

The 'Greying' of China

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Introduction

The problem of aging has become one of universal concern in today's world, and the interest in it appears to be directly related to the rise in the elderly population. Very little has so far been written about the Chinese situation, inside or outside of China. But as the absolute numbers and the relative proportion of senior citizens in China grow in an unprecedented manner, increased attention is being paid to this demographic phenomenon in the country's official news media.

The first organization to work in the field of aging, the Chinese Society of Geriatrics of the Chinese Medical Association, was founded at the country's second conference on gerontology held in Guilin of Guangxi Autonomous Region in October 1981. It has twenty branches in various parts of China and publishes the Chinese Journal of Geriatrics. Shortly afterwards, in April 1982 the China National Committee on Aging was set up to protect the rights and interests of the aged and help solve the special problems the elderly face.(1) China is obviously keen on sharing its experience on the issue with other countries as evidenced by its participation in the World Assembly on Aging held in Vienna in July-August 1982 (2) and the International Forum on Aging hosted in Beijing in May 1986.(3)

The growing percentage of China's old people indicates that social welfare services for this age group will have to be appropriately increased. There is the need for the State to be prepared and know the time when its population begins to age, and the magnitude of the problem when it occurs. This article examines the diversity in the aging population trend throughout China and establishes whether aging is an imminent or a distant problem for the country. Subsequently it discusses a number of major socio-economic problems associated with the aging of China's population, with special reference to the mounting financial burden on the State of retirement pensions.

Defining 'Aging Population'

The term 'aging population' refers to an increase in the proportion of a population in older age groups. This process is usually reflected in a rise in a population's median age - the age at which exactly half the population is older and half younger. International organizations take the age of 60 or 65 as the dividing line for old age, which reflects the physiological advance of mankind. Retirement age varies from country to country, as it is affected by socio-economic factors, such as employment, wages and productivity. In China's urban areas, women office workers and women factory workers retire at 55 and 50 respectively, and men retire at 60,(4) while there is no

Table 1:
China's Age Composition in International and Historical
Perspective (%)

	0-14	15-64	65+	Median Age	Average Age
China					
1953	36.3	59.3	4.4	22.7	26.5
1964	40.7	55.7	3.6	20.2	24.9
1982	33.6	61.5	4.9	22.9	27.1
Developing Nations	41.0	56.0	3.0	-	-
Developed Nations	23.0	66.0	11.0	-	-
Sweden					
1860	33.5	61.3	5.2	24.5	27.3
1900	32.5	59.1	8.4	24.9	28.5
1980	19.0	64.0	17.0	35.9	-
Japan					
1935	36.9	58.4	4.7	22.0	26.7
1947	35.3	59.9	4.8	22.3	26.7
1955	33.4	61.3	5.3	23.6	27.6
1980	23.5	67.4	9.1	32.5	33.9

Sources

Renkou Yanjiu (Population Research), No. 4, 29 July 1984,
pp.1-6, 13; JPRS, 84077, p.33, Table 1.

legislated retirement age in the rural areas. Thus strictly speaking, absolute standards to measure the phenomenon of an aging population do not exist.

According to the United Nations definition, a country's population must be considered an aging population if the number of people 65 years or older exceeds 7 per cent of the total, or if 10 per cent of the total are 60 years and above.(5) Chinese researchers broadly divide a population into three categories. In a young population, children make up more than 40 per cent and persons aged 65 and over less than 5 per cent of the total. In an elderly population, children account for less than 30 per cent, but the aged for more than 10 per cent of the total. The transitional category of an adult population lies in between the limits stipulated for the young and the elderly populations.(6) The aging process has been affecting the developed nations for about a century and most of them now belong to the elderly population category. By contrast, the great majority of the developing countries still have young populations. A close look at the population age pyramid identified by China's latest national census in 1982 reveals that the country has started to evolve from a typically young population of a developing society in 1964 into an adult population. This change-over, however, has only just begun and, as shown in Table 1, the Chinese population is still quite young.

Causes Underlying the Aging Process

Rates of fertility, mortality, and to a minor extent, net migration influence the age composition of a population. Generally speaking, an aging problem stems from long periods of low birth rates and low mortality rates. A population with persistently high fertility, as shown in Table 1 for China up to the mid-1970s, or for Sweden some 100 years earlier, has a fairly large proportion of children and a small ration of aged persons. A fall in fertility has the immediate effect of reducing the numbers of children. Thus having experienced a substantial decline in fertility since the launching of the one-child family campaign in 1979, China currently has relatively small numbers both of children and of aged persons, but a large proportion of adults in the middle ages. Japan, for example, reached this particular stage some three decades earlier. The fall in fertility must continue and many years must pass before the change affects the numbers above childhood, when the proportion of young adults shrinks and that of

the elderly swells. This stage was experienced by Sweden around the turn of the past century, but it has not yet occurred in China. Thus the population in the developed world, in which fertility has been low for a long time, has a fairly small proportion of children and a relatively large proportion of aged persons, accounting for averages of 23 per cent and 11 per cent respectively. As shown in Table 1, the population composition of Sweden is approaching the point where the ratio of the older age groups equals that of the children. But China's present population is even younger than Sweden's was more than a century ago.

The effects of decreasing mortality are more complex. Gains in life expectancy have been achieved largely through reductions in infant and childhood mortality. China's crude death rate (7) has dropped from 25 per thousand in the immediate post-1949 period to 6.6 today, and its infant mortality rate from some 200 per thousand to 34.7.(8) Needless to say, a decrease in the mortality rate in the older age groups would lead directly to a growth in the absolute numbers of old people and a consequent rise in their ratio to the whole population. However, a comparison of age-specific death rates of 1975 with those of 1957 in China reveals that the death rate for the 60-69 group dropped only slightly and that there has been a noticeable rise for the over-70s.(9) Therefore in China, as in the developing world as a whole, further reductions in infant and childhood mortality remain the key to obtaining further gains in life expectancy.

In the developed countries, average life expectancy rose steadily from the late 19th century into the 1950s at a pace ranging from 0.2 years to 0.6 years annually in the United States and Western Europe and exceeding an average of 1.0 years in Eastern and Southern Europe.(10) By contrast, in the developing countries including China, the aging process is of more recent origin and the speed of mortality reductions has been rapid. In 1949 expectation of life at birth in China was 36 years,(11) low by any standards. But in the short time span of eight years it rose to 57,(12) representing an average annual gain of 2.6 years. Beyond a longevity level of some 55-60 years the pace of increase tends to slow down once non-communicable causes of death replace communicable causes of death. China recapitulated this universal experience when, the 1957-83 period during the average annual increment declined to 0.5 years. Further reductions in mortality for the elderly will be difficult to achieve from now on and depend on the control of geriatric diseases and some chronic diseases. Therefore, the rate of increase in the life span of the Chinese people is likely to slow down, possibly stagnate or even assume a downward trend.

