



**China**

## Wuhan, China: Profile

Wuhan is the capital of Hubei province, and is the most populace city in central People's Republic of China with an estimated population of 9,700,000 people in 2007. Wuhan is described as the political, economic, financial, cultural, educational and transportation center of



central China. Wuhan's metropolitan area is comprised of three boroughs: Wuchang, Hankou and Hanyang. These three districts represented distinct cities in the early 20<sup>th</sup> century, which were combined in 1927 to create the city of Wuhan. The three districts comprise the urban center of Wuhan, but the city administers over a dozen suburban districts as well as three economic

development districts. Wuhan is classified as a sub-provincial city that occupies approximately 8494 square kilometers of land and is located at the intersection of the Yangtze and Han Rivers. Wuhan's climate is subtropical, and the city experiences three distinct seasons. The Wuhan summers are reported to be so hot that the city is described as one of the three furnaces of China. Summer temperatures in Wuhan average at 37.2°C (99°F). The city's geography is generally flat however the landscape is dotted with many hills and lakes.

General Facts	
Province	Hubei
Total Population	9,700,000 people
Urban Population	6,660,000 people
Total Area	8,467.11 square kilometers (3,269.2 sq mi)
Urban Area	1,557 kilometers squared (601.2 sq mi)
Gross Domestic Product (2008)	RMB 396 billion (approx. 58 billion USD)
GDP per capita (2007)	RMB 29,500 (approx. 4500 USD)
Life expectancy at birth m/f (China)	72/75 years
Total expenditure on health per capita (China)	RMB 748.8 (93.94 USD) (2006)
Total expenditure of GDP on health (China)	4.7% (2007)

## **History:**

The area of Wuhan was first settled in approximately 1000 BCE and has been a prominent intellectual, cultural and artistic center since at least the 3<sup>rd</sup> century CE when the area was ruled by the Han Dynasty. Wuhan has been the scene for political uprisings since the 3<sup>rd</sup> century CE in which one of the most famous battles in Chinese history was fought, the Battle of Red Cliffs, which led to the construction of protective walls around Hanyang, and Wuchang. These walls mark the beginning of the establishment of the city of Wuhan. Wuhan was again the staging ground for another political upheaval, the Wuchang Uprising in 1911 which eventually led to the collapse of the Qing Dynasty and the establishment of the Republic of China. During this period, Wuhan was the capital of the leftist Kuomintang government. Wuhan was invaded by the Japanese in 1938 during the Second Sino-Japanese Wars, and was almost entirely destroyed by U.S. bombing in 1944.

Due to its geographic location at the intersection of two of China's largest rivers, the Han and the Yangtze, the area has been an important trading center in China since at least the 17<sup>th</sup> century. These rivers have been the cause of numerous flooding disasters which have been recently addressed by the construction of the Three Gorges Dam which is projected to be completed in 2011.

## **Economy:**

In 2008, the GDP of Wuhan was approximately RMB 396 billion (approximately 58 billion USD). GDP per capita in 2007 was reported to be RMB 29,500 (approximately 4500 USD).<sup>1</sup> Wuhan is the site of two major industrial districts in Central China, Wuhan East Lake High-Tech Development Zone, and Wuhan Economic and Technological Development Zone. The city is also home to three national development zones, four scientific and technologic development parks, numerous enterprise incubators, over 350 research institutes, 1470 hi-tech enterprises, and over 400,000 experts and technicians. The major sectors of industry in Wuhan include modern manufacture industry with optic-electronic information, automobile manufacture, steel manufacturing, new pharmaceutical sector, biology engineering, new material industry, and environmental protection.

Wuhan is host to 35 institutions of higher education including eight national colleges and universities and fourteen colleges and public universities. Institutions such as Wuhan University and Huazhong University of Science and Technology contribute to Wuhan's classification as the center of science and technology education and innovation in central China, ranked third throughout China.

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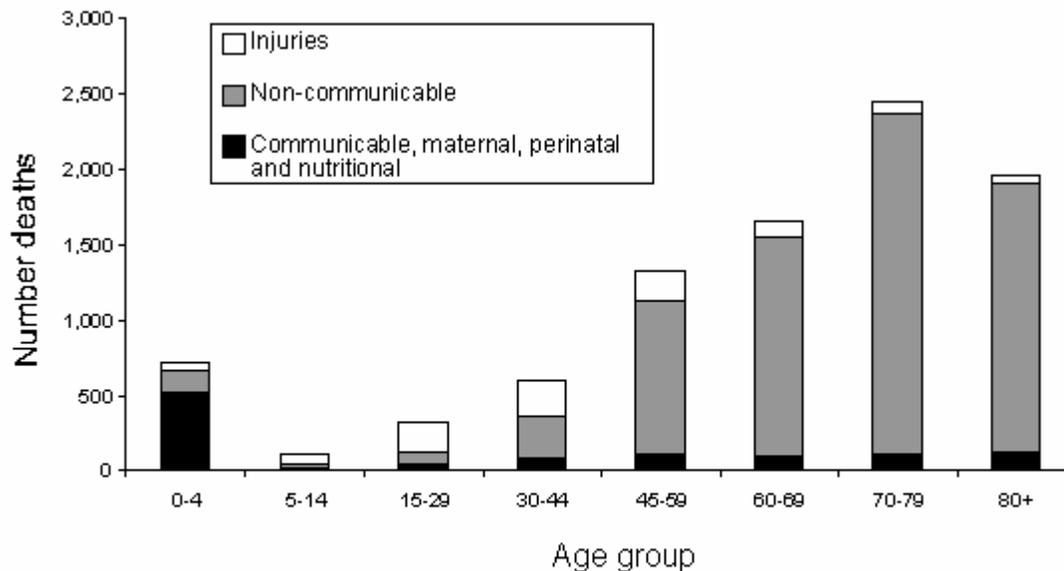
<sup>1</sup> The renminbi (RMB) is the currency of the People's Republic of China which literally means "people's currency". The yuan is the principle unit of currency for the renminbi.

