	50,000	5	5	200	1,500	5,000	10,000
Family monetary support received by families with debts											
Non-coresident children	4,863	871	5,264	0	178,000	0	0	0	0	2,000	5,000
Relatives	4,864	3,321	23,766	0	1,000,000	0	0	0	0	400	5,000
Friends etc.	4,870	221	2,100	0	50,000	0	0	0	0	0	0
Families received corresponding monetary supports among those with debts											
Non-coresident children	872	5,506	11,382	1	178,000	200	800	2,000	5,000	12,000	20,000
Relatives	571	25,197	66,238	1	1,000,000	200	1,000	3,000	20,000	50,000	100,000
Friends etc.	163	6,140	9,902	1	50,000	5	9	2,000	10,000	20,000	30,000

Apart from this, among the 263 sampled families within those without any debts, they received monetary support from friends with a mean value of 2,190 yuan. Although generally the average monetary support from non-coresident relatives was at a higher level than the monetary support from non-coresident families, such wider difference indeed happens more to those who received higher level of support from both, given that the 75% percentile of the two respectively stood at 5,000 and 6,000 yuan. Here, it again suggests the significant supporting function of the Chinese families to each other as a financial actor- even if a family might not always proactively borrow money from their family network for covering housing or other financial gaps, they still get monetary support from their relatives and even from their friends as an extended network of mutual support. Also, it is more likely for Chinese families to receive such voluntary monetary support from close family members like non-coresident children

rather than from non-coresident relatives, even if the average amount of support from the former one is normally lower than that of the latter one. These transfers often take the forms of gifts and do not necessarily suggest that there is an outstanding debt that needs to be repaid. (Wang, 2010) Furthermore, it reveals how non-coresident relatives as a family network can be a strong support to Chinese families, as the data suggests the maximum amount of support reached 500,000 yuan compared to that of non-coresident children at 200,000 yuan. This is more significant among those who had outstanding debts – the average monetary support from relatives among 571 families who were in debts stood at 25,197 yuan, with the highest support level up to 1,000,000 yuan.

Table 8.13 Total Family Monetary Support Received by Families Without Debts in CFPS 2018 (unit: yuan)

	N	Mean (weighted)	Std. Deviation	Min	Max	Percentiles					
						10%	25%	(median) 50%	75%	90%	95%
Families without any debts at all											
Total	9,275	2,827	12,144	0	500,000	0	0	0	500	5,000	10,000
Families received overall family monetary support among those without debts											
Total	2760	9,715	21326	1	500,000	300	1,000	3,000	7,000	17,000	28,000
Rural	1496	6,119	14,859	1	400,000	300	1,000	2,400	5,000	10,000	20,000
Urban	1235	12,750	27,117	1	500,000	200	1,000	3,300	10,000	20,000	40,000

Table 8.13 then summarises the total family monetary support received by CFPS 2018 sampled families who did not have any outstanding debts by comparing between rural and urban families. Generally, among 9,275 families without any total family debts, around 30% of them received monetary support from their family and/or friends. In detail, there were in total 2,760 families who received monetary support either from their family or friends or from both, with an average value of 9,715 yuan. By comparing between rural and urban areas, urban families on average received much more monetary support from their family network than rural families, as their mean values respectively stood at 12,750 yuan and 6,119 yuan. Even if the average value of total family monetary support received by those without any debts overall remained at a much lower level when compared to the mean value of money borrowed from family, for a small proportion of families their monetary support from family reached a relatively high level. For 10% of these 2,760 families who received monetary support from family, the mean value reached over 28,000 yuan, with the highest monetary support registered at 500,000 yuan. By comparing this to the average value of debts to family at 76,189 yuan and the mean value of financial debts to family at 59,525 yuan among CFPS 2018 sampled families, it implies that for Chinese families especially for the urban families, the family network also plays as a significant voluntary economic support.

8.3 Comparing families with positive and negative total family assets in CFPS 2018

By comparing families with positive and negative equity within those who were in debt, it is found that there was generally not much difference between the average amounts of money borrowed from the bank between the two groups of families. As shown in Table 8.14, for families with positive net wealth, their bank loan averagely reached 136,365 yuan, accounting for half of their total family debts, whilst the families with negative net wealth averagely borrowed slightly more at 143,740 yuan from the bank. However, when we shift our focus onto their debts to family, the distribution data shows that families with negative equity averagely borrowed twice more from their family (with a mean average of 111,293 yuan) than the families with positive net wealth (41,296 yuan). This indicates that families are able to access to additional financial support from their family members when they are exposed to housing loan - this could be due to the symbolic and key significance of housing as an asset and as a protection for family members.

Table 8.14 A Comparison of Bank Loan and Debts to Family Among Families with Positive and Negative Equity (units: yuan, %)

	N	Total family assets (gross)	Families with outstanding debts				N	Total family assets (gross)	Families with debts both to the bank and family			
			Bank loan		Debts to family				Bank loan		Debts to family	
		Mean	Mean	% of total debts	Mean	% of total debts		Mean	Mean	% of total debts	Mean	% of total debts
Families with positive net total family assets												
Total	4197	1,132,652	136,365	51.6%	41,296	46.7%	841	1,018,773	216,630	64.1%	78,704	34.9%
Rural	2084	685,395	70,945	37.5%	39,486	60.4%	429	606,963	128,199	60.5%	60,911	38.8%
Urban	2050	1,390,412	173,416	59.4%	42,647	39.3%	401	1,256,710	265,081	66.4%	89,837	32.6%
Families with negative net family assets												
Total	321	128,754	143,740	40.0%	111,293	56.9%	124	186,400	243,473	53.0%	159,014	44.7%
Rural	221	78,450	78,211	35.9%	106,212	60.9%	85	95,142	130,184	44.6%	176,365	52.8%
Urban	98	196,448	232,693	46.1%	116,643	51.0%	39	269,364	346,466	60.7%	143,240	37.4%

Moreover, the debts to families among those families with negative equity took up for a share of 56.9%, with rural families' mean value standing higher at 60.9% and urban families lower at 51% (see Table 8.14). The implication on these findings discloses that other than acting as informal lender and voluntary support, Chinese family's financial support can also take the form of risk absorber or lender of last resort, especially for families with lower level of assets as it could be harder for them to secure more bank loan due to a lack of collateral. Also, a comparison of the gross total family assets among the two groups of sampled families suggests that families with lower levels of household wealth too burdened by debts providing that their gross household assets are worth much less than their outstanding debts.

By further narrowing down the sample to focus on those who had outstanding debts both to the bank and their families, the bank still tends to be the main creditor for most sampled families. For instance, among families with positive net wealth the share of their outstanding bank loan on average accounted for 64.1% to the total family debts, whilst the debts to family took up a share of 34.9%. For these families, their family averagely financed less than the half of the amount of loan they secured from the bank. However, an exception here is the rural families with lower levels of household wealth whose main lenders are still family networks. The share of their debts to family members was 52.8% while the percentage of bank loans stood at 44.6%, which is a reverse scenario compared to urban families whose percentages were 37.4% and 60.7%. By comparison, for rural families with high levels of household wealth, it can be easier for them to rely on the formal credit market via securing bank loans, so that they resorted less to family as the share of their debts to family took up for 38.9%. Even if urban families averagely received higher levels of support from family, the share of their debts to family was lower at 32.4%.

To have a deeper understanding of the liability burden of the families with lower level of household wealth, Table 8.15 further analyses the family debts of those 321 sampled families who were with negative equity. These families with negative family net wealth on average had an outstanding debt of 262,108 yuan, with urban families' mean value higher at 353,671 yuan and rural families' average level at 193,667 yuan. In terms of their borrowing purposes, up to 65.9% of the debts was borrowed for other financial purposes, whilst the remaining 34.1% was borrowed for housing purposes. Then regarding their point of resort, family tends to be the main lender as on average 56.9% of their total family debts was money borrowed from family while the rest 40.0% was both loans.

Moreover, the detailed percentile analysis suggests that more families borrowed for non-housing purpose rather than for housing purpose. For example, for at least half of the sampled 321 families, they didn't have any overall housing debts, whereas over three quarters of them had uncleared financial debts (see in Table 8.13). The distribution also shows that more families tend to resort to their family rather to the bank, as the results suggesting that those families on the 25th percentile owed money to family but not banks. The findings here indicate one of the key functions of a family as a collective socio-economic actor, especially when a family with a limited amount of family wealth is able to protect their family members by collecting resources from both from formal and informal credit and then redistribute it to its family members for their education, medical treatment etc. Meanwhile, family members who provides financial support again play a significant role during the mobilisation of resources for redistribution, thereby forming a resource transfer within their family network.

Table 8.15 The Debt Analysis of Families with Negative Equity (units: yuan, %)

		N	Mean	% of total family debts	Min	Max	Percentiles					
							10%	25%	(median) 50%	75%	90%	95%
Total family debts												
Total family debts	Total	321	262,108		4,000	2,500,000	46,000	68,500	120,000	240,000	450,000	749,000
	Rural	221	193,667		8,000	2,500,000	39,200	55,000	100,000	200,000	350,000	575,200
	Urban	98	353,671		4,000	1,400,000	60,000	100,000	200,000	332,500	741,000	981,000
Housing debts vs financial debts												
Overall housing debts	Total	321	131,586	34.1%	0	1,400,000	0	0	0	80,000	300,000	500,000
	Rural	221	83,139	31.6%	0	1,000,000	0	0	0	52,500	168,000	409,000
	Urban	98	194,538	36.3%	0	1,400,000	0	0	0	150,000	451,000	600,000
Other financial debts	Total	321	130,522	65.9%	0	1,500,000	0	20,000	80,000	150,000	300,000	359,000
	Rural	221	110,528	68.4%	0	1,500,000	0	20,000	60,000	120,000	211,600	333,500
	Urban	98	159,132	63.7%	0	1,300,000	0	27,500	108,000	202,508	300,000	451,000
Bank loan vs. family debts												
Bank loan	Total	321	143,740	40.0%	0	1,200,000	0	0	40,000	117,500	350,000	495,000
	Rural	221	78,211	35.9%	0	1,000,000	0	0	30,000	85,000	208,000	397,000
	Urban	98	232,694	46.1%	0	1,200,000	0	0	70,000	300,000	510,000	852,500
Debts to family	Total	321	111,293	56.9%	0	2,000,000	0	8,500	60,000	107,500	200,000	296,000
	Rural	221	106,212	60.7%	0	2,000,000	0	11,000	50,000	100,000	196,000	240,000
	Urban	98	116,642	51.0%	0	500,000	0	8	80,000	150,000	204,018	330,500

8.4 Family debts from CFPS 2010 to CFPS 2018

8.4.1 Families in debts in CFPS 2010

By comparing two waves of data of the CFPS 2010 and CFPS 2018 survey, the following section tries to track the debt situation among the CFPS sampled families between 2010 and 2018. In CFPS 2010, 4,286 families out of 14,797 families (with a percentage of 29.0%) were identified as families with outstanding total family debts. Among this, 3,467 CFPS 2010 families were successfully matched with CFPS 2018 observations by their family ID which uniquely identifies each sampled family in the two waves of survey. By further clearing out the samples from CFPS 2010 data file whose sum of bank loan, debts to family, and private loan were unmatched with their sum of overall housing debts and other financial debts, the final matched and comparable sample size for CFPS 2010 and CFPS 2018 includes 2,942 families. As presented in Table 8.16, these families had an average of 30,427 yuan of total family debts in 2010, and then after almost a decade period their level of debts had increased to 69,992 yuan, even though at least half of them had repaid all their total family debts until 2018. This means that for a part of these sampled families, they were more burdened by debts eight years later regardless of if they had managed to partially of fully paid off their debts within the period. In another word, families continued to rely on borrowing to meet their needs (for such as housing

and other purposes). This brings questions as to how far the economic growth model in China continues to rely on debt to finance housing and living conditions and that families remain largely exposed to credit. Families had been struggling and struggled more to collect financial resources for redistribution among family members, which will be later discussed in more detail in Table 8.17 and Table 8.18.

Table 8.16 Total Family Debts of Families in Debt in CFPS 2010 Over Time (unit: yuan)

| | *N* | Mean | Std. Deviation | Min | Max | Percentiles | | | | | |
						10%	25%	50% (median)	75%	90%	95%
Total											
2010	2,942	30,427	61,779	1	800,000	2,000	4,000	10,000	30,000	60,000	100,000
2018	2,942	69,992	230,973	0	5,000,000	0	0	0	50,000	170,000	300,000
Rural											
2010	2,065	23,380	41,020	1	700,000	2,000	4,000	10,000	30,000	50,000	80,000
2018	2,042	53,903	154,139	0	3,000,000	0	0	0	50,000	130,000	214,400
Urban											
2010	914	42,880	90,816	7	800,000	2,000	5,000	16,500	50,000	105,000	200,000
2018	900	90,355	344,337	0	5,000,000	0	0	0	59,000	260,000	500,000

A rural-urban split of data further reflects that more rural families were in debt, whereas urban families were in more debts. In CFPS 2010, there were 2,065 rural families in debt with an average outstanding total family debt of 23,380 yuan, while 914 urban families with 42,880 yuan of uncleared debts. Then in CFPS 2018, their outstanding total family debts both doubled and respectively increased to 53,903 yuan for rural families and 90,355 yuan for urban families, with the rural families having a higher annual increase rate by 13% and the urban families by 11%.

To further explore the changes over their reliance on formal and informal borrowing, Table 8.17 and Table 8.18 then investigates their outstanding bank loans and debts to family from CFPS 2010 to CFPS 2018. In CFPS 2010, more families borrowed from family members with a higher level of amount at 17,092 yuan than from the bank, of which the average amount stood at 12,258 yuan. Then eight years later, their average outstanding bank loan (41,852 yuan) increased and exceeded the average amount of money they owed to their family (24,020 yuan). When splitting between rural and urban areas, the gap between financial commitments of bank and family network towards rural families was wider than that of urban families in 2010. The data discloses that in CFPS 2010 rural families averagely got much more financial support from their family at 13,649 yuan than from the bank with a mean value of 8,042 yuan. Rather differently, the average outstanding bank loans of urban families (19,708 yuan) was close to

their average debts to family (21,801 yuan). However, as the time went on, both rural and urban families got more access to the formal credit market, while at the same time this did not crowd out the importance of family members for lending. For example, by CFPS 2018, the average bank loans among rural families grew to 27,965 yuan and up to 59,442 yuan for urban families. Also, the detailed percentile analysis suggests that among these 2,979 families, more families resorted to family than banks over time even if the average amount of support from family networks was lower than the level of bank loans they secured from the bank.