Table 2:
China's Average Life Expectancy in Asian Perspective in 1981-83

Country	Av. Life Expectancy (Years)			Per Capita Income (US dollars)		
	1981 (a)	1982 (b)	1983 (c)	1981 (a)	1982 (b)	1983 (c)
Afghanistan	42	42	40	230	230	-
Indonesia	50	48	49	439	520	610
India	52	49	50	230	237	260
Pakistan	52	51	51	289	302	338
Vietnam	62	53	54	290	160	160
Thailand	61	61	61	708	816	749
Philippines	61	61	62	732	815	731
Malaysia	61	63	64	1763	1797	1860
North Korea	62	62	64	950	1080	810
South Korea	66	66	64	1553	1636	1671
Sri Lanka	64	65	66	282	270	284
China	68	65	69	281	229	300

Source:

- (a) Far Eastern Economic Review (FEER), 1982 Asia Yearbook, 25 November 1981, pp.8-9;
 (b) FEER, 1983 Asia Yearbook, 25 November 1982, pp.6-7;
 (c) FEER, 1984 Asia Yearbook, 30 November 1983, pp.6-7.

In any case, China has reached an average life expectancy at a pace beyond maximum rates of transition on record. Its current level of 69 years is higher than the world's average of around 60,(13) by far surpassing the average of 58 for the developing nations and approaching the average of 73 obtaining in the developed nations.(14) Table 2 shows that life expectancy in China is relatively high compared with eleven Asian and Pacific region countries with similar economic conditions. The average Chinese can expect to live longer than people in some countries with the same per capita income, such as Pakistan, Vietnam and Sri Lanka or even some countries with several times China's per capita income, such as South Korea and Malaysia.

China's Elderly Population in International Perspective

China is not yet aged in the eyes of United Nations demographers, because only some 8 per cent and 5 per cent of the total population is over 60 and 65 years respectively. While Africa, South Asia and Latin America have younger populations, the Chinese population is still younger than the world's average. The population in East Asia is slightly older, and those in Northern America and Europe are much older, according to 1980 World Health Organisation statistics shown in Table 3. There are currently 42 individual countries with an elderly population aged 60 and over of 10 per cent.⁽¹⁵⁾ Apart from Albania, all European countries have an elderly population aged 65 and above of over 7 per cent, with Sweden and the German Democratic Republic having even reached 16 per cent. France became the first elderly-type population country in 1870, while the Soviet Union did not join this category until the late 1960s.⁽¹⁶⁾

Although, at the national level, the problem of aging is presently non-existent in China, the country may be said to be well on its way to becoming a nation with an elderly population. Chinese researchers divide the aging of their population into three stages. During the first stage, which extends from 1982 till 2000, the proportion of persons aged 65 and above will increase to 7 per cent, marking China's joining the countries with an aging population. It took France and Switzerland about 100 years to go through the same process. Japan needed only 21 years, and it is estimated that it will take only 18 years for China which would be the fastest in human history. During the second stage, lasting from 2000 till 2015, the proportion of China's old people is expected to rise to about 9 per cent. Finally, during the third stage, starting from 2015 and ending in 2025, the ratio of the aged is estimated to reach 15 per cent,⁽¹⁷⁾ still below the proportion currently obtaining in Sweden and the German Democratic Republic.

Although the phenomenon of aging is not imminent in China, definite problems are reflected in analysing the absolute number of the aged on a world-wide scale. As demonstrated in Table 4, one in every five senior citizens in the world, and one in every two in Asia, is Chinese. In terms of countries, the absolute number of China's population aged 60 and over ranks first in the world and is approximately equal to the total aged population in Europe, larger than those of the United States and the Soviet Union put together, or close to one-fourth of the world's aged population.

Table 3:
China's Aging Population (65+) in International Perspective,
in 1980

Country or Region	Population Aged 65+ as Percentage of Total
Africa	3.0
South Asia	3.1
Latin America	4.3
China	5.3
East Asia	5.8
World's Average	5.9
Soviet Union	10.0
North America	10.5
Southern Europe	11.7
Eastern Europe	11.9
Total Europe	13.0
Western Europe	14.1
Northern Europe	14.6

Source:

For China, see: Renkou Yanjiu, No.5, 29 September 1984, pp.40-43; JPRS, 84090, p.64, Table 3; for all other countries or regions, see: World Health Organisation, World Health Statistics Annual 1983. Geneve, 1983, pp.762-68.

The Demographic Dimensions of Aging in China

Women live longer than men on the average, and China has been following the secular trend in sex differentials. Computer tabulations of a 10 per cent sample survey of the 1982 national census show that the average life expectancy of a female in China was 2.9 years higher than that of a male, ranging from 0.5 years in Guizhou Province to 5.3 years in Guangdong Province. Generally speaking, the difference between life expectancies for males and females appears to be relatively large in regions where longevity levels are high. It is smaller in regions where they are low.(18) By the year 2000, Chinese women are expected to live an average of 4.9

years longer than men. As more than half the aged females in China are widowed, the proportion of widows will increase accordingly. Therefore the special needs of aged women who live alone deserve priority.(19)

Table 4:
World Distribution of Aged Population (60+), in 1980

Area	Aged Population (1,000)	Percentage of World Aged Population	Proportion of Aged Population (%)
Asia			
incl. China	155,400	44.4	6.6
(China)	(80,000)	(22.9)	(8.0)
Europe	83,170	23.8	17.4
Northern America	34,660	9.9	14.5
Soviet Union	34,430	9.8	13.3
Latin America	19,980	5.7	6.0
Africa	19,930	5.7	4.7
Australia and Oceania	2,440	0.7	11.1
World	350,010	100.0	8.6

Sources:

Renkou Yanjiu, No.5, 29 September 1984, pp.40-43; JPRS, 84090, p.62, Table 1.

