

The change of the capital and labor input for China's economy

Topic: Analysis of factor inputs

Author: Yuwan Duan

Co-Authors: Cuihong Yang

As for growth of the economy, generally speaking, there are two important paths to realize. One is to increase the input; the other is to improve the technology level. Capital and labor, as the most important input factors, are especially significant to the economic development. China's economy has a rapid growth in the recent 10 years, so is there something different for its capital and labor input? On the basis of input-output model, this paper uses input-output tables of China to analyze how the capital and labor input changed, and the main determining factors. The paper computes the capital productivity and the labor productivity of different sectors, and analyzes the transfer effect along production chain. Along with the rapid growth of China's economy, China's imports and exports witness a fast increase, the paper describes the change of input factors of the import and export goods, and also uses the decomposition technology to analyze the main determining factors. Finally, the paper presents some conclusions and tries to provide some recommendations for the economic development.