Table 8.17 Bank Loan of Families in Debt in CFPS 2010 Over Time (unit: yuan)

	N	Mean	% of total family debts	Std. Deviation	Min	Max	Percentiles					
							10%	25%	(median) 50%	75%	90%	95%
Total												
2010	2,979	12,258	22.8%	51,000	0	800,000	0	0	0	3,000	30,000	50,000
2018	2,954	41,852	15.9%	175,469	0	3,800,000	0	0	0	0	80,000	200,000
Rural												
2010	2,065	8,042	22.8%	29,576	0	700,000	0	0	0	4,000	20,000	30,000
2018	2,051	27,965	13.6%	122,081	0	3,000,000	0	0	0	0	50,000	130,000
Urban												
2010	914	19,708	22.7%	79,726	0	1,000,000	0	0	0	0	50,000	120,000
2018	903	59,442	18.8%	276,660	0	3,800,000	0	0	0	0	200,000	370,000

Table 8.18 Debts to Family of Families in Debt in CFPS 2010 Over Time (unit: yuan)

	N	Mean	% of total family debts	Std. Deviation	Min	Max	Percentiles					
							10%	25%	(median) 50%	75%	90%	95%
Total												
2010	2,979	17,092	73.5%	35,119	0	650,000	0	1,000	5,000	20,000	40,000	70,000
2018	2,963	24,020	25.6%	77,776	0	2,000,000	0	0	0	20,000	79,600	120,000
Rural												
2010	2,065	13,649	72.5%	26,957	0	450000	0	500	5,000	15,000	36,000	50,000
2018	2.,053	24,776	29.9%	69,786	0	2,000,000	0	0	0	20,000	70,000	100,000
Urban												
2010	914	21,801	75.2%	45,064	0	650,000	0	1,500	8,000	26,000	60,000	100,000
2018	910	23,080	20.1%	89,457	0	1,600,000	0	0	0	15,000	98,000	150,000

To better observe the financial commitments of bank and family among the sampled families, Table 8.19 tracks the changes to the distribution of their bank loan and debts from CFPS 2010 to CFPS 2018, by their preference towards primary reliance channel for borrowing. In CFPS 2010, up to 2,086 families out of 2,979 sampled families only resorted to their family rather than bank, from which they got an average amount of support at 20,641 yuan. Later in CFPS

2018 over half of them had paid off their outstanding debts to family and a small proportion of them tended to start depending on formal financial institutions. The average share of their debts to family in CFPS 2010 stood at 99.4%, before it decreased to 26.0% along with partial families' getting out of debts to family. At the same time, the share of their bank loan in CFPS 2018 overall accounted for 11.6% of their total family debts.

Table 8.19 A Comparison Between Bank Loan and Debts to Family of Families in debt in CFPS 2010 Over Time (units: yuan, %)

N	Bank Loan					Debts to family				
	Mean	% of total family debts	25%	50% (median)	75%	Mean	% of total family debts	25%	50% (median)	75%
Only borrow from bank										
2010 560	52,660	99.3%	10,000	20,000	40,000					
2018 558 (294)[23]	71,163	29.8%	0	0	50,000	20,237	21.2%	0	0	20,000
Only borrow from family										
2010 2086						20,641	99.4%	3,000	10,000	20,000
2018 2,073 (848)	34,044	11.6%	0	0	0	23,597	26.0%	0	0	20,000
Borrow from both										
2010 232	30,098	52.3%	8,000	20,000	30,000	26,497	46.8%	6,000	15,000	30,000
2018 229 (121)	45,727	44.7%	0	0	30,000	22,857	53.5%	0	0	20,000

In the span of eight years, a profound shift occurred in 560 Chinese families solely reliant on banking institutions for loans. In the outset, an overwhelming average of 99.3% of their debt was bank-sourced. However, by the time of CFPS 2018, a dramatic transformation had taken place, with their average proportion of bank loans plummeted to a mere 29.8%. Such a shift was not merely a reduction in percentage, it mirrored a fundamental change in their familial strategies—over half of them had completely paid off their bank loans, while more than a quarter had pivoted towards familial borrowing, which constituted an average of 21.2% of their debt portfolio. Parallel to this, families who previously diversified their debt sources, engaging in both formal (bank loans) and informal (family loans) borrowing, exhibited a similar pattern of change. In 2010, the division of their debts was relatively balanced, with debts to family making up 46.8% and bank loans 52.3%. Yet by 2018, a noteworthy shift had happened- the majority had settled their outstanding debts, and those remaining were more inclined towards familial lending, which accounted for 53.5% of the average debt share, supplanting bank loans which had decreased to 44.7%. These changes indicate the evolving strategies of Chinese families to collect resources for redistribution. This changing trend highlights a nuanced

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[23] To comparatively track the distribution of debts of these 560 families who were in debt in CFPS 2010, it keeps here the same sample size for the CFPS 2018 analysis in data computation. And the sample size of N=558 for CFPS 2018 is those who still had valid values for analysis from the dataset, and N=294 is the actual number of families who still had outstanding debts in CFPS 2018. Hereafter applies the same for the analysis of families who mainly relied on family and borrowed from both.

adaptation among those facing ongoing financial challenges in CFPS 2018, resorting to both formal and informal credit.

8.4.2 Families in debts over time

It is clear from the analysis in previous sections that part of the sampled families was still in debt over time. By moving the lens onto these families in debt over time, Table 8.20 presents the distribution of their outstanding family debts in CFPS 2010 and CFPS 2018. Among these 1,307 families who were in debt over time, their uncleared total family debts had quadrupled, surging from an average level of 40,446 yuan in CFPS 2010 to 165,329 yuan in CFPS 2018. In general, urban families had been exposed more to debts than rural families. Rural families had an outstanding debt of 27,568 yuan in CFPS 2010 while the urban families' average debt level stood higher at 58,756 yuan. By 2018, such rural-urban gap had even become wider, with their average amount, the rural families' average total family debts increased to 121,221 yuan and urban families to 227,955 yuan.

Table 8.20 Total Family Debts of Families in Debt Over Time from CFPS 2010 to CFPS 2018 (unit: yuan)

	N	Mean	Std. Deviation	Min	Max	Percentiles					
						10%	25%	(median) 50%	75%	90%	95%
Total											
2010	1,307	40,446	69,617	1	750,000	2,000	5,000	12,000	30,000	80,000	120,000
2018	1,307	165,329	328,139	2	5,000,000	10,000	30,000	60,000	150,000	300,000	540,000
Rural											
2010	956	27,549	46,369	1	700,000	2,000	4,000	10,000	30,000	50,000	80,000
2018	956	121,221	211,425	2	3,000,000	10,000	20,001	50,000	109,000	220,000	350,000
Urban											
2010	351	58,756	108,458	7	750,000	3,000	6,000	20,000	60,000	150,000	300,000
2018	351	227,955	511,016	3	5,000,000	20,000	40,000	100,000	280,000	590,000	1,000,000

Then Table 8.21 and Table 8.22 further compare between the outstanding bank loans and debts to family over time. The detailed percentile analysis indicates that these families resorted more to informal credit rather than to formal financial institutions, as over half of them borrowed money from family, while only around a quarter of them secured bank loans. A split between rural and urban families further reflects a difference between rural and urban families on their strategies of collecting resources via formal and informal borrowing. Over the eight-year period, the percentage of rural families resorting to family networks had significantly increased whilst more urban families had started to secure loans from the bank.

Table 8.21 Bank Loan of Families in Debt Over Time from CFPS 2010 to CFPS 2018
(unit: yuan)

	N	Mean	% of total family debts	Std. Deviation	Min	Max	Percentiles					
							10%	25%	(median) 50%	75%	90%	95%
Total												
2010	1,307	17,232	27.6%	59,827	0	750,000	0	0	0	8,000	30,000	65,000
2018	1,307	99,236	37.6%	269,753	0	3,800,000	0	0	0	60,000	200,000	400,000
Rural												
2010	956	11,001	26.4%	32,777	0	700,000	0	0	0	6,000	30,000	30,000
2018	956	63,131	30.6%	174,122	0	3,000,000	0	0	0	50,000	150,000	260,000
Urban												
2010	351	29,671	30.2%	99,683	0	750,000	0	0	0	15,000	90,000	200,000
2018	351	150,498	47.5%	421,962	0	3,800,000	0	0	24,000	200,000	480,000	780,000

Table 8.22 Debts to Family of Families in Debt Over Time from CFPS 2010 to
CFPS 2018 (unit: yuan)

	N	Mean	% of total family debts	Std. Deviation	Min	Max	Percentiles					
							10%	25%	(median) 50%	75%	90%	95%
Total												
2010	1,307	17,441	68.1%	33,567	0	400,000	0	0	5,000	20,000	40,000	70,000
2018	1,307	56,145	60.4%	111,318	0	2,000,000	0	0	20,000	60,000	140,000	200,000
Rural												
2010	956	14,499	68.4%	28,986	0	400,000	0	0	4,000	15,000	30,000	60,000
2018	956	53,954	67.2%	98,222	0	2,000,000	0	2,000	20,000	60,000	110,000	180,000
Urban												
2010	351	23,316	67.6%	42,884	0	390,000	0	0	7,000	30,000	60,000	100,000
2018	351	59,256	50.7%	139,892	0	1,600,000	0	0	20,000	80,000	200,000	300,000

Regarding the amount of debts borrowed from bank and family, their average level of outstanding debts to family was at 17,441 yuan, slightly higher than the average level of bank loans at 17,232 yuan. However, this does not fully address the whole story as there is again a clear difference between rural and urban families – the average debts to family among rural families at 14,499 was higher than the mean level of their bank loans at 11,001 yuan, whereas urban families average borrowed more from the bank (29,671 yuan) than from family (23,316 yuan). Then eight years later, these rural families' outstanding bank loans had exceeded the average amount of their debts to family, implying that they had had more or deeper access to the formal credit market over time. And an even widening gap between the two can be observed among urban families whose average uncleared bank loans quadrupled to 150,498 yuan, while the mean average of their debts to family doubled to 59,526 yuan. Even if the data shows a widening gap between the two over time, providing that the average mean of bank loan among

these 1,307 families had surged and exceeded the average amount of money they borrowed from family, the percentage of share suggests that family is still the main creditor to resort to. In particular for rural families the average share of their debts to family still remained at similar level, although decreased from 68.4% to 67.2%. By comparison, urban families' share of debts to family decreased from 67.6% in CFPS 2010 to 50.7% in CFPS 2018, with their share of bank loans increased from 30.2% to 47.5%.

Then Table 8.23 further investigates the changing composition of their total family debts by looking into their bank loans and debts to family in accordance with their borrowing reliance. In CFPS 2010, 294 out of 1,307 families who resorted to the bank rather than family, averagely had outstanding bank loans of 62,483 yuan. Until CFPS 2018, the numbers of those who mainly relied on the bank had grown to 384 families among which the average mean surged to 201,998 yuan. Then in CFPS 2018, the average amount of their bank loan had been doubled and increased to 138,316 yuan although at least a quarter for them had had no more uncleared bank loans. Meanwhile, over half of these 294 families had started to turn to their family for financial support, with the share of debts to family accounted for 41.2% of their total family debts and the percentage of bank loans at 57.8%. In comparison, for those who used to primarily rely on family for borrowing, even if part of them started to resort to the bank, family still tended to be their main reliance for credits over time. The average share of their leftover debts to family stood at 67.3% in CFPS 2018 while that of bank loans increased to 30.1%.

Table 8.23 Bank Loans and Debts to Family of Families in Debt Over Time
from CFPS 2010 to CFPS 2018, by Preference for Borrowing (units: yuan, %)

	N	**Bank Loan**					**Debt to family**				
		Mean	% of total family debts	25%	50% (median)	75%	Mean	*% of total family debts*	25%	50% (median)	75%
Only borrow from bank											
2010	294	62,483	99.5%	10,000	20,000	50,000					
2018	294	138,316	57.8%	0	40,001	120,000	37,544	41.2%	0	13,000	50,000
Only borrow from family											
2010	848						22,823	99.2%	3,000	10,000	20,000
2018	848	88,625	30.1%	0	0	50,000	60,748	67.3%	4,000	30,000	70,000
Borrow from both											
2010	121	33,269	55.0%	8,000	20,000	80,000	28,536	44.0%	5,000	15,000	30,000
2018	121	87,583	44.7%	0	30,000	100,000	43,162	53.5%	0	12,000	42,000

Furthermore, among those 121 families who had outstanding debts to both the bank and family in CFPS 2010, at least a quarter of them had already paid off their bank loans and/or debts to family until CFPS 2018. Despite this, the average level of their remaining bank loans surplus to 149,523 yuan from the 2010 level of 33,269 yuan, with the debts to family increased from

28,536 yuan to 43,162 yuan in CFPS 2018. Back in CFPS 2010, they tended to rely slightly more on the bank when compared to family network as the share of their bank loans accounted for 55% of their total family debts whilst family's subsidizing percentage stood at a lower level of 44.0%. Then such proportional distribution had been reversed with bank loans' distribution decreased to 44.7% and the share of debts to family increased to 53.5%.

In short, among the families who had been in debt over time, the majority of them were those who mainly resorted to their family for informal credit, in 2010. Years later in CFPS 2018 most of them were even in more debts to their family. The fact implies the existence of continuous or repeated borrowing from family, thereby the family network acting as a toing and froing financial support to Chinese families with capital turnover when members are in need or financial difficulties. This also indicates that exposure to debt is more likely to fall into arrears when compared to paying off the bank loans that are imposed with stricter repayment conditions. For Chinese families who had been struggling with burdens of debts over time, the supporting function of their family network turned out to be significant. The data indicates that these families had changed their strategies of collecting resources for redistribution over time, providing a changing trend of integrating financial commitments from both formal and informal credit whatever their reliance channel was in CFPS 2010.

8.5 Comparing results over time

Table 8.24 presents a comprehensive comparison on the CFPS sampled families from two waves of surveys in 2010 and 2018, regarding the distribution of their total family debts by different dimensions. The figure overall shows an increase in the percentage of Chinese families in debt as well as their average level of total family debts over the eight-year period. In CFPS 2010, 29.1% of Chinese families were with outstanding total family debts at an average level of 35,242 yuan, and this percentage had reached to 33.6% of the sampled families whose average total family debts surged to 187,971 yuan in CFPS 2018. In specific, an increasing number of urban Chinese families had been in debt over time as the percentage level grew from 21.2% in CFPS 2010 to 31.5% in CFPS 2018, during which the proportion of rural families fluctuated around 36%. Such a changing trend suggests that an increasing number of urban families have to resort more to creditors for accumulating resources to fulfil redistribution within their families. As the data further reveals, financing housing turns to be the main reason for such an increase - 27.1% of the sampled in-debt families were with an average outstanding overall housing debts of 56,370 yuan in CFPS 2010, and in CFPS 2018 this average level upsurged to 223,070 yuan among 60.6% of sampled in-debt families. In contrast, the percentage of in-debt Chinese families who borrowed for other financial reasons

decreased from 76.2% in CFPS 2010 to 56.8% in CFPS 2018, even though the mean value for other financial debts increased up to 588,431 yuan from 2010 level of 26,432 yuan.