The sex composition of China's 3,765 people entering their second century confirms the above stated fact that on the average Chinese women live longer than Chinese men with the exceptions of Jilin Province and Xinjiang and Nei Monggol Autonomous Regions. In 1982, there were 1,108 males and 2,657 females,(20) the sex ratio being 100:41.7.(21) Again, more than half the women over 100 years old had outlived their spouses. Even more striking is the proportion of women to men in Shanghai where 90 per cent of the centenarians are women.(22) The rural areas in the remote northwest, southwest and central south regions are home to most of the nation's centenarians. Interestingly enough, certain trace ele-

ments believed to be important to longevity are more concentrated in grain and soy products of those areas which have most of China's people aged 100 years and over.(23)

Centenarians between the ages of 100 and 109 represent the vast majority of some 93 per cent, while those over the age of 120 make up less than 1 per cent. For every million people the country has an average of 3.8 centenarians with a higher proportion for the minority nationalities than the majority Han nationality. Xinjiang has the most with 66.1 per million, Xizang Autonomous Region comes second with 24.3, followed by Qinghai Province with 12.8 and Guangxi with 11.1, while the lowest is Shanxi Province with only 0.2.(24) Xinjiang is known in China as 'land of long life'. Thirty-three centenarians are reported to have married up to 15 times. Long-lived women generally have high fertility. Indeed, a survey of 198 women aged 100 years and above revealed a total fertility rate of 6.7 children. One had given birth to 24 children.(25) According to Jingji Ribao (Economic Daily), a 136-year-old Uygur man has been found living in Xinjiang still walking steadily and having normal eyesight.(26) Such old-age data raise, of course, the question of the reliability of 19th century vital statistics in China. Some of the reported old ages are possibly based solely upon hearsay so that the number of centenarians given could well be an inflation of the true figure.

The fact that the national minorities in China's border regions have a higher proportion of centenarians than the Han nationality does, however, not mean they have an older population. On the contrary, since the Chinese government has chosen not to enforce birth control measures for the ethnic minorities, these areas are lagging behind in family planning.(27) Higher fertility has translated into a larger proportion of children and correspondingly smaller ratios of the middle ages and the over-65s. Half of China's total minority population is under 19.41 years old, compared with 22.91 years for all China. As a population is considered to be young if half of its members are under 20, China's minority nationality population can be said to belong to the young population type, though some of them, including the Huis, Manchus and Koreans, have median ages above 20.(28) Table 5 shows that, due to a higher youth ratio, the minority population has a younger age structure than the Han population. But the difference in the relative proportions of the aged is negligible. As the Hans make up 93.3 per cent of the total population,(29) their age composition approximately represents that of the whole of China.

As noted above, birth control or the lack of it has had a significant

impact on the age structure of China's population. The timing and the scope of family planning has differed throughout the country's vast terri-

Table 5:
Age Composition of China's Population of Han Nationality and Minority Nationalities, in 1982

Age Bracket	Han Nationality (a)	Whole China (b)	Minority Nationality (c)
0-14	33.20	33.6	39.16
15-64	61.86	61.5	56.38
65+	4.94	4.9	4.46

Sources:

- (a) Renkou Yanjiu, No.4, 29 July 1984, pp.1-6, 13;
JPRS, 84077, p.38, Table 5;
(b) Figures were taken from Table 1.

tory. In addition, due to an uneven economic and cultural development, major interregional differences existed in the original population composition. Geographically speaking, there are enormous variations in the aging population trend between the advanced east and the backward west regarding both age structure and its various related indexes. The coastal areas have shifted more rapidly towards a low birth rate than the south-west and northwest of the country. At the time of the 1982 national census, the proportion of the old reached 6 per cent in the south coastal areas, higher than the nation's average of 4.9 per cent, compared with 4 per cent on the east-west belt area in northern China.(30)

The significant impact on the age composition of China's population of the work of family planning cannot be over-emphasized. This factor constituted the major cause of the shrinking base of the nation's age pyramid in 1982, when the age structure changed from a young population to an adult population. Shanghai has been the pioneer in China's birth control movement where it started in the 1960s and where the one-child campaign turned out to be most successful.(31) A comparison of data from the 1964 and 1982 national censuses reveals that the proportion of the elderly aged

65 and over in Shanghai's total population has more than doubled from 3.6 per cent to 7.4 per cent.(32) The corresponding ratios for the over-60s are 5.5 per cent and 11.7 per cent.(33) According to United Nations standard, Shanghai has already become an 'aged city'. What is more, the aging process there is very rapid. The proportion of elderly people 65 years and above is predicted to reach 21 per cent by the year 2020. If this materializes, then Shanghai will have outstripped Germany, France and Britain in the aging of its population.(34) By the year 2025, the ratio of senior citizens in Shanghai is expected to become the biggest in the world.(35) It should, however, be pointed out that unique historical factors have helped change the age structure of Shanghai's population. The movements and growth of the city's population before 1949 are built-in causes of today's rising number of the aged.(36)

While Shanghai, China's most populous metropolis, has the highest proportion of old people in the country, the municipalities of Beijing and Tianjin are not lagging far behind. Admittedly, in the eyes of United Nations demographers they have not yet turned into 'aged cities'. But the tempo of the aging process in these two places is obviously much faster than for the whole of China. In 1985, already 9 per cent of Beijing's population was aged 60 or older.(37) It will now only be a matter of a couple of years for the capital to become an elderly population, as the ratio of sextagenarians is estimated to rise to 10.7 per cent in 1990.(38) Similarly, based on the present tendency, Tianjin is predicted to become an aging population by the year 1992.(39)

Table 6 illustrates how diversity in the pace of demographic transition across China has affected age composition and its related population indexes. The regional differences between the coastal areas with rapid changes on the one hand and Southwest and Northwest China with small changes on the other are striking. In the latter, the high proportion of the 0-14 age bracket and a median age below 20 years prove that the age structure has not developed beyond that of a young population. In fact, the proportions of the age groups of the three northwestern regions listed in Table 6 fit exactly those of the average developing country. By contrast, Shanghai's young population ratio is already lower than the one in Japan and has reached the level obtaining in some of Europe's highly industrialized nations, such as Sweden.(40) By providing examples at both ends of the scale, Table 6 implies that all of the three population categories - young, adult and elderly - can be found in China.

Table 6:
Regional Differences in the Age Composition of China's Population, in 1982

Index	Rapid Changes			Slow Changes		
	Shang-hai	Bei-jing	Jiang-su	Ning-xia	Qing-hai	Xin-jiang
0-14	18.09	22.12	28.99	41.44	40.79	39.72
15-64	74.53	72.23	65.47	53.32	56.50	56.55
65+	7.38	5.64	5.54	3.25	2.71	3.73
Median Age	29.28	27.19	25.54	18.32	18.42	19.48
Average Age	33.24	30.76	28.94	23.44	23.86	24.64

Sources:

Renkou Yanjiu, No.4, 29 July 1984, pp.1-6, 13; JPRS, 84077, p.37, Table 4.