## Chinese Health Profile:

Main Causes of Morbidity (China)
Cerebrovascular disease
Chronic obstructive pulmonary disease
Ischaemic heart disease
Stomach cancer
Liver cancer <sup>2</sup>
Trachea, bronchus, lung cancers
Perinatal conditions
Self-inflicted injuries
Tuberculosis
Lower respiratory infections

Factors such as urbanization, pollution, and increasing rates of tobacco use (350 million Chinese smoke) have resulted in a high prevalence of risk factors for chronic diseases such as hypertension, diabetes (42 million projected cases by 2030), and lung cancer. Approximately 23% of the Chinese population is overweight, and 160 million people (mostly between the ages of 18 and 59 years of age) are suffering from hypertension. It is estimated that 300,000 deaths annually are related to smoking alone. The WHO projects that by 2020, tobacco use will account for one-third of all deaths, half of which will occur between the ages of 35 and 64 years.

**Estimated mortality by cause and age-group, China, 2002**



Source: *Global Programme for Evidence in Health Policy, WHO*

<sup>2</sup> Approximately 10% of the population are chronic carriers of hepatitis B, causing an estimated 70% of all cases of liver cancer.

## **Chinese Economic and Social Development:**

In October 2006 President Hu Jintao declared the Chinese government's commitment to ensure that all Chinese people have access to affordable essential health services. China's 11<sup>th</sup> Five Year Plan (2006-2010) forms the basis of the government's current economic and social development efforts. The plan's main aims include: creating a balance between urban and rural development, regional development (especially in previously underdeveloped western regions), social and economic development (including issues such as poverty, education, medical care and public health), and domestic and international development in an attempt to promote increasing Chinese cooperation with their international commitments such as the UN Millennium Development Goals (MDGs).

The 11<sup>th</sup> Five Year Plan proposed the following major health measures and actions to be taken in the period from 2006 to 2010:

- increasing government investment in health and improving the public health and clinical service delivery system;
- improving capacity in disease prevention and control and establishing a medical safety net for the poor; making great efforts to control killer diseases, such as HIV/AIDS, schistosomiasis and hepatitis B; and actively preventing occupational and endemic diseases;
- strengthening maternal and child health care and promoting the development of community health services;
- deepening health system reform and allocating health resources rationally; better regulating pharmaceutical production/products and the market; and
- supporting the development of a modern Traditional Chinese Medicine (TCM) industry<sup>3</sup>

## **Access to Healthcare:**

“The initiation of market reforms in the 1980s resulted in decentralized financing of health services to the lowest administrative levels and huge disparities between more and less developed areas” (Country Cooperation Strategy: WHO China, 2004-2008).

Since 2006, the government and Communist Party of China have expressed their commitment to working towards improving the health of the poor. The WHO reports that strong economic growth in China has given wealthier households disproportionate access to health care and medical technologies. Most low-income households face significant barriers in accessing affordable essential health services and medicine. High cost remains a major barrier to access to health care, particularly for people in remote and rural areas. The WHO and BBC report that increasing levels of user fees are serving as a major impediment to health services among low-income households, as the cost of health services are steadily outpacing average incomes.

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<sup>3</sup> The WHO reports that an overwhelming majority of the Chinese population turn to traditional Chinese medicine (TCM) to address their health problems.

Although the numbers of Chinese who are covered by health insurance is increasing, particularly in rural areas, many people remain underinsured and are unable to afford high co-payment costs. Although the Chinese government has implemented a Rural Cooperative Medical Scheme (RCMS) which aims to provide 100% coverage by the end of 2008, the WHO reports that benefits are “often limited to catastrophic illness and inpatient medical services, frequently require pre-payment, and reimbursement could be as low as 20%-30% of the total bill” (China: Country Context).

The Medical Financial Assistance (MFA) program was developed for both the urban and rural poor, but it will also provide limited relief as the program depends on local fiscal capacity, which has resulted in regional disparities in program funding.