Table 8.24 Families in Debt in CFPS 2010 and CFPS 2018 (unit: yuan, %)

	CFPS 2010			CFPS 2018		
	Rural	**Urban**	**Total**	**Rural**	**Urban**	**Total**
Families with total family debts						
	36.5%	21.2%	29.1%	35.8%	31.5%	33.6%
	(24,611)	(51,587)	(35,242)	(120,388)	(228,330)	(187,971)
Among families with outstanding debts						
-Families with overall housing debts						
	25.3%	30.6%	27.1%	55.7%	66.2%	60.65%
	(31,013)	(91,627)	(56,370)	(134,332)	(265,817)	(223,070)
-Families with other financial debts						
	78.6%	71.7%	76.2%	62.8%	50.0%	56.8%
	(21,253)	(34,929)	(26,432)	(71,671)	(101,942)	(88,451)
-Families with bank loans						
	29.9%	27.5%	29.1%	47.5%	64.4%	55.9%
	(29,429)	(94,089)	(53,846)	(156,183)	(273,181)	(238,342)
-Families with debts to family						
	77.9%	77.0%	77.6%	73.7%	54.7%	64.2 %
	(18,242)	(30,421)	(22,975)	(86,230)	(61,939)	(75,261)
-Families only with housing debts						
	21.4%	28.3%	23.8%	37.2%	50.0%	43.2%
	(32,767)	(91,771)	(58,987)	(149,369)	(270,988)	(232,755)
-Families only with other financial debts						
	74.7%	69.4%	72.9%	44.2%	33.7%	39.3%
	(21,487)	(34,957)	(26,677)	(68,941)	(99,933)	(85,363)
-Families with both housing debts and other financial debts						
(Housing debts)	3.8%	2.3%	3.3%	18.5%	16.2%	17.4%
	(21,768)	(89,566)	(37,197)	(103,637)	(250,704)	(198,179)
(Financial debts)	(16,951)	(33,853)	(20,797)	(78,031)	(105,892)	(95,063)
-Families only with bank loans						
	18.3%	19.9%	18.8%	25.6%	44.5%	35.0%
	(31,098)	(95,846)	(58,987)	(177,466)	(272,874)	(247,344)
-Families only with debts to family						
	66.3%	69.2%	67.3%	51.8%	34.8%	43.3%
	(18,039)	(28,394)	(22,226)	(55,822)	(81,509)	(69,287)
-Families with both bank loans and debts to family						
(Bank loans)	11.4%	7.5%	10.0%	22.0%	20.0%	20.9 %
	(26,723)	(89,905)	(44,554)	(129,120)	(273,924)	(220,265)
(Debts to family)	(19,385)	(50,169)	(28,073)	(77,988)	(94,583)	(87,854)

Note: the numbers in the brackets are the mean values for the corresponding debts among the certain groups of families.

The rural-urban gap for the percentages in Table 8.24 also indicates that urban families normally struggle more for financing housing, whereas rural families are more likely to borrow for other financial reasons, i.e., contributing to education or for medical treatments of family members. On the other hand, among the in-debt families in CFPS 2010, 77.6% of them resorted

to family whilst 29.1% of them recured bank loans, which is a distribution echoing with both rural and urban families. Then in CFPS 2018, such distribution had changed to that 55.9% of the in-debt families borrowed from the bank and 64.2% from the family. Moreover, the rural-urban disparity widened in CFPS 2018, since the percentages suggest a biased reliance on banks among urban families and a preference for resorting to family among rural families. This is because 47.5% of in-debt rural families in CFPS 2018 had outstanding debts to the bank while 73.7% of them had uncleared debts to their family. On the contrary, the percentages of in-debt urban families who borrowed from the bank and the family were respectively 64.4% and 54.7%.

The data in the bottom half of Table 8.24 implies a significant shift in the strategies of Chinese families regarding the accumulation and subsequent redistribution of financial resources. In CFPS 2010, most Chinese families tended to borrow money only out of non-housing reasons rather than for housing purposes – the ratio of families who only had outstanding other financial debts reached 72.9% whilst the proportion of families who only had uncleared housing debts were 23.8%. In other words, in 2010 Chinese families were more likely to struggle with investing in their family members for their education, medical treatment or daily life support etc. Then as years went by, along with the pressures for them on affording housing, a growing number of families faced up with more burdens; not only financing housing but also for redistributing resources to support family members. For instance, only 3.3% of in-debt families had to borrow both for housing and other financial purposes in CFPS 2010 and this share had increased to 17.4% within families with debts in CFPS 2018. Furthermore, an increasing number of Chinese families tended to integrate both formal and informal borrowing as strategies for their redistribution to family members. For up to 67.3% of in-debt families in CFPS 2010 family was their only creditor while 18.9% of them chose to only rely on banks as formal financial institutions. Eight years later, with the percentage of in-debt families who resorted to both channels increased to 20.9% from 10.0%, the share of in-debt families taking family as their only lender decreased to 43.3% and that of families only resorted to bank increased to 35.0%.

Conclusion

Drawing conclusions from the analysis and findings so far in this chapter, family as a financial actor in China significantly acts as informal lender, voluntary support unit, and risk absorber that provides financial support at different points and under different conditions. The analysis presented in this chapter maps these complex picture and breakdowns in more detail as to how and for what purposes families access loans from other family members (as well as banks). Realising family as a collective socio-economic actor, the CFPS data suggests that Chinese

families collect resources from their family (and friends' network) as well as via formal borrowing from bank. The percentage of this distribution differed significantly between urban and rural families, including the purpose of the loan. Families were then able to redistribute these resources to their family members mainly towards housing purchases but also for their education, medical treatments or even on affording their lives by spending on daily life expenses or on durable goods.

In Chinese societies, the traditional family values and central role of the family forms a unique and surprisingly tighter trust and support network among kinship linkage and friendship. First of all, family networks as an informal and flexible lender, tend to be the top preference for Chinese families instead of bank when it is necessary for them to borrow relatively a large amount of money such as for purchasing a house or for capital turnover. However, in reality, banks still tend to be their main creditor whoever their first ideal person/institution is to approach for borrowing. When family simultaneously resorted to both bank and family for housing, the family network on average subsidised 23.8% of the capital they needed for housing. And rural families are more likely to resort to their family network of support for housing rather than from the bank due to their differentiated accessibility to securing bank loans. Such a supporting role is magnified when it comes to financial debts, as the share of financial debts borrowed from family on average contributes to 38.7% of the total capital needed for other financial purposes, which almost equals to the commitments of banks at 40.7%. Furthermore, for families who have their own business are more likely to be more exposed to financial debts, given that they get more access to formal credits in comparison to those without family business. Also, rural families who own their own business, as an average, are more exposed to financial debts to the bank rather than to family when compared to urban ones, whilst for rural families without family business they are more likely to resort to family more rather than to bank.

Chinese family's significant financial support is also embodied with their role as lender of last resort, especially for families with lower levels of household wealth who often struggle more to secure loans from banks because of lacking collateral under the strict regulations. For families with lower levels of household wealth, the commitments from family networks on average supported a share of 44.7% to total capital needed for resource redistribution, whilst for families with higher level of household wealth the share of debts to family was lower at 34.9%. A percentage of only 33.6% of the CFPS 2018 families were with outstanding total family debts with the proportion of those who had uncleared debts to family at 21.9%. Even if debts or debts to family are not very common among majority of Chinese families, they still received monetary support from their family network. Such voluntary monetary support is

more likely to happen between family members with close blood ties such as non-coresident children (2,236 out of 9,290 families), rather than from relatives (806 families) or friends (263 families). However, Chinese families tend to receive a higher level of monetary supports from their non-coresident relatives (13,977 yuan) than from their non-coresident children (6,347 yuan) or friends (2,190 yuan). Beyond this, the temporal comparison on CFPS 2010 and CFPS 2018 also reflects that Chinese families' strategies for collecting resources for redistribution are changing over time, with an increasing number of CFPS families had switched to a mode by integrating both formal credits via bank and informal borrowing from family instead of relying on either of the channel alone.

8.6 Chapter summary

Thus, this chapter has attempted to investigate how Chinese families' strategies for collecting resources for redistribution to family members have changed over time, by analysing the total family debts among CFPS sampled families by their borrowing reliance and borrowing purposes. The overall changing trend shows that Chinese families are potentially switching towards a strategy of collecting resources by resorting to both bank and family network. Among them, an increasing number of urban families have to resort more to creditors for accumulating resources to fulfil redistribution within their families, especially for financing housing. Generally speaking, urban families are normally more burdened with borrowing for financing housing, whereas rural families are more likely to borrow for other financial reasons. Even though the overall percentage of families who relied to family for capital had decreased, the family as a collective socio-economic actor remains to be a significant financial support to Chinese families over time, especially for rural families who have a biased reliance on family for informal borrowing by comparison to urban families.

Chapter 9 Discussion

9.1 Chapter Introduction

Before drawing a conclusion to the entire thesis in the next chapter, this chapter will generally discuss the key findings from the previous chapters in section 9.2, thus identifying the significant reflections from them by comparing to the existing literature and research. Following this, section 9.3 sums up the analytical contribution, empirical contribution, and theoretical contribution that this thesis has made to the existing social policy studies.

9.2 Key findings and reflections

The key concepts of decommodification, familisation and defamilisation, genderisation and de-genderiisation have been introduced as theoretical instruments to facilitate the analysis of complex state-market-family relationships analysing state-market-family relationships within the mainstream welfare regime debates and feminist research unpacked. In particular, the concepts of familisation and defamilisation are employed to measure variations in familialism, reflecting how welfare states rely on the family as a provider of social welfare. While the initial definition of defamilisation primarily focused on economic dependencies, it was later extended to encompass care relationships, serving as a complementary concept to gauge the extent to which the state can support caregiving within families (Leitner, 2003; Lohman and Zagel, 2016; Zagel and Lohmann, 2021).Empirical studies have operationalised this concept to examine policies aimed at reducing women's economic dependence on male breadwinners by encouraging their labour force participation, such as parental leave policies (Leitner, 2003; Bambra, 2007; Lohmann and Zagel,2016) and childcare policies (Cho, 2014; Chau et al., 2007), as well as addressing intergenerational dependencies between old-age parents and adult children (Leitner and Lessenich, 2007; Saraceno and Keck, 2010; Kurowska, 2018). While considerable attention has been given to how and to what extent the state can support caregiving within families, less focus has been directed towards the family's capacity to protect its members from risks.

Rather than perpetuating classic understanding of how welfare states shape state-family and family-market relations, Papadopoulos and Roumpakis' (2017) framework contributes a more comprehensive and substantive understanding on the family within social policy research. This framework breaks away from traditional paradigms to investigate how the family, functioning as a collective agent, can be institutionally enabled, or hindered by examining its interplay between economic production and social reproduction. To gain a deeper understanding of how the state can support families, it is crucial to grasp how family resilience and the ability to employ various householding strategies are impacted by shifts in the political economy.

Therefore, it is essential to explore how family strategies aim to offer family members with autarchy and protection from the uncertainties and vulnerabilities linked to profit-oriented or production-driven activities (Papadopoulos and Roumpakis, 2017). Even if the ongoing debates on East and Southeast Asian welfare states advocate the family's role as a collective actor, the application of this framework in these regions has primarily been theoretical. To bridge this gap, this research has added further empirical evidence to the argument of this framework by applying this as an analytical framework onto empirical large-N research. Aligned with the most pertinent points of the framework, this empirical study focuses on family capacity for resource accumulation and mobilisation. The study investigates how Chinese families, as property owners, entrepreneurs/employers, investors, recipients of social benefits, and integral parts of social networks, pool and mobilise their resources. This study thus zooms in on empirically examine the viability of family as a socio-economic actor, as well as the resonance and coherence of Papadopoulos and Roumpakis' (2017; 2019) framework in East and Southeast Asian context.

The recent social investment paradigm underscores the importance of balancing economic growth and welfare expansion. Even though the state can play a prominent role on social investment, the family in East Asian welfare states is expected to shoulder a responsible significant portion of private expenditure on human capital (Fleckenstein and Lee, 2017). This is supported by the findings in this thesis, that the Chinese families as an economic actor are indeed expected to contribute to members' essential welfare like healthcare, education, and housing. The well-being of family members often heavily relies on family support and private spending. Similar to the findings of Papadopoulos and Roumpakis (2017), the families in China as a collective agency, indeed play a pivotal role in creating and sustaining these conditions within.

This thesis has provided a comprehensive analysis on the CFPS data, concerned with the composition and distribution of household assets, household income, household expenditure and household debts from 2010 to 2018. The key research questions that this thesis aimed to address were firstly to map out the role of family both as a welfare provider and economic actor in China, by exploring the resource mobilisation, accumulation, and redistribution strategies of Chinese families within their familial practice. Second, it also attempts to understanding how Chinese families are prioritising their resources within redistribution and how far these patterns and trends differ in rural and urban China. In answering the first question, the thesis managed to empirically identify the distribution and composition of household income (resource mobilisation) and household wealth (resource accumulation) among the CFPS 2018 families, and also compared the data to 2010 level to further identify the changing (or consistent)

strategies on mobilising and accumulating resources. In answering the second question, it also managed to observe Chinese families' pattern for spending, thereby identifying the key aspects that they prioritise their resources on.

After establishing these empirical contributions, it is important to reflect on the implications of these findings for our re-understanding and re-packaging of the role of family in China from a social policy study angle. The thesis is able to contribute towards a better understanding of the similarity and differences between families in rural and urban regions in China, highlighting the dynamic changes to their patterns of familial practices on mobilising, accumulating and coordinating household resources. In this sense, it identifies the key role that the family has played and is playing in these familial practices. Echoing with the existing research on the financial dimension of the family in China (Xie, 2017; Wang et al., 2020), the findings indicate that investing in housing as an asset is the main way of Chinese families' strategies on accumulating assets within their familial practice. And this has been even more pronounced in CFPS 2018 compared to the situation back in CFPS 2010, taking into account the growing tendency of sampled families' average share of housing assets of the net total household wealth. The changing pattern of the household wealth composition also suggests that the share of financial assets, as well as the fixed asset and durable goods among Chinese families shows a convergence tendency, given that the gap for the average ratio for least wealthy, moderately wealthy, and wealthiest family had become much smaller in CFPS 2018 comparing to the 2010 pattern.

Housing therefore becomes an essential asset for families in China. Even if financing in housing at high costs can undermine the importance of the family as a key pillar of social security, it also acts as a financial investment. Chinese housing system has undergone a transitional nature, as moving away from a socialist housing system towards a privatized housing system (Wu et al., 2019). The supercities in China such as Beijing, Shanghai and Shenzhen are still associated with serious housing affordability problem. Here the note-worthy point is that the family (network) remains a key provider of credit for its members, with bank loans offering majority of the finances for supporting their housing purchases. This has direct implications for the fact that how financial markets and bank systems are seen as accessible or preferrable lenders, indicating often that informal relationships of trusts based on familial ties remain as a strong and flexible alternative to formal credits like bank loans. This echoes with scholars' (Li and Yi's, 2007; Li, 2010; Or, 2017) findings that mortgage finance plays a relatively minor role driving towards homeownership, whereas personal savings and parental contributions serve as the most important sources of home finance.

The crucial point, however, is that family as an institution who is often embedded with strong care and cultural ties, remains a key financial investor and a line of credit to its members. Taking into considerations the perspectives highlighting that the loans taking the form of direct or indirect donations with members are not expected to be paid back, it indicates that the family in China indeed serves as a key financial institution. This is a significant finding insofar – as Chinese market development remains steadfast, so that scholars often question that how far the family as an actor still matters for securing welfare and living conditions (Or, 2018; Niu and Zhao, 2021). Referring to the findings in this thesis, it is clear that families in China do play such an important role in securing the welfare and basic needs of their members, with meanwhile fulfilling a financial role that is underpinned by the cultural ties.