Urban-rural differences in the age composition of the Chinese population are by far smaller than the regional variations. As Table 7 shows, the cities and towns have shifted more rapidly towards a low birth rate than the villages. In the former, the ratio of the children's age bracket is approaching levels obtaining in the developed countries. As the marked fall in fertility in the urban areas is still of a fairly recent origin, the change has raised the numbers above childhood but not yet affected the old-age group. Nevertheless, the peak of China's aged population will arrive earlier in the cities and towns than in the villages, based on a higher growth rate in the former.⁽⁴¹⁾ However, since more than 80 per cent of the Chinese population lives in the countryside, it is the age composition in the rural areas rather than that in the urban areas that is typical of the whole of China. As mentioned above, mechanical growth may affect the age structure of a population. Although this factor does not apply to China as a whole, 'keypoint cities' and 'new industrial cities' have age compositions different from those of other cities in general. Many new cities have been built since the founding of the People's Republic of China, especially during the First Five-Year Plan period of 1953-57. Lanzhou in Gansu Province and Zhuzhou in Hunan Province are among the eighteen 'keypoint cities', and Maanshan in Anhui Province is one of the 'new industrial

Table 7:
Rural-Urban Differences in the Age Composition of China's
Population, in 1982

Age Bracket	Cities	Towns	Whole China	Villages
0-14	26.02	28.44	33.60	35.37
15-64	69.32	67.35	61.49	59.63
65+	4.66	4.21	4.91	5.00

Sources:

Renkou Yanjiu, No.4, 29 July 1984, pp.1-6, 13; JPRS, 84077, p.38, Table 6.

cities'.(42) They were given priority treatment regarding Soviet-aided major industrial projects, whereas the others were not allowed any new major projects. These three urban settlements, likely to typify the special population problems of the newly built cities, experienced an influx of young workers during the initial period of city building. In Zhuzhou, for example, 90 per cent of population growth in 1949-54 was due to immigration. Up to the mid-1960s, more young labour from outside the municipality found employment in construction projects for the backbone industry and in the service trade. In 1955-78, mechanical growth accounted for 57 per cent of Zhuzhou's population increase.(43)

The age composition of the population of newly-built cities is said to have the following two characteristics. Firstly, there has been a predominance of male over female workers and staff members. Due to this imbalance of sexes in the marriageable age group many men have remained single which has resulted in a low birth rate. Thus in these places the proportion of children is lower than in the average city. Secondly, as the large numbers of workers and cadres who moved into these newly-established industrial centres in the 1950s have not entered the old-age stage, the percentage of working-age people is higher and that of senior citizens lower than in the other cities in general.(44)

Forecasts on the Trends of Aging in China

As discussed above, the aging of a population is a concept of the transition from high fertility and low life expectancy to low fertility and low mortality. In the final analysis, the speed at which the proportion of elderly people increases will depend upon the birth rate. The number of senior citizens in China is expected to rise at an annual rate of 3 per cent (45) which would considerably exceed the growth rate of the population as a whole. It is clear that the trend towards an aging population can neither be halted nor reversed. The phenomenon of aging constitutes the natural outcome of the demographic transition of a society. However, as shown below, the process of aging can be put under certain limits by an adjustment of total fertility.

Demographers both inside and outside of China appear to agree that by the year 2000, people aged 65 or older will make up more than 7 per cent of China's total population thus meeting the United Nations definition of an aging population. A number of Chinese researchers have attempted to extrapolate from the present trend of population growth the demographic dimensions of the aging of the country's population in the coming century. In a nutshell, according to their projections, the lower the total fertility rate, the faster the Chinese population will age. In the case of one birth per childbearing woman - the third scenario considered in Table 8 - in 30 years from now the proportion of the old-age group will account for 16.2 per cent of the total, equal to the level currently obtaining in West Germany. In another five years, one in every five persons will be 65 or older, and in 40 years from now, one in every four persons will be a senior citizen. A strict and permanent enforcement of the one-child-per-family concept would inevitably lead to an elderly-type population in the very near future.

However, such a dramatic decrease in fertility seems highly unrealistic. China was never meant to become a country of single children only, because the Chinese leadership regards the one-child family as a temporary emergency measure rather than a permanent solution.(46) The intermediate scenario considered in Table 8 would delay the aging process by a few years. But 1.5 births per childbearing woman also appears to be somewhat unrealistic. Admittedly, the State Family Planning Commission, set up in 1981, intends to reduce total fertility to 1.5 by 1990 and maintain it at the

Table 8:
Projections for China's Aged Population (65+) Growth Based
on Hypothetical Total Fertility Rates

Year	Projected Percentage of Aged Population Based on		
	Hypothetical 2.3	Total 1.5	Fertility Rates 1.0
2000	7.3	8.3	8.9
2017	-	-	16.2*
2020	12.3	16.2	-
2022	-	-	20.8**
2027	-	20.2	24.6***
2030	16.6	-	-
2031	-	24.9	-
2036	20.5	-	-
2071	25.0	-	-

Notes:

* Current level in West Germany;

** One in every five persons would be 65+;

*** One in every four persons would be 65+.

Sources:

Renmin Ribao (People's Daily), 18 March 1980, p.5; JPRS, 75693;
 China Report, No.83, pp.66-67.

same level until the year 2000 (47) implying that 50 per cent of all married couples are to have one child only. However, if the one-child family campaign proves to be successful during its initial 30-40 years, then it is intended to raise fertility to 2.16 per childbearing woman.(48)

Considering the fact that during the 1978-81 period total fertility ranged from 2.3 to 2.6 (49) and that in 1985 it was still 2.2,(50) the problem of aging in China may, indeed, not be serious until after the first 30 years of the 21st century. In fact, recent forecasts on China's aging population by the Demographic Department of the State Statistical Bureau are based on the high fertility scenario in Table 8. But irrespective of the pace of the process of aging a peak in the increase of the elderly population will arrive abruptly, since a few peaks in the birth rate - one baby

boom between 1954 and 1957 and another one between 1962 and 1971 - have appeared during the past three decades.

