

日本経済学会 2006 秋大会・報告論文要旨
セッション名：経済発展と貧困削減 1
時間：2006 年 10 月 22 日（日）10：30-11：00
場所：（大阪市立大学）816 教室

WHY DOES CHINA SAVE SO MUCH?*

Charles Yuji Horioka

Institute of Social and Economic Research, Osaka University, and
National Bureau of Economic Research, Inc.

[Junmin Wan](#)

Osaka School of International Public Policy, Osaka University

September 29, 2006

Abstract:

In this paper, we present data on saving rates and related variables in China and conduct an econometric analysis of the determinants of the household saving rate using a life-cycle model with habit formation and panel data on Chinese provinces for the 1995-2004 period from the household survey conducted by the Chinese government. To summarize our main findings, we find that China's saving rate has been high and that it has generally shown an upward trend over time and that the main determinants of variations over time and over space in China's household saving rate are the lagged saving rate, the income growth rate, and (in some cases) the real interest rate and the inflation rate. However, we find that the variables relating to the age structure of the population do not have a significant impact on the household saving rate. These results provide mixed support for the life cycle hypothesis, are consistent with the existence of inertia, persistence, or habit formation, and imply that China's household saving rate will remain high for some time to come.

Journal of Economic Literature classification numbers: D12, D91, E21, J10

Key words: Saving, saving rate, household saving, household saving rate, household, age structure, demographics, dependency ratio, life cycle hypothesis, life cycle model, permanent income hypothesis, habit formation, China

Aknowledgements

*We are grateful to Christopher Carroll, Teh-Ming Huo, Junichiro Ishida, Miki Kohara, Louis Kuijs, Justin Yifu Lin, Masao Ogaki, Hugh Patrick, Katsuya Takii, Xiaoping Wang, Calla Weimer, Tongsheng Xu, Yaohui Zhao, and participants of the Seoul Conference on "China and Emerging Asia: Reorganizing the Global Economy," the Summer Institute of the National Bureau of Economic Research, seminars at the Osaka School of International Public Policy (OSIPP) of Osaka University, the China Center for Economic Research of Peking University, and the School of Economics of Jiangxi University of Finance and Economics, and Horioka's graduate seminar for valuable comments. Any errors and omissions that remain are the sole responsibility of the authors.

References (major)

- 1) Alessie, Rob, and Lusardi, Annamaria (1997), "Consumption, Saving and Habit Formation," *Economics Letters*, vol. 55, no. 1 (August 15), pp. 103-108.
- 2) Arellano, Manuel, and Bond, Stephen (1991), "Some Tests of Specification for Panel Data: Monte Carlo Evidence and an Application to Employment Equations," *Review of Economic Studies*, vol. 58, no. 2 (April), pp. 277-297.
- 3) Lin, Justin Yifu (1992), "Rural Reforms and Agricultural Growth in China," *The American Economic Review*, vol. 82, no. 1 (March), pp. 34-51.
- 4) Loayza, Norman; Schmidt-Hebbel, Klaus; and Serven, Luis (2000), "What Drives Private Saving across the World?" *Review of Economics and Statistics*, vol. 82, no. 2 (May), pp. 165-181.
- 5) Modigliani, Franco, and Cao, Shi Larry (2004), "The Chinese Saving Puzzle and the Life-Cycle Hypothesis," *Journal of Economic Literature*, vol. 42, no. 1 (March), pp. 145-170.