The theoretical reflections and contributions offered in this case, is that it is not possible for us to separate the significance of culture from the economy – assuming that these two domains operate impudently of each other is to ignore the importance that familial ties play in securing the living and housing conditions for families in China. Rather not surprisingly, rural households continue to rely more on family, which however equally indicates how far banks or formal market transactions have penetrated households' economic life in rural China, and more importantly how trust is often manifested in the reproduction of familial ties. This reproduction of family relations of trust should neither be treated as a capturing of a part of family life – in fact they should be realised as the underpinning logic within which Chinese families are able to mobilise and accumulate resources (and for other members to redistribute resources) within a political economy that has been prioritising the development and ownership of private housing.

By providing a nuance understanding of Chinese families that is different from the studies focusing more on the inequality and disparity of household wealth and household income in China (Xie and Zhou, 2014; Gustafsson et al., 2014; Xie and Jin, 2015; Wang et al., 2015), this thesis further highlights the different familial strategies among Chinese families for accumulating resources that differ from the least wealthy to the wealthiest quantile of families. The key finding here from the comparison of pattern on household wealth composition suggests that the richest families are on average experiencing the highest level of debts, (especially for housing debts), followed by that of least wealthy families. Such pattern arises for a similar reason - the former group of families tends to use a strategy by investing household resources in real estate property as an asset to enhance their living conditions or secure profitable asset, while the latter strives to get on the housing ladder despite the high costs for housing. In comparison, the moderately wealthy families are often with a less risky strategy for resource accumulation as they are unlikely to fall into the burdens with (housing) debts.

Moreover, the rural-urban gap on housing assets shares and debts sizes for housing and other financial purposes, supports the argument that the household registration (*hukou*) acts as a distinctive and institutional divide in China between rural and urban areas for housing, and majority of home buyers in urban China primarily rely on deposit savings and parental contributions to finance their home purchasing (see also Li, 2010). Apart from this, echoing with Liu's (2019) study suggesting the higher probability for investment in risky financial assets for those families with more social capitals, the findings here suggest that wealthier families are more likely to invest more in financial products than those who are less wealth, with the tendency more pronounced in urban China.

In exploration of how and how far Chinese families are able to mobilise their financial resources, the findings from the convergence tendency for household income composition from CFPS 2010 to CFPS 2018 suggests that most families' abilities on mobilising resources, perhaps unsurprisingly largely depend on the development of the labour market, given that salary income turns out to be the most important source of income for majority of Chinese families. The finding here suggests that the abilities of families to mobilise resources relies at large to the development of the labour market and salaried income, thus indicating how an any decline in real income (e.g., salary after inflation) can affect the ability of families to perform their caring and economic role of supporting their members. For example, this has been previously explored by scholars like Huang (2012) who identifies the family income as a significant determinant for financing housing especially for those economically disadvantaged families. Therefore, when we explore how far families are expected to deliver care provision, we need to bear into consideration how labour market as institution and family as institution interplay. The implications are clearer when considering the familial practices under localised conditions, for example between urban and rural families.

The changing pattern on household income composition also highlights the significant financial support via family network, despite that Chinese families' strategies of gaining revenues and mobilising resources differ among families with different level of income earnings and have witnessed dynamic changes over time. Another finding which is worthy of notice is that regardless of in rural or urban China, the overall nationwide pattern suggests that the Chinese families' reliance on monetary supports offered by their non-coresident family members had been consistent all along since 2010 onwards until 2018, with such supporting function of family substantially improving among families with lower income revenue. Once again, this finding indicates the importance of family as a collective actor who is able to redistribute resources to its members when they need additional financial security. This is particularly important to explore in relation to the role of state intervention and public transfers.

By comparison, the average level of support from the state via public transfer such as government subsidies from CFPS 2010 to CFPS 2018 has considerably increased among rural families, while remained at similar level for urban families. In addition to such 'receiving' side for support, the findings on the changing pattern of household expenditure composition also suggests the consistent level of financial supports from the sampled families given to their non-coresident relatives. Especially in rural areas, such outward financial supports to non-coresident relatives had become more intensive, whilst that among urban families remained at the similar level. It is also important to note here that familial support is not only directed towards housing purposes but also often is offered based on what could be considered as key welfare state policies, such as health and educational needs. By linking such bidirectional sides of the monetary support that a family receives from family network and gives out to non-coresident relatives, the outcomes from findings then indicate an overall tendency of consistent mutual support between non-coresident family members in both rural and urban China over time, with the mutual reliance tending to become more substantial among rural families. This can likely be partially explained by the exiting findings in the literature, which suggest that rural families often have a greater need for adult children to provide old-age support and financial assistance (see for example, Wang, 2014; Zhang et al., 2019). It could be suggested that the recent attempts by the Chinese government to expand public transfers in rural areas, mainly via targeted income support to ameliorate the poverty, in combination with investment measures directed to rural areas is aimed at reducing the level of income and wealth inequalities between urban and rural areas (The World Bank, 2022; He and Zhang, 2022). However, it is important to indicate that while this process and effort is taking place, the role of family remains as the key for securing welfare services and enhancing living conditions in China.

Therefore, the overall changing pattern that are identified from the distribution analysis on family assets, family income, family expenditure and debts, offers us a comprehensive overview of the changing patterns for families' practices on mobilising and accumulating resources in China. Along with such analysis, a closer look into the household debts volumes and ownership enables us to map out a more detailed scenario regarding in what way family come into play its significant supporting role and how far the family network can support under different conditions. The empirical analysis suggests that strategies on coordinating resources among Chinese families are not necessarily reinforced by formal financial transactions via financial institutions, but instead in reality practiced by informal cultural and familial practices establishing on close-knit family network. The significance of informal credits via lending and borrowing from family network are often underestimated in the literature discussing household finance (Turvey et al., 2008). By detailing the distribution of household debts and debts ownership, it reveals the reality of rural families resorting more to family network while urban

families relying more on formal credits, is consistent with the findings from empirical research suggesting that people in countryside in China rely more heavily on family resources to make up for inadequate social welfare and social security (Wang, 2014). This on one hand suggests the differentiated level of accessibility to formal banking system in two areas, and on the other hand implies that the relationships of trust remain strong among family members in rural China. Moreover, this is further supported by the empirical evidence from the findings that urban families are less likely to be refused by the bank to secure loans.

For both mobilising resources for financing housing or redistributing to ensure the welfare provision of family members, the family in China shows a significant subsidising and supporting role. Their evidence from their usage of bank and family loan indicates that except for covering daily expenses of family loan, the family as a collective actor is also mobilising resources from both formal credits and family network to invest in human capital like on family members' education or address their medical needs such as paying for medical treatments. To go a step further, this thesis also links Chinese households' debts reality to their optimal borrowing preference, of which the findings show that Chinese families continue to prefer to resort to family members for accessing capital (especially for housing), despite of the reality that their strategies for mobilising resources are largely depending on bank, with the subsidizing from the family network. Such biased preference on family network is again to do with the trust culturally embedded within the extended family network, as the interpersonal resource of credit normally gives an easier access based on verbal agreement without written contract and often with flexible repayment criteria which works as a preferred way for families to manage economic actions by avoiding from formal credits (Tang and Guo, 2017). In meanwhile, the capacity of the family loan also should not be underestimated as it sometimes reaches to a considerable amount when compared to the level of loan a family can secure from the bank. Furthermore, the comparison of household debts between those with or without business reveals that the families who are engaged with self-employed business are more likely to have easier access to formal credits for other financial borrowings, with the families in rural areas exposed more to financial debts (whether owed to bank or to family members).

By particularly looking into the monetary supports received by families with or without any debts to family for covering housing needs or refilling other financial gaps, the findings also suggest that Chinese families are more likely to receive the monetary supports from their non-coresident children than the non-coresident relatives, although the average level of supports from relatives are normally at a higher level. This echoes with the previous findings identifying that majority of contemporary Chinese elders receive monetary or in-kind support from their adult children (Guo, et al., 2012; Wang et al., 2023). Even if from the data analysis in this

research, it is less possible for us to further observe the similarities and differences between the monetary supports from close family members within the family, as well as from non-coresident relatives within extended family network, we can refer to the previous studies for an insight. Such mutual supports within family network are often more captured in the literature by focusing on and investigating the intergenerational relations and supports between elderly parents (who are in need of elderly care) and adult offspring (who need supports on their childcare). It is found that elderly parents' financial and welfare (childcare) support to their adult children has a significant positive effect on children's filial return, namely the elderly care support (Xu, 2017). On the other hand, the financial support given to adult children by middle-aged/elderly parents were with an expectation of old-age care from them (Tang and Wang, 2022). And for upward support from adult children to aging parents, the gendered studies on CFPS suggests the ongoing pattern of sons providing financial support and daughters providing aging care in rural China, whereas in rural China daughters outperform sons in offering both financial and care support (Xu, 2015).

9.3 Contributions of this thesis

Echoing Papadopoulos and Roumpakis' (2017; 2019) research, this study has offered support to their argument of elevating the family as a collective socio-economic actor in welfare regime studies, as the research outcomes indicates that the family in China as a collective unit who mobilises resources especially from family network on top of from formal transactions, and then redistributes onto the well-being of its family members. The findings from the empirical analysis and comparison on CFPS 2010 and CFPS 2018 data reveal that the familial practices established on the extended family relationships remain significant in securing assets and the welfare beings among the family members in China. Especially in the case of rural families who are more likely to resort to family instead of the bank for capital to finance housing, the family practically and significantly remains as a collective socio-economic actor, providing that the trust for mobilising resources is deeply rooted in the cultural traditional value within the extended family network. This is also evident from the literature arguing the extended families could offer support to housing acquisition especially via the intergenerational housing support between retired elderly parents and their children (Li and Shin, 2013). And the comparison of their debts' ownership between 2010 and 2018, suggests that Chinese families have changed the strategies for mobilising and coordinating their resources over time, with a strong familial reliance transferring to a trend of equally resorting to both formal and informal credits. Along with the repeatedly suggested key insights from the findings, the familial ties continue to supplement the formal financial transactions within Chinese families' practices on consolidating and coordinating resources, by acting its collective socio-economic actor role.

One of the key empirical findings of this study with direct analytical contributions is on the implications for the role of the family in China acting as an informal lender providing toning and froing financial support, reflected from the existence of continuous borrowing from family among Chinese families. Moreover, the family' voluntary support role providing monetary supports especially between the non-coresident family members or relatives, also acts a key role for Chinese families as a mean of mobilising resources, especially for those with lower income revenues who considerably depend on public transfer and find it harder to mobilising resources from other resources of income. Besides, the family's financial support also takes the form of risk absorber or lender of last resort, especially for those less wealthy Chinese families who might find it harder to get access to the formal financial markets due to lack of collateral. Therefore, as with the transitional changes to both families in China and their key strategies for resource coordination, the key function of the family as a collective socio-economic actor here is that it is able to protect its family members (via securing their housing needs or guaranteeing the well-being) by collecting and mobilising resources via both formal credits (mainly bank) and informal credits established on familial relationships and trust. This in turn further supports the viewpoint pointing out that relying on trust through family connections is often a means of survival especially in trouble times, which is normally involved with ongoing exchange of explicit and implicit benefits (King and Wei, 2018).

However, approaching the family as a collective socio-economic actor in China is far more beyond the informal transactions within family or within the extended family network. On one hand, such reciprocal supports aren't necessarily reinforced by mutual financial or monetary supports, but also can involve exchange of welfare resources (Xu, 2017), or transform between financial and welfare resources (Zhu and Xie, 2017). Regarding family as both an economic actor and provider of care, the variance of supports a family can provide turns to be numerous, depending on the proximity (coresident vs. non-coresident), reciprocity (i.e., between retired parents and adult offspring), and intimacy (domestic family vs. extended family network) of support relationships. The familial support can involve toing and froing lending and borrowing between family members, reciprocal monetary/welfare support between elderly parents and adult children with kid(s); 'give' and 'take' of financial support between family members (especially between parents and children) (Yang, 1996), as well as back and forth cash flow or gifts for banquets and ceremonies between relatives within the family network (Zou and Mao, 2018). As parenting and filial duty still as an ongoing process in China under the traditional cultural value (Whyte, 1997; 2005), mutual support and care among family members are still emphasised for Chinese families, with an increasing debate on the typologies of intergenerational relationships characterised by different level of upward or downward support (Guo et al., 2012; Zeng and Li, 2020).

This thesis was able to contribute empirically throughout the analysis of family as a social-economic actor capturing the importance of mobilising, accumulating and redistributing resources within familial practices. It did so by exploring income, expenditure, assets, and debts among rural and urban families. The empirical findings capture the importance of family as an institution for securing welfare for their members, which act not only as an investor or creditor to financial assets and in particular for financing housing, but also often play a key role in the Chinese political economy that expand beyond the care relations. The theoretical implication of this research is that it maps the dynamic development of family strategies – when it comes to generating income, spending money, including redistribution and asset purchasing. The implications for the institutional analysis of Chinese political economy are that families play an essential role for securing welfare of their members. This is not taking place within a vacuum but within a dynamic political economy, with the conditions of the latter reflecting on the ability of families to generate income via labour market (salary income), access income support from the state (public transfers such as government subsidies or pensions) and equally spend on supporting family members' health and education as well as housing purchases. On a theoretical level, the majority of welfare state approaches suggest that family plays a rudimentary role and displays signs of backward provision. The findings indicates clearly that the family remains as a key institution of trust for family members while their economic activities often complement the role of the state (e.g., on the aspects like health, education etc.) in meeting the needs of their members but also complement, if not crowd out the role of formal banks when it comes to securing capital. In this vein, this thesis identifies that the family does not just play a crucial role when it comes to care relationships but plays an active role within the Chinese political economy. To reduce and condense family only onto its welfare dimension by merely focusing on care relationships means that we would not be able to map both how far families mobilise and consolidate resources but also the conditions (e.g., labour market, public transfers, housing) that underpin the ability of families to secure the welfare of their members. This is also the reason that this thesis did not explore more about familial care practices, but instead opt to highlight the financial economic dimension of the family into analysis.

9.4 Chapter summary

Thus, this discussion chapter has first synthesised the research findings from the distribution and dynamic change analysis in Chapter 5 to Chapter 8, evaluating their significance and highlighting the key implications. Then in section 9.4, it highlights the contributions this thesis has made analytically, empirically, and theoretically.

Chapter 10 Conclusion

10.1 A summary of the thesis

By identifying the gap within the existing literature, this thesis argues that it is imperative to repack and decipher the family as a collective socio-economic actor in contemporary China. Aiming at contributing to a more nuanced and comprehensive understanding of the family unit within the realm of a social policy, this research emphasises the significance of mapping out how families are able to effectively pool resources. This involves examining their income generation (as a form of resource mobilisation) as well as their capability to accrue wealth as a collective unit (resource accumulation).Additionally, the thesis highlights the need to capture how and where families are prioritising their spending (resource redistribution) towards and how far these patterns and trends differ among families in rural and urban China.