Problems Related to the Aging of China's Population

There is growing concern inside China about the socio-economic problems associated with an aging population, such as manpower shortage and the burden of old-age dependency on the workforce and the society at large. Since the age structure of the population has a direct bearing on the size of the working-age population,(51) the question arises as to whether or not the process of aging will lead to a shortage or depletion of labour resources. Tien Xueyuan of the Economic Research Department of the Chinese Academy of Social Sciences and chairman of the Beijing Demographic Society believes that this will not be the case. According to him, the number of minors that will remain relatively large will gradually be absorbed into the workforce and thus enable it to continue to grow in the next half century. The working population is expected to exceed 770 million by the year 2000.(52) Based on China's official population goal of 1.2 billion, the workforce would then make up 64.2 per cent of the total compared with 54.9 per cent at the time of the third national census in 1982.(53) The peak of 790 million is expected to be reached by the year 2012. From 2014 onwards, the Chinese labour force will begin to shrink, but not until 2041 is it predicted to fall to the 1980 level of 500 million.(54)

By implication, China will not be plagued by a shortage of labour for at least another 50 years. This forecast concurs with the findings of an analysis of the trends concerning China's growing elderly population undertaken by the Demographic Department of the State Statistical Bureau.(55) It is also identical with World Bank population structure projections.(56) The Chinese labour force is expected to grow rapidly, at a faster rate than the total population. Furthermore, fears that the increase among the elderly might outstrip the growth of the working-age population are unfounded. On the contrary, the trend suggests that the opposite will occur.

While the situation discussed above refers to China as a whole, certain places within the country do apparently face labour shortages caused by overgrowth of the aged population. Shanghai, for example, is predicted to have difficulty renewing its labour force from now to the year 2000. Each year 76,000 workers will retire, with only 55,000 new workers to replace them.(57) In a similar vein, newly-built cities will have the problem of the

sudden necessity to replace the workforce as a result of the massive immigration of young workers during the 1953-57 period. In Lanzhou, for instance, the aged population is expected to increase abruptly, i.e. by 200 per cent, in the next few years.(58)

Another problem that may arise from an aging population is the dependency burden of the elderly on those of working age. As the population ages, the number of old people to be supported by every 100 working-age persons will increase. At the time of the 1982 census, the old-age dependency coefficient (59) was 7.98 which means that every 100 working-age persons supported 8 people aged 65 and older. In other words, one aged person was supported by an average of 12.5 workers.(60) As analysed above, there are substantial regional differentials in the age composition across China and the old-age dependency ratios vary accordingly. In Shanghai, one aged person is supported by 10.1 economically active people, compared with 20.8 in Qinghai.(61) Similarly, if the population of working age is based on China's domestic standard, each retired person in Shanghai is supported by 3.8 employed, while the proportion stands at 14 working to one retired in Xizang and Guangxi.(62)

China's youth dependency coefficient (63) stood at 54.64 in 1982, and the living support ratio for the total population, also simply referred to as dependency coefficient,(64) was 62.62. The country's current series of dependency coefficients shows transitional characteristics in between those of the developing and the developed world, as shown in Table 9. During the 1964-82 period, the old-age dependency ratio has risen slightly, while the youth dependency ratio has dropped steeply. As the proportion of children has declined faster than the proportion of old people has risen, the dependency coefficient has declined. For the time being, the dependency burden will decline rather than increase. The important change lies in the fact that support by the active workforce is gradually shifting from the dependent young to the dependent old requiring the State to alter the nature and structure of its social services. Some time in the next century, the situation will be reversed with the working population supporting more old people than children.(65) In fact, according to Table 9, Sweden is presently in the process of experiencing this transition. Sources differ as to exactly when this is expected to occur in China since future population age compositions can only be guesswork.

In any case, researchers inside and outside of China agree that the decline in the dependency ratio will be of a temporary nature and that it is

Table 9:
China's Dependency Coefficients in International and Historical Perspective

	Old Age Dep. Coeff.*	Youth Dep.Coeff.**	Dep.Coeff.***
China			
1953	7.44	61.16	68.60
1964	6.39	73.01	79.40
1982	7.98	54.64	62.62
Developing Nations			
	5.36	73.21	78.57
Developed Nations			
	16.67	34.85	51.52
Sweden			
1860	8.48	54.65	63.13
1900	14.21	54.99	69.20
1980	26.56	29.69	56.25
Japan			
1935	8.05	63.18	71.23
1947	8.01	58.93	66.94
1955	8.65	54.49	63.14
1980	13.50	34.87	48.37

Notes:

- * The old age dependency coefficient is determined by dividing the proportion of the 65+ age group by the proportion of the 15-64 age group multiplied by 100.
- ** The youth dependency coefficient is determined by dividing the proportion of the 0-14 age group by the proportion of the 15-64 age group multiplied by 100.
- *** The dependency coefficient is determined by adding together the proportions of the 0-14 and 65+ age groups, divided by the proportion of the 15-64 age group multiplied by 100.

Sources:

Renkou Yanjiu, No.4, 29 July 1984, pp.1-6, 13; JPRS, 84077, p.33, Table 1; for 2040 prediction, see China Daily, 28 February 1986, p.4.

bound to assume an upward trend following a shrinkage of the labour force from 2014 onwards. Although the dependency ratio is expected to

climb back to 57.7 by the year 2040, it will still be lower than the 1982 level.(66) China does not foresee a state of 'overdependency' afterwards because a raising of the birth rate and a subsequent addition of labour into the existing labour pool would set in motion a new decline in the dependency ratio.(67)

Pension Problems and Predictions

Since 1951 China's National Labour Insurance Regulations have provided most urban workers with pensions.(68) The latter constitute a percentage of previous earnings, based on time of employment, work performance and service to the country, currently ranging from 60 per cent to 90 per cent of former wages. The system is, however, funded by State-run industrial units rather than by employee contributions. In addition to their pensions, retirees are entitled to free medical care.(69) In view of the old-age pension burden on the State the predicted growth rate in the number of the elderly is alarming. According to the State Planning Commission, there were 8.17 million pensioners in 1980, accounting for 7.8 per cent of the total workforce. Their pensions came to 4,700 million yuan, or 6.1 per cent of all wages.(70) By the end of 1983, China had nearly 13 million retired workers, 650 times those in 1952, receiving 9,000 million yuan in pensions.(71) During the 1980-2000 period, the number of retirees is expected to almost quadruple, while their percentage of the economically active people is estimated to double. The total pensions bill will escalate to 32,000 million yuan, an increase of nearly seven times.(72) Table 10 illustrates the present situation and provides predictions up to the turn of the century.

Until 1966, the All China Trade Union head office took care of the payment of retirement pensions. Funds were raised on a uniform basis from enterprises who were required to pay 3 per cent of their pre-tax annual revenue. This system changed after the Cultural Revolution in 1969, when each enterprise became responsible for the pensions of its retirees.(73) As long as pensioners were few, enterprises found little difficulty in making payments. But since 1979 the numbers of pensioners have

Table 10:
Pension Predictions in China

Year	Number of Pensioners (mill.)**	Percentage of Workforce	Pensions as Percentage of all Wages	Pensions (million yuan)
1980	8.17	7.8	6.1	4,700
1985*	14.40	11.6	9.8	10,400
1990*	19.80	14.0	11.1	15,200
2000*	31.00	17.0	12.0	32,000

Notes:

* Figures from 1985 onward represent predictions;

** Figures represent those who have actually retired and draw an old-age pension.

Source:

Beijing Review, 22 October 1984, pp.31-2.

been increasing sharply, leaving nothing accumulated in the firms' social welfare fund. Especially in large cities, many old enterprises can now barely cope with the costs generated by the growing numbers of retired workers.