#### **Constraints: Geographic and socio-economic inequity in access to health care**

Despite strong economic growth in China over the past decade, serious disparities in socioeconomic indicators exist between geographic regions, rich and poor households, urban and rural residents, and migrant and resident populations within cities. Approximately 30% of China’s poor indicate that the cost of health care is the highest contributing factor to their poverty and an estimated 85% of the population lack health insurance.

Additionally, qualified health professionals are not adequately distributed across the country. Since economic reforms were introduced in the 1980s, the WHO reports that many experienced health professionals relocated to hospitals and well-paying clinics in cities.

#### **Health Care Financing:**

Over the past three decades, contributions from the central government have declined as a proportion of total health expenditure which has resulted in more out-of-pocket payments for health care by the Chinese population. This pattern is partly a result of increasing health care costs and a lack of cost or quality control in the health delivery system by the central government.

Public resource allocation for health care is decentralized leaving townships, counties, prefectures and provincial governments to administer about 90% of the government’s total health expenditure. Local governments, especially in poor communities, are often unable to raise adequate tax revenue to finance basic public services. Therefore, government health expenditures tend to be lower in provinces with higher populations of rural poor.

The Chinese governing authorities have instituted “equalization grants” in order to help poor regions finance public services such as health care. However, the WHO finds that the current levels of government subsidies are insufficient to fund basic health service packages. Despite their efforts to increase health investment in rural counties of western provinces, the central government has been unable to provide adequate health care for most rural patients.

Additionally, local health departments and other health care providers are expected to raise a significant share of their own operating budgets which has led to an overemphasis on profitable curative care and medicines to generate larger profit margins. Patients are charged service fees for immunization and communicable disease control programs and the poor generally do not have access to these services. The WHO warns that insufficient attention to preventive services could potentially affect rates of preventable morbidity and mortality, and eventually lead to higher health care costs for end-stage clinical care.

## **Health Policy and Regulatory Framework:**

The WHO reports that regulations related to public health and health care delivery systems in China are underdeveloped and weakly enforced. They note that safety and health regulations pertaining to food, environment, roads and traffic, occupational and living conditions, drugs, blood, hospitals, medicines and laboratories are inconsistent in substance and enforcement throughout the country. In order to address these challenges, the central government has established a 14 ministry working group, to be overseen by the National Development Reform Commission, charged with the task of developing future health care reforms. This working group began piloting their finalized plans for health reforms in 2008.

<b>Ministry-level agencies with health authority</b>	
Ministry of Health	Disease control, health statistics, medical administration, rural health insurance, urban health, maternal and child health, emergency response
Ministry of Labor and Social Security	Urban health insurance and occupational health
Ministry of Science and Technology	Health research
Ministry of Construction	Urban water and sanitation
Ministry of Civil Affairs	Rural health security and community health
State Food and Drug Administration	Safety regulation and licensing of food, drugs and biologicals
State Environmental Protection Administration	Air and water quality
State Family Planning Council	Family planning and reproductive health
Administration for Quality, Supervision, Inspection and Quarantine	Health inspection, quarantine and food safety
Administration for Work Safety	Occupational health

## **International Partnerships/Aid:**

International aid from bilateral or multilateral agencies accounted for less than five percent of national public health expenditures, but accounts for a larger percent of the funding from the central government's public health investment, as local governments bear the majority of the financial burden for these programs. Additionally, Global Fund grants have begun to play

an increasingly significant role in the Chinese funding for healthcare. In 2002, 2003 and 2004, 48 million USD, 98 million USD, and 119 million USD were granted by the Global Fund to fight AIDS, TB and Malaria.

The WHO Country Cooperation Strategy for China also indicates that, although less established, non-governmental agencies, including universities and foundations play an important role especially at the local level. In 2003, the *UN Theme Group on Health* (UNTGH) and the *UN Theme Group on HIV/AIDS* were expanded to bring in the many non-governmental health organizations to work together to prepare Health Situation Assessments and work on Global Fund proposals.

<b>WHO's UN and bilateral health partners in China</b>	
UN country team/UNDP	UN Development Assistance Framework, UN Millennium Development Goals, Common Country Assessment, environmental health, private sector
UNICEF	Maternal and child health, nutrition, HIV/AIDS
UNFPA	Reproductive health, HIV/AIDS
UNAIDS	HIV/AIDS coordination
ILO	Occupational health insurance
UNIDO	WTO, health and trade issues
FAO	Food safety, zoonoses, tobacco control
UNIDO	WTO, food safety, tobacco control
AUSAID	Primary health care, vaccine-preventable diseases, HIV/AIDS, rural health
CIDA	TB, emerging infectious diseases
DFID	TB, HIV/AIDS, SARS, health systems
JICA	Vaccine-preventable diseases, TB, HIV/AIDS
Luxembourg	Vaccine-preventable diseases
New Zealand	Emerging infectious diseases, health systems development
SIDA	HIV/AIDS
US HHS	Vaccine-preventable diseases, HIV/AIDS, emerging infectious diseases, surveillance, birth defects
World Bank	Rural health, health systems development, health promotion, vaccine-preventable diseases, TB
ADB	Nutrition, surveillance, food safety

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