In chapter 2, this research explored the historical the significance of the family within the context of social policy studies, especially on how it has long been addressed and approached from a welfare dimension regarding to its role as provider of care. It provided an in-depth examination by discussing both the key approaches to studying welfare regimes and systems, as well as gender-based approaches. Furthermore, it touched upon the expanding discourse on welfare models within East Asian welfare capitalisms. In Chapter 3, the focus shifted to the Chinese context by discussing he ethical values and family dynamics prevalent among Chinese families, alongside the structural transformations they have undergone. The key research questions were then introduced along with the methodological choices of this research next in Chapter 4. Drawing upon on the subsequent analytical findings, we conclude with an overview of the existing key literature approaching family as an economic actor and as a welfare provider.

Through an examination of theoretical concepts such as decommodification, familisation, and defamilisation, genderisation, and de-genderisation, this thesis argues that mainstream welfare regime debates and feminist research have predominantly focused on analysing state-market-family relationships, treating the family as a provider of care. By comparison, the extension of family as a collective economic actor concentrates on to explore the capacity of family to pool and redistribute resources to fulfil members' welfare needs. This perspective is particularly crucial for the state in determining the extent of its intervention in supporting families and can contribute to a more comprehensive understanding of economic and social defamilisation. Such an approach will then better capture the nuances in familialism. In line with Papadopoulos and Roumpakis' (2017) framework, this study tends to move beyond traditional research paradigms and explores the family as a collective agent, examining its role at the intersection of economic production and social reproduction. While discussions on East and Southeast Asian welfare

states have highlighted the family's role as a collective actor, the practical application of this framework in these regions has been primarily theoretical. To address this gap, the research adds empirical evidence to support the framework's applicability by using it as an analytical tool in a large-scale empirical study.

10.2 Key insights and contributions

By recalling the main research questions this research aims to explore, the key findings of this thesis are as follows:

Resource mobilisation

Providing the findings suggest most families in China depend on salary as a main resource of income generation and salary income leads the dominant largest share of household income for Chinese families, their capabilities for mobilising resources can be largely depended on the development of the labour market. This means that any decline in their real income can weaken their role for providing financial and welfare supports to their members. A key finding here also highlights the significant role of financial support within the family network for Chinese families to mobilise their resources. Both in rural and urban areas, Chinese families' reliance on monetary supports offered by their non-coresident family members had remained consistent from 2010 to 2018, and this is particularly pronounced among families with lower income revenue. Resource mobilisation can take the form of transfers that are taking place among family members – when one member is able to financial support or act as credit lender then the family member who receives the support is able to mobilise capital, in the case of housing purchases, or financial support (in the case of health or education services). It is important therefore to flag that the family here, realised as an extended member of kin, plays a key redistributive functions echoing what Polanyi identified as reciprocal (in the case the favour or money returns) or redistribution principles. In particular, the principle of redistribution is key here as often this is a function that seems to be relevant primarily to the role of the welfare state. Identifying the importance of familial strategies but also how family as an economic actor, steps in when welfare state is absent is key foundation for mapping future policy making. Finally, the importance of credit lending is key for understanding how familial relationships of trust both are indicating a clear preference for borrowing money (instead of banks) but also how the family as a cultural and economic institution can facilitate and sustain important financial transactions.

Resource consolidation

With reference to the growing trend of average share of housing assets, housing becomes an essential asset for families in China, especially as a significant financial investment, out the

purpose to secure family member's housing needs or enhancing their living conditions. However, financing housing with high costs especially via formal credits such as shouldering the burdens with housing debts can undermine the importance of the family a key pillar of social security. The results shows that Chinese families have a preference towards resorting to family members for accessing capital to refilling their financial gaps to cover the housing needs. Especially in the case of rural families who are more likely to resort to family than urban families, the family significantly remains as a collective socio-economic actor for them to pool resources. This finding has important connotations for financial markets within China and equally captures the levels of inequality among rural and urban families. It is important to note that family members who continue to rely on familial relationships of trust and support are more likely to benefit from family members who have access to better jobs or more financially secure. This captures both the drive for many families to work migrate to urban areas (supporting children or elder parents who staying in rural areas). Equally however we need to capture that family is also reproducing to some extent inequalities – with families who are better off being able to support their members more than those who are less off. It is important therefore not to confuse family strategies as equal or performing an equal role to the welfare state – for wealth inequalities to be addressed more direct intervention in terms of resource redistribution is needed, as indicated for example in the social housing programmes and provisions in China.

Resources redistribution

The findings on consistent level of monetary support from family members over time also indicates the importance of family as a collective actor who is able to redistribute resources to its members when they need additional financial security. The changing pattern for the household consumption among Chinese families suggests a potential growing trend of mobilising resources onto commercial insurance. The implication here is that the family as a collective actor is trying to coordinate their resources more onto investing in insurance (to improve family members' welfare or maintaining the value of fixed durables or properties) or securing housing needs (even via resorting to formal credits). In meanwhile, Chinese families maintain their financial support level to their extended family network over time, yet by controlling their spending on gift giving or on banquets and social relations. These functions play a key crucial cultural role and often enable family members to acquire 'cultural capital' among their peers and within their community.

Based on these micro-level evidence to our macro-level research questions, we shed light on the role of (financial) family involved in all these practices, as a collective socio-economic actor: informal creditors (bank of family) who provide more flexible borrowing as a significant

and substantial complementary support to formal financial institutions (mainly banks); voluntary financial support role via monetary supports between non-coresident family members, which is an essential for Chinese families to mobilise resources, especially for those with lower income revenues and who considerably depend on public transfers; risk absorbers or lenders of last resort, especially for those less wealthy Chinese families who might find it harder to access the formal financial institutions due to lack of collateral.

As highlighted in the discussion chapter above, this research has both empirically and analytically contributed to existing knowledge by applying a fresh and comprehensive theoretical perspective for understanding the role that family play withing the social reproduction of welfare capitalism. On the analytical level, it is among the first attempts to put into test the theoretical approach of Papadopoulos and Roumpakis (2017;2019) which sublimates family to a collective socio-economic actor, thereby evaluating its limits as an analytical framework. On the empirical level, it contributes to capture the consistent, significant role of family playing within Chinese families' familial practices on mobilising, accumulating, and redistributing resources. In this vein, the key theoretical contribution of this thesis relies on taking the first step to repack the role of family as a collective socio-economic actor in the political economy of China, thereby providing insights to a new analytical approach for exploring East Asian welfare capitalism. This thesis was able to dynamically capture how Chinese families are able to pool resources (most importantly financial resources) and how far they prioritise and coordinate resources to support their members when they are need. However, this thesis inevitably has its limitations.

Social investment approaches tend to highlight the importance of reconciling economic growth through productivity gains as well as welfare expansion. Often the examples in the literature indicate examples among OECD countries. Among East Asian welfare states a different picture emerges as often the family is expected to contribute towards private expenditure (as indicated by Fleckenstein and Lee, 2017). The findings in this thesis also verify that the family is expected to contribute to key welfare areas such as health, education and housing questioning therefore how far social investment as an approach is meaningful. More to this the findings in this thesis illustrate that often the well-being of family members relies excessively on family support and what would constitute private spending. It could be argued that in parallel with the findings of Papadopoulos and Roumpakis (2017), the role of the state is not necessarily linked in facilitating economic and productivity growth or welfare support on its own. Instead, the role of the family is key for securing these conditions within the Chinese political economy. The thesis has not been able to explore the implications that families face in light of fertility rates, but a clear research agenda emerges insofar families and young couples are able to cope

and take the responsibility for nurturing their own children in the absence of adequate welfare state support and perhaps more importantly family support. Identifying once more how familial resources can support young couples in making these decisions would an interesting research agenda.

10.3 Research limitations of this thesis

Given the representative nature of the samples included in the analysis, there are still inevitable limitations to our study. First of all, like majority of the research based on secondary analysis on the existing dataset, all the quantitative analyses in this thesis are more or less constrained with the measurement of the variables from the datasets, as well as the questionnaire design of the CFPS survey project itself. This is mainly embodied in availability, comparability and quality of data collected in the CFPS 2010 and CFPS 2018 datasets. For example, although it has put great efforts to minimise the impacts on less comparable variables, i.e., the family assets-related variables from the two waves of datasets, are not perfectly horizontally comparable providing that subsequent waves of CFPS survey had been constantly improving and had constructed comprehensive variables that might not be available in baseline survey of CFPS 2010. Also, like for the analysis on family income, we must bear in mind the practically different measurements of income variables for CFPS 2018 (i.e., *FINCOME1*) and the variables that are comparable to the 2010 level (i.e., *FINCOME 2*). Moreover, research with a longer time span to observe a long-run dynamic change was not possible, as the CPFS 2018 is the latest available wave of data and the family questionnaire of CFPS 2020 hasn't been published yet.

Another limitation of this thesis is the fact that within the practical analysis, the existing available data do not always serve perfectly to fit the research assumption or to be customized for the certain research idea, again owing to its secondary data analysis nature. For instance, despite of its rich and reliable massive data with representative sample size for the Chinese population, it was not able to fully address the proposed research questions regarding to the further redistribution of resources among Chinese families. Thus, it makes it impossible for us to further observe the redistribution strategies among the Chinese families, especially where they spend and how they coordinate the resources they collected, especially their outstanding debts to their family as informal credits. Moreover, although the adult and child (proxy) questionnaires in CFPS survey capture the welfare dimension of families in China, it is less likely to be utilised to further map out the redistribution of welfare resources among the sampled families, thereby not enabling a more comprehensive analysis integrating different questionnaires of the CFPS dataset.

As this research takes the risk of exploring answer to a macro-level research question by processing the micro-level focused survey data from CFPS 2010 and CFPS 2018, it prevents us from further connecting the findings on how the family network is involved within the accumulation, redistribution, and mobilisation of resources among Chinese families, to the welfare provision among families. The tangled web of families' or friends' relationships based on distinct culture value and extraordinary trust is too sophisticated to assert that the above-mentioned findings from the repackage of family in China as a collective socio-economic actor argues herein are completely exact and general. Even though the key arguments in this research are supported by and echoed with the other research in the existing literature, further research is still needed by applying the analytical framework. Along with the structural and transitional changes to families in China, it will be even harder for us to capture the form of family support by approaching to the family as a collective socio-economic actor. In this sense, it would be useful in future research to adopt qualitative approach to peel the family in China as both an economic actor and welfare provider, thus providing a 'bottom-up' perspective from families' points of view on revealing what is happening within the family or between families with more details.

10.4 Prospect on future research

Despite the potential research limitations, this study is among the first attempts to apply the analytical framework of family as a collective socio-economic actor into empirical research, thereby exploring its suitability and evaluating its limits as a theoretical approach. From another point of view, by referring to the empirical findings based on a nationally representative survey, it has also attempted to appraise how far such a fresh and newly developed analytical framework can address the scenario of family in China and thus reflecting on the wider East Asian context. Further work on approaching family as a socio-economic actor will yield additional insights into a better and deeper understanding of East Asian welfare (regimes) and contribute to substantial insights on how the state should fulfil its strong but limited role to support the family as an economic and welfare institution for the social reproduction of welfare capitalism. Providing that this thesis has been limited to the secondary data from a nationally representative survey project, we would be especially interested in similar studies across other East Asian societies, including those adopting a more qualitative scope to map out in more details how far families in China are relying onto their family member as well the extended family network to mobilise, consolidate and redistribute resources to secure their welfare needs. Especially when it comes to the intergenerational relationship between elderly parents who are in need of old age support and adult outspring who needs help with childcare, the joint nature of the financial and welfare dimension of familial support has been realised but not much explored. Also, considering the structural changes to the families in contemporary China under

the backdrop of aging population and declining fertility rate, and the impact of the previous and ongoing family planning policy (from the long-lasting one child policy to the recent two-child policy), the role of family as a collective economic actor can be challenged by the diminishing family size. From this sense, whether the consistent and substantial familial support, especially on its financial dimension, is being significantly supplemented or replaced by non-family members like close friendship as a broader social relationship based on trust and personal network, might also be a potential research focus for the future studies.

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List of Appendices

Appendix 1: Supplementary Tables on CFPS variables

Table A1.1 The Fragmented Composition of Total Family Assets in CFPS 2018

Constructed Variables	Aggregative variables from the questionnaire
Income Generated from Land (yuan) [LAND_ASSET] (FL9+FL10+FS201)*0.25/0.08	**FL9** *"Income from selling agricultural & forestry products in last 12 months (yuan")*
	FL10 *"The value of self-consumed agricultural products (yuan)"in last 12 months*
	FS201*"Income from renting out the collectively distributed land" in last 12 months*
The value of current Housing (10,000 yuan) [RESIVALUE]	**FQ6** *"estimate of the current market value of the house (10,000 yuan)"*
The value of other housing (10,000 yuan) [OTHERHOUSEVALUE]	**FR2** *"the total market price of all other housing units (10,000 yuan)"*
The housing Mortgage (yuan) [HOUSE_DEBTS] FT301*10000+FT401	**FT301** *"Total amount of unpaid off mortgage loan (including the interest) (10,000 yuan"*
	FT401 *"Total amount of unpaid off debt to relatives/friends or other individuals and institutions (e.g. private loan institution) to purchase/build/dec orate the house (yuan)"*
Business Asset (10,000 yuan) [COMPANY]	**FM401** *"Total assets of the self-employed business (10,000 yuan) (in past 12 months)"*
Value of agricultural machinery (yuan) [AGRIMACHINE]	**FS7V** *"the total value of farm machineries (i.e. tractor, thresher, water pump, processing equipment, etc.)(yuan)"*
Cash and deposits (yuan) [SAVINGS]	**FT1** *"the total amount of deposits (yuan) (Count in the cash and deposits held by all members carried by in pocket and kept at home in the family)"*
Value of financial products (yuan) [FINANCIAL_PRODUCT]	**FT201** *"the total amount of financial products (yuan) (including stock, fund, state debt, trust product, foreign exchange product etc.)"*
Unpaid off debt to the family [DEBIT_OTHER] *"Money lent out to others (yuan)"*	**FT901** *"the total amount of money that individuals or institutions owe your family (yuan)"*
Durables Asset (yuan) [DURABLES_ASSET]	**FS6V** *"the total value of durable goods" (i.e. Automobile, electric bicycle, motorcycle, refrigerator/freezer, washing machine, TV, video camera etc.)*
Non-housing Debts (yuan) [NONHOUSING_DEBTS] FT501+FT601+FT602	**FT501** *"Total amount of unpaid off bank loan (excluding mortgage loan) (yuan)"*
	FT601 *"Total amount of unpaid off debt to relatives/friends (yuan)"*
	FT602 *"Total amount of unpaid off private loan[24] to other individuals and institutions (e.g. private loan institution) (yuan)"*

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[24] **"Private loan"** refers to loans between individuals, between individuals and enterprises, and between enterprises. It does not involve any legal financial organisations. The question here in the original questionnaire concerns loans from non-financial organisations.