In Shanghai, 230,000 of the city's 450,000 textile mill workers have retired on old-age pensions which make up more than one-third of the total volume of workers' wages.(74) The Transport and Loading Company in Chengdu has a workforce of 4,000 and the same number of pensioners as a result of which profits have been overtaken by pension payments.(75) In a similar vein, in Qingdao's salt industry, retirees account for almost 50 per cent of the workforce and their pensions make up 67.7 of the total wage bill. In the city's textile industry, retired workers equal 42.3 per cent of the economically active people, with their pensions amounting to 45.5 per cent of all wages. By contrast, this problem is unknown in Qingdao's modern industries, such as electronics, where the retired constitute only 8.6 per cent of the workforce.(76)

Many enterprises are now unable to enlarge production, to renew equipment or to rebuild dilapidated buildings.(77) Some have applied for bank loans and State subsidies to cover the pensions for their large retired

workforce.(78) Others have chosen to cut pensions to avoid budget deficits.(79) In some older firms, one worker now has to cover the retirement fund for one-and-a-half pensioners, while some new plants have next to no pensioners. The striking difference between enterprises in the ratio of the working to the retired illustrates the necessity of a unified arrangement on pension expenses as a proportion of total wages. Some isolated cases have been reported on attempts to help long-established enterprises with large numbers of retired workers with their pension obligations. In Wuxi of Jiangsu Province, for example, the financial department has set up a retirement pension foundation. All state-run enterprises are to turn over to this institution a sum equal to 23 per cent of their staff payroll. The foundation will then be responsible for the payment of the pensions. Any funds not used for current payments are reserved for future pension requirements.(80)

Unlike industrial workers, farm labourers do not generally enjoy retirement eligibility. Public support for the rural aged is limited to the outskirts of some large cities and a few prosperous villages. Their pension plans are of a fairly recent origin, they operate on a trial basis and vary in age requirements and benefits according to local conditions. The number of peasants supported by public funds throughout China is infinitely small. In 1982, a total of 3,400 brigades in eleven municipalities and provinces, including Shanghai, Beijing, Tianjin, Zhejiang, Jiangsu, Shandong and Liaoning, offered retirement benefits to some 426,000 elderly peasants, 120,000 of whom lived in suburban Shanghai alone. Monthly pensions generally ranged from 10 to 20 yuan. By 1985, some 660,000 rural dwellers in more than 9,000 villages are reported to have lived on old-age pensions of between 20 and 50 yuan per month.(81) In some areas, peasant pensioners receive retirement subsidies in the form of free food, fuel and a small amount of pocket money.(82)

China's enterprise labour insurance system does not provide retirement pensions for employees of collectively-run enterprises. Likewise, contracted labourers, part-time workers and employees in joint ventures are outside the protection of the social security system.(83) Insurance companies are now starting to establish retirement insurance schemes for this group of people. Shanghai recently adopted a regulation, on a trial basis, which will provide old-age pensions for the more than 10,000 Chinese working for the city's 170-odd joint venture and co-operative enterprises. In fact, these enterprises do not get approval to begin business unless they take out old-age insurance for their Chinese employees. They

are required to pay a sum, equivalent to 30 per cent of their Chinese employees' monthly wages, to the Shanghai branch of the People's Insurance Company of China which will then make pension payments.(84)

Similar schemes are being introduced in Beijing, Tianjin and Shenyang municipalities and in Guangdong and Sichuan Provinces.(85) The People's Insurance Company of China also offers old-age insurance to individuals with the pensions set according to the amount and length of payment of monthly premiums.(86) Another shortcoming of the country's present pension system is the fact that pensions of people who retired in the 1950s and 1960s have been fixed instead of being adjusted after price hikes.(87) There is no denying that China's present pension scheme is grossly imperfect. As the system finds itself obsolete, preparations are under way to introduce reforms. Although the new centralized scheme is expected to provide greater coverage, it will stop short of protecting all of the country's retirees and more or less be a revival of what the nation was doing before the Cultural Revolution. Industry and business are to finance a unified retirement fund which will pay pensions to retired workers.(88)

In terms of caring for the aged, China's own principle, the three-way combination of the State, the collective and the family, appears to continue for the foreseeable future. At the time of the 1982 national census, people of retirement age accounted for 9.27 per cent of China's total population (89) which implies that there should have been nearly 100 million retirees.(90) However, only around 10 million, or about one out of 10 retirees, were actually drawing retirement pensions. Even so, retirement pay costs were nearly 10,000 million yuan. It is the goal of the People's Republic of China to gradually expand the formal system of old-age insurance into a national one.(91) The question arises as to how will the nation be capable of paying all retirees the generous pensions (92) that are presently being offered to only a small number of retired industrial employees? At this stage China has, no doubt, a poor financial foundation for such an ambitious programme. Therefore, unless benefit levels are radically reduced or productivity is drastically improved, for a considerable time to come old-age pensions will remain the privilege of a labour elite and the care of the majority of China's aged will remain a private and family-based responsibility.

Conclusions

As established above, the overall trend of China's demographic development tends towards a stage of aging. Even though the population is not yet made up of enough old people to qualify as an old-age population, there is a certain concern as to what the 'greying' of China will bring in the next few decades. While some official Chinese predictions sound auspicious, others take a gloomy view. The optimists argue that, as the dependency coefficient is expected to decline, with the increasing proportion of the elderly being more than offset by the rapidly declining proportion of children, the society's burden as a whole must become lighter. According to them, the impact of aging on the size of the workforce is insignificant, and therefore China will not face the situation of a minority of working people supporting the majority of non-working people.(93) Although these arguments are based on demographic facts analysed in this article, they tend to oversimplify a fairly complex issue.