Table A1.2 The Fragmented Composition of Total Family Assets in CFPS 2010

Constructed Variables	Aggregative variables from the questionnaire
Income Generated from Land (yuan) [LAND_ASSET]	
The value of current Housing [resivalue_new] FD4*10000	**FD4** *"The estimated current value of the house last month (10,000 yuan)"* (the total amount received if the house is sold according to the current market price)
The value of other housing [OTHERHOUSEVALUE] "Total *value of other residence (yuan)*"	**FD703** *"The total current values of the houses (10,000 yuan)"*
The housing Mortgage [HOUSE_DEBTS]	**FH203_a_1** *"Amount of loan used for housing (building/buying a house) (yuan)"*
Business Asset [COMPANY] Itemized sum of FV4	**FV4_a_1** *"Business 1: Total assets of this business (1,000 yuan)"*
	FV4_a_2 *"Business 2: Total assets of this business (1,000 yuan)"*
	FV4_a_3 *"Business 3: Total assets of this business (1,000 yuan)"*
	FV4_a_4 *"Business 4: Total assets of this business (1,000 yuan)"*
Cash and deposits [SAVINGS]	**FF2** *"Amount of deposit at the end of last year (yuan)"*
Total Value of Stock [STOCK]	**FF302_a_1** *"Market value of stock held at the end of last year (yuan)"*
Total Value of Funds [FUNDS]	**FF302_a_2** *"Total principal of capital funds held at the end of last year (yuan)"*
Unpaid Off Debt to the Family [DEBIT_OTHER]	**FG2** *"All debts that others owed to your family at the end of last year (yuan)"*
Valuable collections(yuan) [VALUABLE]	**FG3** *"Market value of your family's collections at the end of last year (yuan)"*
Other asset [OTHERASSET]	**FG4** *"Market value of other assets at the end of last year (yuan)"*
Non-housing Debts [NONHOUSING_DEBTS] FH203_A_2+FH203_A_3+ FH203_A_4+FH203_A_5+ FH203_A_6	**FH203_a_2** *"Amount of loan used for education (yuan)"*
	FH203_a_3 *"Amount of loan used for durable goods (yuan)"*
	FH203_a_4 *"Amount of loan used for medical care (yuan)"*
	FH203_a_5 *"Amount of loan used for daily living expenses (yuan)"*
	FH203_a_6 *"Amount of loan used for other purposes (yuan)"*

Table A1.3 A Comparison on the Fragmented Composition of Total Family Assets in CFPS 2018 and CFPS 2010

Constructed Variables and aggregative variables from the questionnaire	
CFPS 2018	**CFPS 2010**
Income Generated from Land [LAND_ASSET] (FL9+FL10+FS201)*0.25/0.08	**Income Generated from Land** [LAND_ASSET]
FL9 *"Income from selling agricultural & forestry products (yuan)" in last 12 months* **FL10** *"The value of self-consumed agricultural products (yuan)" in last 12 months* **FS201** *"Income from renting out the collectively distributed land" in last 12 months*	
Housing Asset (net) [HOUSEASSET_NET] FQ6+FR10 – (FT301*10000+FT401)	**Housing Asset (net)**[25] FD4*10000 + FD703 - FH203_a_1
FQ6 *"estimate of the current market value of the house (10,000 yuan)"* **FR2** *"the total market price of all other housing units (10,000 yuan)"* **FT301** *"the total amount of the mortgage (including the interest) (10,000 yuan)"* **FT401** *"the total amount of loans in debt to relatives/friends or other individuals and institutions other than bank (e.g. private loan institution)(yuan)"*	**FD4** *"The estimated current value of the house last month (10,000 yuan)"* **FD703** *"The total current values of the houses (10,000 yuan)"* **FH203_a_1** *"Amount of loan used for housing (building/buying a house) (yuan)"*
Fixed Asset [FIXED_ASSET] FM401*10000 + FS7V	**Business Asset** [COMPANY] FV4_A_1+FV4_A_2+FV4_A_3+FV4_A_4
FM401 *"the total assets of the self-employed business (10,000 yuan) (in past 12 months)"* **FS7V** *"the total value of farm machineries (i.e. tractor, tresher, water pump, processing equipment, etc.)(yuan)"*	**FV4_a_1** *"Business 1: Total assets of this business (1,000 yuan)"* **FV4_a_2** *"Business 2: Total assets of this business (1,000 yuan)"* **FV4_a_3** *"Business 3: Total assets of this business (1,000 yuan)"* **FV4_a_4** *"Business 4: Total assets of this business (1,000 yuan)"*
Financial Asset [FINANCE_ASSET] FT1+FT201+FT901	**Financial Asset** FF2+FF302_a_1 +FF302_a_2+FG2
FT1 *"the total amount of deposits (yuan) (Count in the cash and deposits held by all members carried by in pocket and kept at home in the family)"* **FT201** *"the total amount of financial products (yuan) (including stock, fund, state debt, trust product, foreign exchange product etc.)"* **FT901** *"the total amount of money that individuals or institutions owe your family (yuan)"*	**FF2** *"Amount of deposit at the end of last year (yuan)"* **FF302_a_1** *"Market value of stock held at the end of last year (yuan)"* **FF302_a_2** *"Total principal of capital funds held at the end of last year (yuan)"* **FG2** *"All debts that others owed to your family at the end of last year (yuan)"*
Durables Asset [DURABLES_ASSET] FS6V	**Valuable collections** [VALUABLE] FG3

[25] The variables coloured as grey in this table are not available as a constructed variable in CFPS 2018, they are only included here as a comparison to CFPS 2010.

FS6V *"the total value of durable goods" (i.e. Automobile, electric bicycle, motorcycle, refridgerator/freezer, washing machine, TV, video camera etc.)*	**FG3** *"Market value of your family's collections at the end of last year (yuan)"*
	(+) Other asset **[OTHERASSET]** **FG4** "Other assets (yuan)"
	FG4 *"Market value of other assets at the end of last year (yuan)"*
Non-housing Debts **[NONHOUSING_DEBTS]** **FT501+FT601+FT602**	**Non-housing Debts** **[NONHOUSING_DEBTS]** **FH203_A_2+FH203_A_3+FH203_A_4** **+FH203_A_5+FH203_A_6**
FT501 *"the total amount of family's unpaid off bank loan (yuan)" (excluding mortgage loan)* **FT601** *"the unpaid off debt to relatives/friends (yuan)"* **FT602** *"the unpaid off debt to other individuals and institutions (e.g. private loan institution) (yuan)"*	**FH203_a_2** *"Amount of loan used for education (yuan)"* **FH203_a_3** *"Amount of loan used for durable goods (yuan)"* **FH203_a_4** *"Amount of loan used for medical care (yuan)"* **FH203_a_5** *"Amount of loan used for daily living expenses (yuan)"* **FH203_a_6** *"Amount of loan used for other purposes (yuan)"*

Table A1.4 The Fragmented Composition of Total Family Income in CFPS 2018

Constructed Variables	Aggregative variables from the questionnaire
Salary Income (after adjustment) [FWAGE_1] FO3+FO7	**FO3** "*Earning of family member(s) employed by other farmers or worked away from hometown (yuan) in past 12 months (including all non-cash benefit and subsidies converted to cash)*"
	FO7 "*the total after-tax wage income of all the family members who worked for wage income (yuan) (including wage, bonus, subsidy, and non-cash benefit)*"
Business Income [FOPERATE_1] FL9+FL10-(FL50：+FL80：)+FM4	**FL9** "*Income from selling agricultural and side-line products (yuan) in last 12 months (including the crops cultivated, forestry products, poultry, livestock, fishery products and other sideline products like eggs, piglets, etc.)*" **FL10** "*The value of self-consumed agricultural and side-line products (yuan) in last 12 months (the amount of money could get from self-consumed part from previously produced agricultural products if they were sold)*" **FM4** "*The net profit[26] of the self-employed business (individually operated business or private enterprise) (yuan) in past 12 months*"
	FL501 "*Spend on seeds, fertilizer, pesticides (yuan)*" **FL502** "*The cost of hiring labour[27] ((including the cost of machine and draught animal used by the hired labour) (yuan)*" **FL503** "*Cost on rental of machines[28] (yuan)*" **FL504** "*Costs on irrigation (yuan)*" **FL505** "*Other costs (including fuel, transportation, processing, packaging, market administration fee, tax, etc.) (yuan)*" **FL801** "*Costs of raising fish or breeding stock [29] etc (yuan)*" **FL802** "*Costs of hiring labour (yuan)*" **FL803** "*Costs on rental of machines (for raising livestock or fish) (yuan)*" **FL804** "*Costs on forage (including the cost of self-produced crops and forestry products that were used as forage) (yuan)*" **FL805** "*Other costs of raising livestock or fish (yuan) (i.e. medical treatment, immunization, etc.)*"
Transfer Income [FTRANSFER_1] FN101+FN201+FR601*10000 +FS301+FN301	**FN101** "*The total amount of government subsidies [30] received (yuan) in the past 12 months (including cash and converted non-cash subsidy)*" **FN201** "*The total amount of social donations received (yuan) (including cash and converted non-cash donation, i.e. food, clothes etc.)*" **FR601** "*The total compensation of housing demolition/ relocation (10,000 yuan) (including money, houses etc.)*" **FS301** "*The total financial compensation of land expropriation (yuan)*" **FN301** "*The total amount of retirement subsidies or pensions (yuan)*"
Property income [FPROPERTY_1] FR501+FS201+FS501	**FR501** "*The total rental income (10,000 yuan)*" **FS201** "*The income from renting out[31] the collectively distributed land[32] in past 12 months*" **FS501** "*The rental income from renting out other family assets (yuan) (such as equipment, transportation tools, trees, durable goods, and livestock, etc.)* "
Other Income [FELSE_1] FN4+FN401+FN5	**FN401** "*Financial (monetary or material)) support[33]t from non-coresident[34] children*" **FN4** "*Financial support and/or donation from non-coresident relatives other than children (including parents, parents-in-law and other relatives) (yuan) in past 12 months*" **FN5** "*Financial support and or donation from anyone else (i.e. friends and colleagues) (yuan) in past 12 months*"

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[26] The "Net profit" here refers to the remaining profit of operating income deducted by costs and income tax, which can be with either positive or negative value.

27 The "cost of hiring labour" refers to the payment made to the hired labour, which also includes the payment for tools (such as machine and draught animal) used by the hired labour, if applicable.

28 "Rental of machines" refers to the cost of renting a machine for farming or forestry production, i.e., cross-region reaping fees.

29 "Breeding stock" refers to the livestock used exclusively to reproduce.

30 Government subsidies are subsidies transferred by government, including minimum living allowance (*Dibao*), reforestation subsidy, agricultural subsidy (including direct grain subsidies and farming machinery subsidies), *Wubaohu* subsidy (targeted at low-income, blind, disabled, elderly, and youth who are not able to support themselves), *Tekunhu* subsidy (targeted at very poor families), work injury subsidies to the linear relatives, emergency or disaster relief (including material goods).

31 The "rent" here refers to the transfer of land to others for use, regardless of whether the family receives rents or not.

32 The "land" includes farming land, forestry land, pasture, and/or pond.

33 Financial support and donation include heritage (such as house and car), money and material goods.

34 "Non-coresident" people refer to those who don't raise the family and who in turn are not raised by the family. They are members "who do not share the oven".

Table A1.5 The Fragmented Composition of Total Family Income in CFPS 2010

Constructed Variables	Aggregative variables from the questionnaire	
Salary Income (after adjustment) (yuan) [FINC] FF601	**FF601** *"The amount of family's total income (including salary, bonus, subsidy, and interest, but excluding pension/social security/welfare/government subsidy(yuan)"*	
Adjusted Net Business Income (including both agricultural production and non-agricultural operations) (yuan) [FOPERATE_NET] FIRM+NET_AGRI	[FIRM] ∑(Net profit of the business* the share of the stock)（the unit should be transfer from 10,000 yuan to yuan）。 ((fv8_a_1)*fv5_a_1*0.01+(fv8_a_2)*fv5_a_2*0.01+(fv8_a_3)*fv5_a_3*0.01+(fv8_a_4)*fv5_a_4*0.01)*10000	**fv5_a_1** *"Business 1:% of this business owned by the family"* **fv5_a_2** *"Business 2:% of this business owned by the family"* **fv5_a_3** *"Business 3:% of this business owned by the family"* **fv5_a_4** *"Business 4:% of this business owned by the family"* **fv8_a_1** *"Business 1:Net profit after-tax last year (10,000 yuan)"* **fv8_a_2** *"Business 2:Net profit after-tax last year (10,000 yuan)"* **fv8_a_3** *"Business 3:Net profit after-tax last year (10,000 yuan)"* **fv8_a_4** *"Business 4:Net profit after-tax last year (10,000 yuan)"*
	[NET_AGRI] max(fk5,fk3-fk4)+sum((annual production of the agricultural product-annual sales of the product)*market value of the product)	**FK3** *"Gross income from agriculture last year (yuan)"* **FK4** *"Total cost of agricultural production last year (yuan)"* **FK5** *"Net income from agriculture"*
Transfer Income (yuan) [WELFARE] FF401	**FF401** *"Transfer income from pension/social security/government subsidies (such as minimum living allowance (Dibao)"*	
Property income (yuan) [FPROPERTY] FE401+FE501 +FE601+FE701	**FE401** *"Income from renting out house last year (yuan)"* **FE501** *"Income from renting out land or other means of production last year (yuan)"* **FE601** *"Income from renting out other things last year (yuan)"* **FE701** *"Income from selling properties"*	
Other Income (yuan) [FELSE] FF701+FF8	**FF701** *"Non-wage or agricultural production income last year (yuan)"* **FF8** *"Equivalent value in cash of the gifts received last year (yuan)"*	

Table A1.6 A Comparison on the Fragmented Composition of Total Family Income in CFPS 2010 and CFPS 2018 (comparable with year 2010)

Constructed Variables and aggregative variables from the questionnaire	
CFPS 2010	**CFPS 2018**
Salary Income (after adjustment) (yuan) **[FINC]** **FF601**	**Salary income (comparable with year 2010) (yuan)** **[FWAGE_2]** **FO3+FO7**
FF601 "*The amount of family's total income (including salary, bonus, subsidy, and interest, but excluding pension/social security/welfare/government subsidy(yuan)*"	**FO3** "*Earning of family member(s) employed by other farmers or worked away from hometown (yuan) in past 12 months (including all non-cash benefit - 241 -nd subsidies converted to cash)*" **FO7** "*the total after-tax wage income of all the family members who worked for wage income (yuan) (including wage, bonus, subsidy, and non-cash benefit)*"
Adjusted Net Business Income (yuan) **[FOPERATE_NET]** **FIRM+NET_AGRI**	**Business income (comparable with year 2010) (yuan)** **[FOPERATE_2]** **FL9+FL10-(FL50：+FL80：)**
fv5_a_1 "*Business 1:% of this business owned by the family*" **fv5_a_2** "*Business 2:% of this business owned by the family*" **fv5_a_3** "*Business 3:% of this business owned by the family*" **fv5_a_4** "*Business 4:% of this business owned by the family*" **fv8_a_1** "*Business 1:Net profit after-tax last year (10,000 yuan)*" **fv8_a_2** "*Business 2:Net profit after-tax last year (10,000 yuan)*" **fv8_a_3** "*Business 3:Net profit after-tax last year (10,000 yuan)*" **fv8_a_4** "*Business 4:Net profit after-tax last year (10,000 yuan)*"	
	FL9 "*Income from selling agricultural and sideline products (yuan) in last 12 months (inlcuding the crops cultivated, forestry products, poultry, livestock, fishery products and other sideline products like eggs, piglets, etc.)*" **FL10** "*The value of self-consumed agricultural and sideline products (yuan) in last 12 months (the amount of money could get from self-consumed part from previously produced agricultural products if they were sold)*"
FK3 "*Gross income from agriculture last year (yuan)*" **FK4** "*Total cost of agricultural production last year (yuan)*" **FK5** "*Net income from agriculture*"	**FL501** "*Spend on seeds, fertilizer, pesticides (yuan)*" **FL502** "*The cost of hiring labour (including the cost of machine and draught animal used by the hired labor)(yuan)*" **FL503** "*Cost on rental of machines (yuan)*" **FL504** "*Costs on irrigation (yuan)*" **FL505** "*Other costs (including fuel, transportation, processing, packaging, market administration fee, tax, etc.) (yuan)*" **FL801** "*Costs of raising fish or breeding stock etc (yuan)*" **FL802** "*Costs of hiring labor (yuan)*" **FL803** "*Costs on rental of machines (for raising livestock or fish) (yuan)*" **FL804** "*Costs on forage (including the cost of self-produced crops and forestry products that were used as forage) (yuan)*" **FL805** "*Other costs of raising livestock or fish (yuan) (i.e. medical treatment, immunization, etc.)*"

Transfer Income (yuan) [welfare] ff401	**Transfer income (comparable with year 2010) (yuan)** [FTRANSFER_2] FN101+FN201+FN301
ff401 "*Transfer income from pension/social security/government subsidies (such as minimum living allowance (Dibao)*"	**FN101** "*The total amount of government subsidies received (yuan) in the past 12 months (inlcuding cash and converted non-cash subsidy)*" **FN201** "*The total amount of social donations received (yuan) (including cash and converted non-cash donation, i.e. food, clothes etc.)*" **FS301** "*The total financial compensation of land expropriation (yuan)*"
Property income (yuan) [fproperty] FE401+FE501+FE601+FE701	**Property income (comparable with year 2010) (yuan)** [FPROPERTY_2] FR501+FS201+FS501
FE401 "*Income from renting out house last year (yuan)*" **FE501** "*Income from renting out land or other means of production last year (yuan)*" **FE601** "*Income from renting out other things last year (yuan)*" **FE701** "*Income from selling properties*"	**FR501** "*The total rental income (10,000 yuan)*" **FS201** "*The income from renting out the collectively distributed land in past 12 months*" **FS501** "*The rental income from renting out other family assets (yuan) (such as equipment, transportation tools, trees, durable goods, and livestock, etc.)*"
Other Income (yuan) [felse] FF701+FF8	**Other income (comparable with year 2010) (yuan)** [FELSE_2] FN4+FN401+FN5 "*Monetary support from friends and relatives*"
FF701 "*Non-wage or agricultural production income last year (yuan)*" **FF8** "*Equivalent value in cash of the gifts received last year (yuan)*"	**FN4** "*Financial support and/or donation from non-coresident relatives other than children (including parents, parents-in-law and other relatives) (yuan) in past 12 months*" **FN401** "*Financial (moentary or material)) support[35] from non-coresident children*" **FN5** "*Financial support and or donation from anyone else (i.e. friends and colleagues) (yuan) in past 12 months*"

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[35] Such financial support and donation will include heritage (such as house and car), money and material goods.

Table A1.7 The Aggregated Composition of Total Family Expenditure in CFPS 2018

Constructed Variables	Aggregative variables from the questionnaire
Expenditure on food (adjusted) **[FOOD]** FP3*12	**FP3** "*Average family spending on food and purchasing snacks, beverage, cigarettes and alcohol per month (yuan)*"
Expenditure on clothing **[DRESS]**	**FP501** "*The total expenditure on clothing[36]in the past 12 months (yuan)*"
Expenditure on family equipment and daily necessities (adjusted) **[DAILY]** FP507+FP508+FP509 +FP406*12	**FP507** "*The total expenditure on purchasing, maintaining, and repairing car (including the payment of car loan) in the past 12 months(yuan)* " **FP508** "*The total expenditure on purchase, maintenance, and repair of other transportation excluding car (i.e., bicycle, electric bicycle) and communication tools (mobile phone, etc.) in the past 12 months (yuan)* " **FP509** "*The total expenditure on furniture and other durable goods in the past 12 months, i.e. automobile, computer, household appliances, jewelry, antique and expensive musical instruments (like piano) (yuan)*" **FP406** "*Average family spending on daily necessities (e.g., detergent, soap, toothpaste, toothbrush, etc.) per month (yuan)*"
Medical and fitness expenditure **[MED]** FP511+FP512	**FP511** "*The total direct medical expenditure in the past 12 months (including what was paid by or borrowed from relatives, but excluding what was reimbursed or reimbursable)* " **FP512** "*The total expenditure on fitness (e.g., bodybuilding, physical exercise, and health-related apparatus and products) (yuan)*"
Expenditure on communication and transportation (adjusted) **[TRCO]** FP401*12+FP405*12	**FP401** "*Average family spending on communication (including land-line phone, mobile phone, the Internet, post, etc.) per month (yuan)*" **FP405** "*Average family spending on local transportation (including public transportation fees and petrol fees) per month (yuan)* "
Expenditure on education and entertainment **[EEC]** FP502+FP503+FP510	**FP502** "*The total expenditure on entertainment (including purchasing books, newspapers, magazines, VCDs, and DVDs, and going to cinemas and bars, etc.) in the past 12 months (yuan)* " **FP503** "T*he total expenditure on entertainment (including the costs of transportation, accommodation, catering, guide service, entrance tickets, and so on)* " **FP510** "*The total expenditure on education in the past 12 months (all education-related expenditure, including school selection fee, tuition, training fee, extra-curricular tutoring fee, purchasing teaching materials, etc.)*"
Other expenditure on consumption **[OTHER]** FP513+FP518	**FP513** "*The total expenditure on cosmetic service (including makeups, facials, massages, etc.) in the past 12 months (yuan)*" **FP51**8 "*Other expenditure in the past 12 months (e.g. hiring domestic helper, purchasing lottery, paying fines, etc.) (yuan)*"

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[36] **"Clothing"** refers to the apparels, pants, shoes, socks, hats, gloves, scarves, etc.

Transfer expenditure [EPTRAN] FP515+FP516+FP517 +FU101+FU201	**FP515** "*Financial support (in cash and in kind) given to non-coresident relatives (including non-coresident children, parents, parents-in-law, and other relatives) in the past 12 months (yuan)*" **FP516** " *Financial support[37] (in cash and in kind) given to other people (e.g. friends, colleagues; excluding charitable donations) in the past 12 months (yuan)*" **FP517** "*Social donation (in cash and in kind) made in past 12 months (i.e. food and clothes) (yuan)*" **FU101** "*The total amount of spending (including material goods and cash) on banquets and ceremonies in the past 12 months (yuan)*" **FU201** "*The total amount of spending on gifts for social relations in the past 12 months (yuan)*"
Welfare expenditure [EPWELF] FP514	**FP514** "*The expenditure on commercial insurance in the past 12 months (e.g. commercial medical insurance, car insurance, property insurance, and commercial life insurance) (yuan)*"
Mortgage on housing [MORTAGE] FT302*10000	**FT302** "*The total expenditure on paying off the mortgage loan in the past 12 months (10,000 yuan)*"

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[37] **"Financial support"** includes property (e.g. house, car, etc.), money and goods.

Table A1.8 The Fragmented Composition of Total Family Expenditure in CFPS 2010

Constructed Variables	Aggregative variables from the questionnaire
Expenditure on food (adjusted) [FOOD] food_1+food_2 food_1=fh301*12, food_2[38]=faminc_net-faminc_net_old (If food_2<0, then food_2=0)	**FH301** "*The expenditure on food last month (yuan)*" faminc_net-faminc_net_old = ∑ ((output of the agricultural product of the year – annual sales of the agricultural product)*market price of the agricultural product))
Expenditure on clothing [DRESS] fh403	**FP501** "*The cost of clothing for the family last year (yuan)*"
Expenditure on family equipment and daily necessities (adjusted) [DAILY] fh302*12+fh307*12+fh401+fh407	**FH302** "*The expenditure on daily used commodities and necessities last month (yuan)*" **FH307** "*The expenditure on the care mortgage last month (yuan)*" **FH401** "*The expenditure on electricity last year(yuan)*" **FH407** "*The expenditure on miscellaneous goods[39] and services last year (yuan)*"
Medical and fitness expenditure [MED] fh402	**FH402** "*The expenditure on medical care[40] last year (yuan)*"
Expenditure on communication and transportation (adjusted) [TRCO] (fh303+fh304)*12	**FH303** "*The expenditure on transportation[41] last month (including expenditures for car maintenance and excluding transportation for car maintenance (yuan)*" **FH304** "*The expenditure on communication last month (including public transportation fees and petrol fees) per month (yuan)*"
Expenditure on education and entertainment [EEC] fh404+fh405	**FH404** "*The expenditure on education last year (yuan)*" **FP405** "*The expenditure on culture, entertainment and leisure activities (yuan)*"
Other expenditure on consumption [OTHER] fh411	**FH411** "*The expenditure on other items (including money mailed or brought to family members who were away from home, interest expenses, fines, land use expenses and other expenses paid) (yuan)*"

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[38] Here, the computation is:

faminc_net=finc+welfare+fproperty+firm+felse+net_agri,

faminc_net_old.=finc+welfare+fproperty+firm+felse+max(fk5,fk3-fk4)

net_agri = max(fk5,fk3-fk4)+sum((output of the agricultural product of the year - annual sales of the agricultural product)*market price of the agricultural product)) , so that **the food_2 attempts to measure the value of the self-consumed agricultural products.**

[39] **"Expenditure on miscellaneous goods and services"** refers to the cost of non-consumptive goods and services, such as sofa, chairs and pipe repairing.

[40] It includes costs for outpatient and inpatient care (e.g., surgery, injection, X-rays, and hospitalization) and other types of health care (such as costs of massage, and learning qigong or Tai Chi).

[41] "Expenditure on transportation" refers to daily transportation fees, including car maintenance, petrol/gas/electrical fueling costs, and bus ticket fees.

Transfer expenditure **[EPTRAN]** fh305*12+fh410+fh502+fc301	**FH305** "*The expenditure on family member support (cost associated with supporting the elderly, such as living expenses and the cost of nursing homecare)(yuan)*" **FH410** "*The expenditure on family's own marriages and funerals last year (yuan)*" **Fh502** "*The total amount of the money or material goods your family donated last year (yuan)*" **FC301** "*The total value of the gifts/cash gifts given out last year (estimated according to the market price at the time of giving out)(yuan)*"
Welfare expenditure **[EPWELF]** fh409	**FH409** "*The expenditure on commercial insurance last year (yuan)*"
Mortgage on housing **[MORTAGE]** fh306*12	**FH306** "*The expenditure on the home mortgage last month(yuan)*"

Table A1.9 A Comparison on the Fragmented Composition of Total Family
Expenditure in CFPS 2018 and CFPS 2010

CFPS 2010	CFPS 2018
Expenditure on food (adjusted) **[FOOD]** **FOOD_1+FOOD_2**	**Expenditure on food (adjusted)** **[FOOD]** **FP3*12**
FH301 "T*he expenditure on food last month (yuan)*" faminc_net-faminc_net_old = ∑ ((output of the agricultural product of the year - annual sales of the agricultural product)*market price of the agricultural product))	**FP3** "*Average family spending on food and purchasing snacks, beverage, cigarettes and alcohol per month (yuan)*"
Expenditure on clothing **[DRESS]** **FH403**	**Expenditure on clothing** **[DRESS]** **FP501**
FP501 "*The cost of clothing for the family last year (yuan)*"	**FP501** "*The total expenditure on clothing[42] in the past 12 months (yuan)*"
Expenditure on family equipment and daily necessities (adjusted) **[DAILY]** fh302*12+fh307*12+fh401+fh407	**Expenditure on family equipment and daily necessities (adjusted)** **[DAILY]** FP507+FP508+FP509 +FP406*12
FH302 "*The expenditure on daily used commodities and necessities last month (yuan)* " **FH307** "*The expenditure on the care mortgage last month (yuan)* " **FH401** "*The expenditure on electricity last year(yuan)*" **FH407** "*The expenditure on miscellaneous goods and services last year (the cost of non-consumptive goods and services, such as sofa, chairs and pipe repairing) (yuan)*"	**FP507** "*The total expenditure on purchasing, maintaining, and repairing car (including the payment of car loan) in the past 12 months (yuan)* " **FP508** "*The total expenditure on purchase, maintenance, and repair of other transportation excluding car (i.e., bicycle, electric bicycle) and communication tools (mobile phone, etc.) in the past 12 months (yuan)* " **FP509** "*The total expenditure on furniture and other durable goods in the past 12 months, i.e. automobile, computer, household appliances, jewelry, antique and expensive musical instruments (like piano) (yuan)*" **FP406** "*Average family spending on daily necessities (e.g., detergent, soap, toothpaste, toothbrush, etc.) per month (yuan)*"
Medical and fitness expenditure **[MED]** **FH402**	**Medical and fitness expenditure** **[MED]** **FP511+FP512**
FH402 "*The expenditure on medical care last year (yuan)* "	**FP511** "*The total direct medical expenditure in the past 12 months (including what was paid by or borrowed from relatives, but excluding what was reimbursed or reimbursable)* " **FP512** "*The total expenditure on fitness (e.g., bodybuilding, physical exercise, and health-related apparatus and products) (yuan)*"

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[42] **"Clothing"** refers to the apparels, pants, shoes, socks, hats, gloves, scarves, etc.