The pessimists are alarmed by the past and predicted future growth rates in the number of the aged.(94) In fact, the current high degree of aging in China's largest cities vividly shows what the country will face when the problem becomes acute at the national level.(95) Payments for pensions and old-age health care are likely to be a drain on China's economic development. It is not difficult to see how retirement pensions will increase as a proportion of national income and outstrip the nation's income and revenue base. With more people living longer, old-age pensions need to be paid longer. What is more, the elderly, who will suffer longer from debilitating diseases, will run up a massive medical bill. The aging problem includes the high rate of illiteracy,(95) care in nursing homes, the need for recreational facilities and social contact. Given China's low per capita GNP, these necessities represent difficulties for the State. Finally, as the dependency burden is gradually shifting from the young to the old, total expenditure on the support of the non-working population rises. The inescapable conclusion is that the ability of the State to cope with the 'greying' of China is questionable.

Notes

- (1) Sher, Ada Elizabeth: *Aging in Post-Mao China*. Boulder/London: Westview Press 1984, p.203.

- (2) *ibid.*, p.11.
- (3) The International Forum on Aging was co-sponsored by the China National Committee on Aging and the Gerontological Society of America (China Daily, [hereafter: CD], 22 May 1986, p.3).
- (4) Beijing Review [hereafter: BR], 3 November 1986, p.31. At the request of the All-China Women's Federation the Ministry of Labour and Personnel is said to be considering extending the retirement age for women (BR, 28 April 1986, p.10).
- (5) Jihua Shengyu Ban [Family Planning], 28 June 1985, p.2; Joint Publications Research Service [hereafter: JPRS], 85101, p.3.
- (6) Zhang Zehou/Chen Yuguang: On the Relationship between the Population Structure and National Economic Development in China, in: Social Sciences in China, Vo.II, No.4, December 1981, p.56. Note that the Chinese tend to define an elderly population as one where people 65 years above exceed 10 per cent of the total (see also, BR, 2 April 1984, p.21). This definition does not concur with United Nations standards which describe a population as aged when the proportion of people over 65 exceeds only 7 per cent.
- (7) The crude death rate relates deaths to the total population denoting the number of deaths in the year per 1,000 population at mid-year.
- (8) Women of China, No.11, November 1986, p.1.
- (9) Ling Ruizhu: A Brief Account of 30 Years' Mortality of Chinese Population, World Health Statistics, Vol.34, No.2, 1981, p.132, Table 3.
- (10) Gwatkin, Davidson, R.: Indications of change in developing country mortality trends: the end of an era?, in: Population and Development Review, Vol.6, No.4, 1980, p.616.
- (11) BR, 14 February 1983, p.22.
- (12) H. Yuan Tien: China: demographic billionaire, in: Population Bulletin, Vol.38, No.2, April 1983, p.14.
- (13) Xinhua [in English], 30 March 1984; JPRS, 84033, p.19.
- (14) Population Reference Bureau: 1983 World Population Data Sheet. Population Reference Bureau, Washington, D.C., 1983.
- (15) Women of China, No.11, November 1986, P.1.
- (16) Renkou yu Jingji [Population and Economics], No.6, 25 December 1984, pp. 28-33; JPRS, 85072, p.25.
- (17) *ibid.*, pp.30, 31.
- (18) Renkou yu Jingji, No.3, 25 June 1984, pp.14-20; JPRS, 84075, p.46, Table 4.

- (19) *Women of China*, No.11, November 1986, p.1.
- (20) *Jingji Ribao* [Economic Daily], 14 December 1983, p.2; JPRS, 84005, pp.49-52.
- (21) There were 42 males for 100 females.
- (22) *Women of China*, No.11, November 1986, p.2.
- (23) BR, 2 December 1985, p.29.
- (24) *Jingji Ribao*, 14 December 1983, p.2; JPRS, 84005, pp.48-49.
- (25) *Xinhua* [in English], 23 November 1985; JPRS, 85122, p.167. Note that 'total fertility rate' denotes the mean number of live births per women over her lifetime, while 'fertility rate' denotes the number of life births in any given year per 1,000 childbearing women.
- (26) BR, 2 September 1985, p.29.
- (27) For birth control in national minority areas, see Erika Platte: China's fertility transition: the one-child campaign, in: *Pacific Affairs*, Vol.57, No.4, Winter 1984-85, pp.662-666.
- (28) BR, 18 June 1984, p.25.
- (29) *ibid.*, 8 November 1982, p.20.
- (30) *ibid.*, 10 March 1986, p.25.
- (31) For success rates in China's one-child family campaign, see Platte, Tables 1, 2 and 4.
- (32) Yang Wen: Analyses and discussions of data from China's 1982 Census - a report on the International Seminar on China's 1982 Census, in: *Social Sciences in China*, Vol.VI, No.1, March 1985, p.36.
- (33) For 1964 data, see *Renkou Yanjiu* [Population Research], No.5, 29 September 1984, pp.40-43; JPRS, 84090, p.63, Table 2; for 1982 data, see BR, 30 June 1986, p.18.
- (34) Yang, *op.cit.*, p.37.
- (35) CD, 16 July 1985, p.3.
- (36) *Jihua Shengyu Ban*, 16 August 1985, p.1; JPRS, 86004, p.112.
- (37) *Xinhua* [in English], 4 December 1985; JPRS, 85122, p.160.
- (38) CD, 8 April 1986, p.3.
- (39) *Renkou Yanjiu*, No.6, 29 November 1984, pp.41-45; JPRS, 85028, p.92, Table 2.
- (40) For age composition of the average developing country, Japan and Sweden, see Table 1.
- (41) During the 1964-80 period, the number of aged in the cities grew by 115 per cent, and in the rural areas by 72 per cent (*Renkou Yanjiu*, No.5, 29 September 1984, pp.40-43; JPRS, 84090, p.62).
- (42) 'Keypoint cities' were designed to become industrial centres with

populations of more than half a million. For a list of 'keypoint cities', see Zuo Yanghang: Arrange city construction works in accordance with the principles of diligence and thrift, in: Jihua Jingji [Planned Economy], No.12, 1957, p.4, quoted in K.I. Fung: Urban sprawl in China: some causative factors, in: Laurence J.C. Ma/ Hanten, Edward W. (eds): Urban Development in Modern China. Boulder/Col. 1981, p.219, footnote 3.

'New industrial cities' were designed to become small and medium-sized urban settlements. For Maanshan, see Renkou Yanjiu, No.3, October 1980, pp.56-58; JPRS, 77764; China Report, No.179, pp.87-90.