Expenditure on communication and transportation (adjusted) [TRCO] (FH303+FH304)*12	**Expenditure on communication and transportation (adjusted)** [TRCO] FP401*12+FP405*12
FH303 " *The expenditure on transportation[43] last month (including expenditures for car maintenance and excluding transportation for car maintenance (yuan)*" **FH304** "*The expenditure on communication last month (including public transportation fees and petrol fees) per month (yuan)* "	**FP401** "*Average family spending on communication (including land-line phone, mobile phone, the Internet, post, etc.) per month (yuan)*" **FP405** "*Average family spending on local transportation (including public transportation fees and petrol fees) per month (yuan)* "
Expenditure on education and entertainment [EEC] FH404+FH405	**Expenditure on education and entertainment** [EEC] FP502+FP503+FP510
FH404 "*The expenditure on education last year (yuan)* " **FP405** "*The expenditure on culture, entertainment and leisure activities (yuan)*"	**FP502** "*The total expenditure on entertainment (including purchasing books, newspapers, magazines, VCDs, and DVDs, and going to cinemas and bars, etc.) in the past 12 months (yuan)* " **FP503** "T*he total expenditure on entertainment (including the costs of transportation, accommodation, catering, guide service, entrance tickets, and so on)* " **FP510** "*The total expenditure on education in the past 12 months (all education-related expenditure, including school selection fee, tuition, training fee, extra-curricular tutoring fee, purchasing teaching materials, etc.)*"
Other expenditure on consumption [OTHER] FH411	**Other expenditure on consumption** [OTHER] FP513+FP518
FH411 "*The expenditure on other items (including money mailed or brought to family members who were away from home, interest expenses, fines, land use expenses and other expenses paid) (yuan)*"	**FP513** "*The total expenditure on cosmetic service (including makeups, facials, massages, etc.) in the past 12 months (yuan)*" **FP51**8 "*Other expenditure in the past 12 months (e.g. hiring domestic helper, purchasing lottery, paying fines, etc.) (yuan)*"
Transfer expenditure [EPTRAN] FH305*12+FH410+FH502+FC301	**Transfer expenditure** [EPTRAN] FP515+FP516+FP517+FU101+FU201

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[43] **"Expenditure on transportation"** refers to daily transportation fees, including car maintenance, petrol/gas/electrical fuelling costs, and bus ticket fees.

FH305 "*The expenditure on family member support (cost associated with supporting the elderly, such as living expenses and the cost of nursing homecare)(yuan)*" **FH410** "*The expenditure on family's own marriages and funerals last year (yuan)*" **Fh502** "*The total amount of the money or material goods your family donated last year (yuan)*" **FC301** "*The total value of the gifts/cash gifts given out last year (estimated according to the market price at the time of giving out)(yuan)*"	**FP515** "*Financial support (in cash and in kind) given to non-coresident relatives (including non-coresident children, parents, parents-in-law, and other relatives) in the past 12 months (yuan)*" **FP516** " *Financial support[44] (in cash and in kind) given to other people (e.g. friends, colleagues; excluding charitable donations) in the past 12 months (yuan)*" **FP517** "*Social donation (in cash and in kind) made in past 12 months (i.e. food and clothes) (yuan)*" **FU101** "*The total amount of spending (including material goods and cash) on banquets and ceremonies in the past 12 months (yuan)*" **FU201** "*The total amount of spending on gifts for social relations in the past 12 months (yuan)*"
Welfare expenditure **[EPWELF]** fh409	**Welfare expenditure** **[EPWELF]** FP514
FH409 "*The expenditure on commercial insurance last year (yuan)*"	**FP514** "*The expenditure on commercial insurance in the past 12 months (e.g. commercial medical insurance, car insurance, property insurance, and commercial life insurance) (yuan)*"
Mortgage on housing **[MORTAGE]** fh306*12	**Mortgage on housing** **[MORTAGE]** FT302*10000
FH306 "*The expenditure on the home mortgage last month(yuan)*"	**FT302** "*The total expenditure on paying off the mortgage loan in the past 12 months (10,000 yuan)*"

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[44] **"Financial support"** includes property (e.g. house, car, etc.), money and goods.

Appendix 2 Supplementary Tables on Family Assets

Table A2.1 The Percentiles of the Ratio of Housing Asset (Net) as Part of Total Family Assets (Net) in 2018 for China, by Different Regions (unit: %)

			N	Mean	Std. Deviation	Percentiles					
						10%	25%	(median) 50%	75%	90%	95%
Large Provinces	Shanghai	Total	739	88.2	13.2	69.0	84.2	92.6	96.7	98.8	99.4
		Rural	72	92.9	10.3	72.3	88.3	94.1	97.4	99.1	99.5
		Urban	661	88.3	13.5	68.4	84.0	92.3	96.6	98.7	99.4
	Liaoning	Total	1,289	73.5	25.0	32.7	54.3	76.9	92.3	98.1	99.4
		Rural	575	64.5	26.7	24.1	39.3	64.8	87.0	96.2	98.8
		Urban	696	75.1	21.2	47.2	65.8	84.1	94.4	98.4	99.5
	Henan	Total	1,549	77.0	24.7	32.5	54.4	76.9	90.2	96.6	98.6
		Rural	802	65.3	25.4	25.9	46.5	68.8	84.9	93.7	95.8
		Urban	724	80.4	21.9	44.1	64.5	83.6	93.8	98.1	99.2
	Gansu	Total	1,679	77.2	25.5	30.2	49.5	74.7	89.7	96.6	98.6
		Rural	1,076	69.8	25.8	24.6	44.7	67.3	85.5	94.0	97.1
		Urban	573	80.4	22.5	41.1	62.5	83.3	93.6	98.4	99.3
	Guangdong	Total	1,156	80.2	21.3	48.6	69.9	86.8	95.5	98.4	99.4
		Rural	477	65.8	22.5	45.4	66.5	84.9	94.5	98.5	99.8
		Urban	658	82.3	20.5	51.4	72.5	88.1	95.8	98.3	99.3
Small provinces		Total	6,983	76.7	25.6	30.5	53.5	76.9	91.9	97.7	99.0
		Rural	3,418	72.2	27.1	24.1	44.7	70.5	89.0	96.5	98.7
		Urban	3,469	77.6	23.0	39.8	62.5	81.6	93.8	98.1	99.3

Table A2.2 The Percentiles of the Ratio of Total Family Debts to Total Family Assets in CFPS 2018 (unit: %)

		N	Mean	Std. Deviation	Percentiles					
					10%	25%	(median) 50%	75%	90%	95%
China overall		13,395 (4,521)	7.4	139.09	0	0	0	8.2	34.0	57.1
Non-housing debt>0	Subtotal	4,521	17.4	236.5	3.1	7.9	19.4	39.1	76.9	132.3
	Rural	2,306	19.2	321.3	4.0	9.4	21.8	46.3	97.9	162.0
	Urban	2,150	16.9	80.1	2.6	6.7	17.1	34.7	61.5	96.8

Appendix 3: Supplementary Tables on Family Expenditure

Table A3.1 The Percentiles of the Ratio of Sub-Components as Part of Transfer Expenditure in CFPS 2018 (unit: %)

Components		N	Mean	Std. Deviation	Percentiles						
					10%	25%	50% (median)	75%	90%	95%	99%
Financial support given to non-coresident relatives	Total	11,571	23.1	25.5	0.0	0.0	0.0	14.3	53.9	76.9	100.0
	Rural	5,549	16.4	21.6	0.0	0.0	0.0	0.0	40.0	62.5	100.0
	Urban	5,866	25.6	27.7	0.0	0.0	0.0	28.5	62.5	81.9	100.0
Financial support given to other people	Total	11,571	3.3	10.2	0.0	0.0	0.0	0.0	3.1	16.7	54.0
	Rural	5,549	2.4	9.2	0.0	0.0	0.0	0.0	0.0	10.9	50.0
	Urban	5,866	3.6	10.8	0.0	0.0	0.0	0.0	6.2	19.2	57.9
Social donation	Total	11,571	1.5	9.9	0.0	0.0	0.0	0.1	5.9	11.1	48.9
	Rural	5,549	1.1	7.5	0.0	0.0	0.0	0.0	2.9	9.0	33.3
	Urban	5,866	1.7	11.5	0.0	0.0	0.0	1.4	7.7	14.6	89.6
The total amount of spending on banquets and ceremonies	Total	11,571	24.6	22.2	0.0	0.0	0.0	0.0	25.0	75.0	96.2
	Rural	5,549	29.3	22.8	0.0	0.0	0.0	0.0	29.4	76.9	96.4
	Urban	5,866	22.5	21.6	0.0	0.0	0.0	0.0	25.0	71.4	95.9
The total amount of spending on gifts for social relations	Total	11,571	47.5	33.9	15.4	50.0	98.4	100.0	100.0	100.0	100.0
	Rural	5,549	50.8	31.7	20.0	66.0	100.0	100.0	100.0	100.0	100.0
	Urban	5,866	46.5	35.0	12.0	40.9	90.9	100.0	100.0	100.0	100.0

Table A3.2 The Percentiles of the Ratio of Sub-Components as Part of Transfer Expenditure in CFPS 2018 (families with spending on supporting non-coresident relatives or other individuals) (unit: %)

Components		N	Mean	Std. Deviation	Percentiles						
					10%	25%	50% (median)	75%	90%	95%	99%
Financial support given to non-coresident relatives	Total	490	36.1	20.9	7.9	16.4	29.9	44.5	61.5	76.1	89.4
	Rural	139	33.8	18.5	4.0	12.3	23.8	31.9	50.4	62.5	93.0
	Urban	337	36.6	20.8	8.3	20.0	31.8	47.6	65.8	76.2	88.9
Financial support given to other people	Total	490	10.9	13.1	2.2	5.1	10.5	19.2	31.3	41.8	59.1
	Rural	139	9.6	13.9	2.0	5.0	11.1	22.2	32.2	37.3	82.1
	Urban	337	11.1	12.8	2.3	5.3	10.1	18.6	31.3	44.1	58.6
Social donation	Total	490	3.6	5.5	0.8	1.5	3.6	6.7	11.7	16.9	24.9
	Rural	139	4.5	6.8	0.7	1.2	3.6	7.7	14.3	20.0	35.9
	Urban	337	3.5	4.9	0.8	1.5	3.7	6.4	11.1	14.9	22.8
The total amount of spending on banquets and ceremonies	Total	490	15.2	18.7	0.0	0.0	0.0	0.0	32.7	55.3	80.3
	Rural	139	7.0	15.3	0.0	0.0	0.0	0.0	17.2	47.6	86.8
	Urban	337	17.5	20.0	0.0	0.0	0.0	0.0	36.3	59.1	85.6
The total amount of spending on gifts for social relations	Total	490	34.2	23.4	11.1	22.0	37.9	58.8	75.3	83.3	92.6
	Rural	139	45.1	23.3	17.7	31.9	45.5	67.4	79.8	89.7	95.3
	Urban	337	31.4	22.9	10.4	18.6	34.5	55.1	71.7	81.4	91.3

Appendix 4: Supplementary Tables on Family Debts

Table A4.1 The Borrowing Choice for Housing Purpose in CFPS 2018 (by count and %)

			Whether borrowed money from family/friends for purchasing/decorating house		*Total*
			Yes	No	
Rural	Whether received mortgage loan when purchasing/ decorating house	Yes	278 (4.6%)	306 (5.0%)	584 (9.6%)
		No	790 (13.0%)	4,702 (77.4%)	5,492 (90.4%)
	Total		1,068 (17.6%)	5,008 (82.4%)	6076 (100%)
Urban	Whether received mortgage loan when purchasing/ decorating house	Yes	273 (4.7%)	774 (13.3%)	1,047 (17.9%)
		No	499 (8.6%)	4,291 (73.5%)	4,790 (82.1%)
	Total		772 (13.2%)	5,065 (86.8%)	5,837 (100%)
Total	Whether received mortgage loan when purchasing/ decorating house	Yes	555 (4.6%)	1,100 (9.2%)	1,655 (13.8%)
		No	1,300 (10.8%)	9,040 (75.4%)	10,340 (86.2%)
	Total		1,855 (15.5%)	10,140 (84.5%)	11,995 (100%)

Table A4.2 Analysis on Persons Who Refused to Lend the Family Money

Who refused to lend the family money			Responses				**Percent of Cases**	
			N		Percent			
Parents or children	*Rural*		107	52	2.80%	2.7%	3.60%	3.5%
	Urban			53		2.8%		3.8%
Relatives	*Rural*		1,797	911	46.30%	46.9%	61.10%	61.8%
	Urban			855		45.6%		60.6%
Friends	*Rural*		1,393	651	35.90%	33.5%	47.40%	44.2%
	Urban			718		38.3%		50.8%
Bank	*Rural*		490	273	12.60%	14.1%	16.70%	18.5%
	Urban			212		11.3%		15.00%
Formal financial institution other than bank	*Rural*		30	16	0.80%	0.8%	1.00%	1.10%
	Urban			14		0.7%		1.00%
Individual or private loan institution	*Rural*		66	40	1.70%	2.1%	2.20%	2.70%
	Urban			25		1.3%		1.80%
Total	*Rural*		3,883	1943	100.00%	100%	132.10%	131.8%
	Urban			1877		100%		132.9%

Notes: *N:* The number of cases (families) that selected each option.
Percent: The percentage of the total number of selections for each option to the total number of selections.
Percent of cases: The percentage of cases that selected a certain option to the total number of cases.

Table A4.3 The choice of borrowing money for non-housing purpose in CFPS 2018
(by count and %)

			Financial debts to family		Total
			Yes	No	
Rural	Other bank loan	Yes	240 (3.6%)	459 (6.8%)	699 (10.4%)
		No	849 (12.6%)	5,173 (77.0%)	6,022 (89.6%)
	Total		1,089 (16.2%)	5632 (83.8%)	6,721 (100%)
Urban	Other bank loan	Yes	167 (2.3%)	462 (6.4%)	629 (8.7%)
		No	551 (7.6%)	6,029 (83.6%)	6,580 (91.3%)
	Total		718 (10.0%)	6,591 (90.0%)	7,209 (100%)
Total	Other bank loan	Yes	415 (2.9%)	948 (6.7%)	1,363 (9.6%)
		No	1,416 (10.0%)	11,365 (80.4%)	12,781 (90.4%)
	Total		1,831 (13.0%)	12,313 (87.1%)	14,144 (100%)

Table A4.4 The usage of total family debts of CFPS 2010 sampled families

The usage		Responses				Percent of Cases	
			N		Percent		
Building/purchasing a house	Rural	1,180	712	32.40%	30.1%	37.10%	34.7%
	Urban		468		36.7%		41.5%
Education	Rural	634	424	17.40%	17.9%	19.90%	20.7%
	Urban		210		16.5%		18.6%
Buying durable goods	Rural	179	127	4.90%	5.4%	5.60%	6.2%
	Urban		52		4.1%		4.6%
Medical treatment of family members	Rural	913	639	25.10%	27.0%	28.70%	31.2%
	Urban		274		21.5%		24.3%
Family's daily expenditures	Rural	734	463	20.20%	19.6%	23.10%	22.6%
	Urban		271		21.3%		24%
Total	Rural	3,640	2,365	100%	100%	114.50%	115.4%
	Urban		1,275		100%		113%

Table A4.5 The usage of total family debts in CFPS 2010 by different
borrowing reliance (unit: %)

The usage of loan	Percent of Cases					
	Only borrowing from bank		Only borrow from family		Borrow from both	
	Rural (N:300)	Urban (N:201)	Rural (N: 1,420)	Urban (N:801)	Rural (N:249)	Urban (N:78)
Building/purchasing a house	52.0%	72.1%	28.8%	30.5%	51.0%	78.2%
Education	18.0%	7.5%	21.2%	21.7%	22.9%	16.7%
Buying durable goods	4.0%	6.5%	6.4%	3.9%	6.8%	7.7%
Medical treatment of family members	17.3%	4.5%	34.6%	30.0%	30.1%	16.7%
Family's daily expenditures	20.0%	13.4%	23.0%	28.0%	20.5%	12.8%
	111.3%	104.0%	114.0%	114.0%	131.3%	132.1%