- (43) Renkou Yanjiu, No.3, October 1980, pp.56-58; JPRS, 77764; China Report, No.179, p.90, footnote 2.
- (44) For Zhuzhou and Maanshan, see Renkou Yanjiu, No.3, October 1980, pp.56-58; JPRS, 77764; China Report, No.179, p.87, Table 1; for Lanzhou, see Lanzhou Shehui Kexue [Lanzhou Social Sciences], No.6, 25 December 1984, pp.61-71; JPRS, 85063, p.92.
- (45) Yang Wen, op.cit., p.37.
- (46) For a discussion of the one-child concept, see Platte, Erika, op.cit., pp.646-671.
- (47) BR, 24 October 1983, p.7.
- (48) BR, 11 January 1982, p.25.
- (49) For total fertility rate of 2.3 in 1978 and 1979, see Renmin Ribao [People's Daily], 18 March 1980, p.5; JPRS, 75693; China Report, No.83, p.66; for total fertility rates of 2.24 and 2.63 in 1980 and 1981 respectively, see Chinese Medical Journal, No.5, May 1983, p.366.
- (50) CD, 21 July 1986, p.4.
- (51) In China, the ages for the working population are taken as 16-59 years for males and 16-54 years for females (Yang Wen, op.cit., p.45) as opposed to the internationally accepted age specification of 15-64.
- (52) Zhejiang Ribao [Zhejiang Daily], 4 October 1980, p.4; JPRS, 76985; China Report, No.147, pp.70-71.
- (53) For 1982 proportion of working population, see Jingji Ribao, 13 December 1983, p.2; JPRS, 84005, p.44.
- (54) Zhejiang Ribao, 4 October 1980, p.4; JPRS, 76985; China Report, No.147, p.71.
- (55) CD, 26 February 1986, p.3; BR, 10 March 1986, p.25.
- (56) China: Socialist Economic Development, Volume III, The Social

Sectors, Population, Health, Nutrition and Education. The World Bank, Washington, D.C., 1983, pp.82-83.

- (57) CD, 16 April 1986, p.1.
- (58) Lanzhou Shehui Kexue, No.6, 25 December 1984, p.61-71; JPRS, 85063, p.113.
- (59) The old-age dependency coefficient is defined as the ratio of the number of elderly persons aged 65 and over to the number of persons of working age (15-64 years).
- (60) Although referring to working-age persons, the Chinese tend to use the internationally accepted age specification of 15-64 in their calculations of dependency coefficients (see Tables 1, 5, 6 and 7). Therefore, strictly speaking, this means that every hundred people aged 15 to 64 supported 7.98 people aged 65 and older, assuming full employment in the working-age group. If the population at working age were to be calculated according to China's existing regulations, then the resulting dependency coefficients would be slightly higher and not be comparable internationally.
- (61) Old-age dependency coefficients were calculated from age composition given in Table 6.
- (62) CD, 11 December 1985, p.4.
- (63) The youth dependency coefficient is defined as the ratio of the number of children to the number of persons of working age (15-64 years).
- (64) The dependency coefficient is defined as the ratio of the number of children below age 15 and elderly persons aged 65 and over to the number of persons of working age (15-64).
- (65) CD, 28 February 1986, p.4.
- (66) Renmin Ribao, 18 March 1980, p.5; JPRS, 75693; China Report, No.83, p.69; China: Socialist Economic Development, p.82; BR, 10 March 1986, p.34.
- (67) Renmin Ribao, 18 March 1980, p.5; JPRS, 75693; China Report, No.83, p.69.
- (68) Davis-Friedmann, Deborah: Long Lives: Chinese Elderly and the Communist Revolution. Cambridge (Mass.)/London 1983, p.16.
- (69) BR, 26 October 1981, p.22.
- (70) BR, 22 October 1984, p.31.
- (71) BR, 8 October 1984, p.13. There were only 20,000 retired people in 1952 receiving less than 10 million yuan in pensions (BR, 3 November 1986, p.31).

- (72) BR, 22 October 1984, pp.31-32.
- (73) CD, 1 July 1985, p.4.
- (74) CD, 28 November 1985, p.1.
- (75) CD, 15 March 1986, p.1.
- (76) BR, 6 October 1986, p.7.
- (77) CD, 25 October 1983, p.4.
- (78) CD, 1 July 1985, p.4.
- (79) CD, 11 December 1985, p.4.
- (80) Xinhua, 13 August 1985; JPRS, 85097, p.40.
- (81) CD, 30 July 1985, p.1.
- (82) BR, 4 October 1982, p.8.
- (83) CD, 11 December 1985, p.4.
- (84) CD, 20 June 1986, p.1.
- (85) *ibid.*
- (86) Renkou Yanjiu, No.6, 29 November 1984, p.41-45; JPRS, 85028, p.95; Xinhua [in English], 14 May 1985; JPRS, 85057, p.90.
- (87) CD, 15 May 1986, p.3.
- (88) CD, 23 December 1985, p.3; CD, 15 March 1986, p.1.
- (89) Jingji Ribao, 13 December 1983, p.2; JPRS, 84005, p.44.
- (90) For total population of 1,031,882,511 at the time of the 1982 National Census, see BR, 8 November 1982, p.20.
- (91) The Constitution of the People's Republic of China, adopted on March 5, 1978 by the Fifth National People's Congress of the People's Republic of China at its First Session, Art.50; BR, 17 March 1978, p.14.
- (92) The pensions are 'generous' in that the gap between previous monthly earnings on the one hand and pensions on the other is narrow.
- (93) As shown in Table 9, theoretically, each member of the working population had to produce enough to support 0.6 non-working members, with a downward trend predicted up to the year 2040.
- (94) The number of the over-60s is estimated to increase from 80 million in 1980 to 280 million in 2025 (For the absolute number of the aged in 1980, see BR, 16 April 1984, p.31; for the predicted absolute number of the aged in 2025, see Renkou Yanjiu, No.5 29 September 1984, p.40-43; JPRS, 84090, p.63).
- (95) CD, 23 December 1985, p.3.
- (96) For rate of illiteracy among the aged of 79.4 per cent, see CD, 24 December 1986, p.4.

Summary

China has started to evolve from a typically young population of a developing nation into an adult population. Nevertheless, in international perspective, the Chinese population is still quite young. The marked fall in fertility since the launching of the one-child campaign in 1979 is too recent to have affected the numbers above childhood. In spite of a relatively high life expectancy China does not yet qualify as an old-age population, and the problem of aging will not become serious until well into the next century.

While the variations in the aging population trend between the Han and minority nationalities and those between the rural and urban areas are small, the differences between the advanced coastal region and the backward interior are striking. Shanghai has already turned into an 'aged city'.

Although the 'greying' of China is not expected to lead to a labour shortage or to a state of 'overdependency', the gradual shift of the dependency burden from the young to the old will substantially increase government expenditure on the support of the non-working population. Given China's low GNP, the ability of the State to provide a universal pension scheme for its rapidly growing numbers of retirees is suspect.