

# Build on Japan's Actions in Addressing China's Aging Population

Haolin Liu

Department of DX Technical Sales & Arch, NEC Corporation, Tokyo, 108-8001, Japan

**Abstract:** Low birth rate and aging population have become a global social problem. As neighbors, both China and Japan face serious demographic problems. As the aging of the Chinese and Japanese population is at various stages of development, and the aging of the Chinese population is characterized by accelerated and larger-scale progress. In order to deal with the problem of a declining birthrate and an aging population, China should learn from the relevant experience and practices of Japan, plan ahead and actively respond. At the same time, strengthening the exchange of experience and mutual learning between the two countries in this field will also help provide an important reference for the global response to the problem of aging.

**Keywords:** China, Japan, Low birthrate and aging.

## 1. The Chinese Birth Rate Continues to Decrease

According to data from the National Bureau of Statistics of China, as of 00:00 on November 1, 2020, the national population totaled 1,411.78 million, an increase of 72.06 million compared with 1,339.72 million in 2010 (data from the sixth national census, the same below). An increase of 5.38%, with an average annual growth rate of 0.53%, a decrease of 0.04 percentage points from the average annual growth rate of 0.57% from 2000 to 2010 [1]. By the end of 2021, the national population will be 1,412.6 million, an increase of 480,000 over the end of the previous year. The annual birth population was 10.62 million, the birth rate was

7.52‰; the natural growth rate was 0.34‰. Nationally, the national birth rate last year was the lowest since 1949, while the natural population growth rate fell below 1 per thousand for the first time since 1961 [2]. Data show that China's population has continued to maintain a low-speed growth trend for 10 years.

In the past few years, discussions about "aging" and "low birthrate" have been rampant in China, and "population anxiety" has been accumulating. However, the specific data released this time still surprised people. How to deal with the rapid and early arrival of the era of "zero population growth" or even "negative growth" has become an unavoidable problem for China.

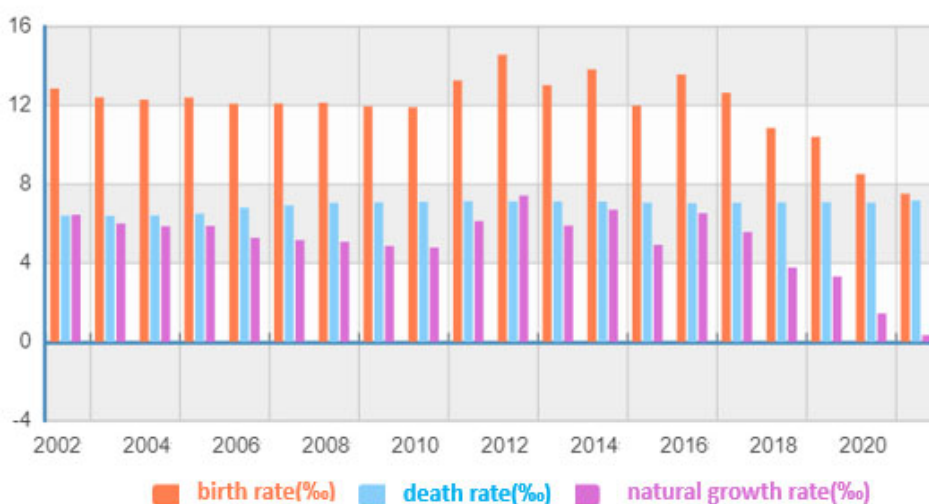


Figure 1. China's population birth rate, death rate, and natural growth rate

Source: China National Bureau of Statistics

## 2. Reasons for China's aging population

### 2.1. The transformation of social production mode and the low birthrate

Since China's entry into the WTO, the industrial revolution

has significantly promoted the development of China's social productive forces, through industrial differentiation and occupational division of labor, enterpriseization and mechanization of production, gender differences in employment opportunities, and intensification of job competition, the high cost of child rearing The combined

effect of many factors, such as higher education, the diversification of values and personal choices, has profoundly promoted the revolution of the "human" production mode, resulting in people's late marriage, late childbirth and even non-marriage and infertility. The direct consequence is the decreasing birth rate of the birth population.

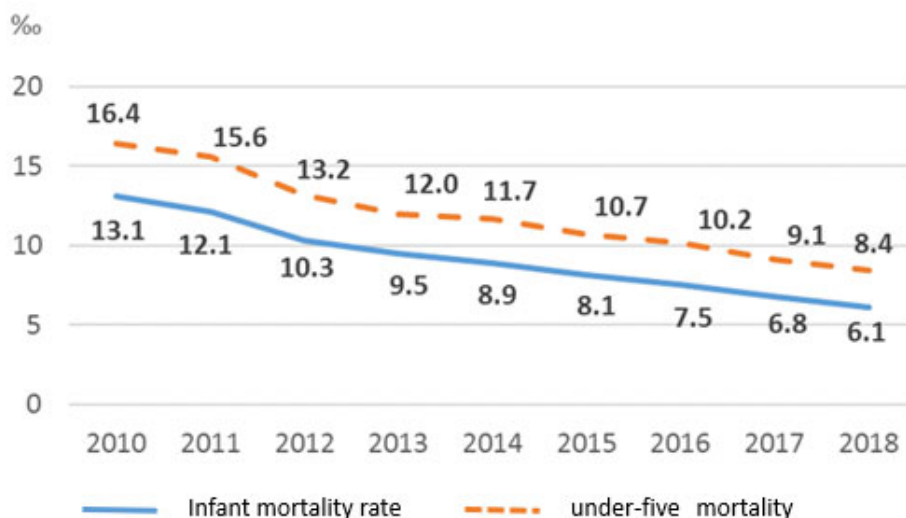
## 2.2. Implementation of Family Planning Policy and Fewer Births

Since the founding of the People's Republic of China, the population has grown rapidly, in order to "make population growth compatible with economic and social development plans"[3], "Family planning" was designated as a basic state policy in September 1982 and written into the Constitution in December of the same year. The main content and purpose of the policy is to promote late marriage and childbirth, and to have fewer and better children, so as to control the population in a planned manner. In particular, since July 1971, when the State Council approved and forwarded the Report on Good Family Planning Work and included population growth control targets in the national economic development plan for the first time, the nationwide fertility control policy centered on "one child" began to be strictly implemented on a large scale, and continued for more than 30 years. The policy was slightly relaxed in the later years, but the full "two-child" policy was not implemented until 2016.

The strict "one-child" birth control policy has directly controlled and reduced the size of population growth by nearly two generations, significantly accelerating the demographic transition and the process of low birthrate.

## 2.3. Technological progress and longevity

Advances in science and technology, especially medical technology, and improvements in living standards have led to a significant decline in mortality and a substantial increase in the average life expectancy of the Chinese population. China's population mortality rate dropped rapidly from 25.43 per thousand in 1960 to 7.64 per thousand in 1970, and then declined slightly but has remained basically stable at that level to date [2]. In particular, the national infant mortality rate and under-five mortality rate have continued to decline steadily since 2010. In 2018, the national infant mortality rate was 6.1 per 1,000 and the under-five mortality rate was 8.4 per 1,000, both down 0.7 thousand points from the previous year. The continuous improvement in children's health has played an important role in extending national life expectancy per capita. The Report on the Development of Maternal and Child Health in China (2019) shows that 23.5% of the 4.9-year increase in life expectancy per capita in China between 2000 and 2015 was attributed to the decline in under-five mortality rates [4]. At the same time, the increase in average life expectancy has increased the size of the elderly population and raised the level of aging in China.



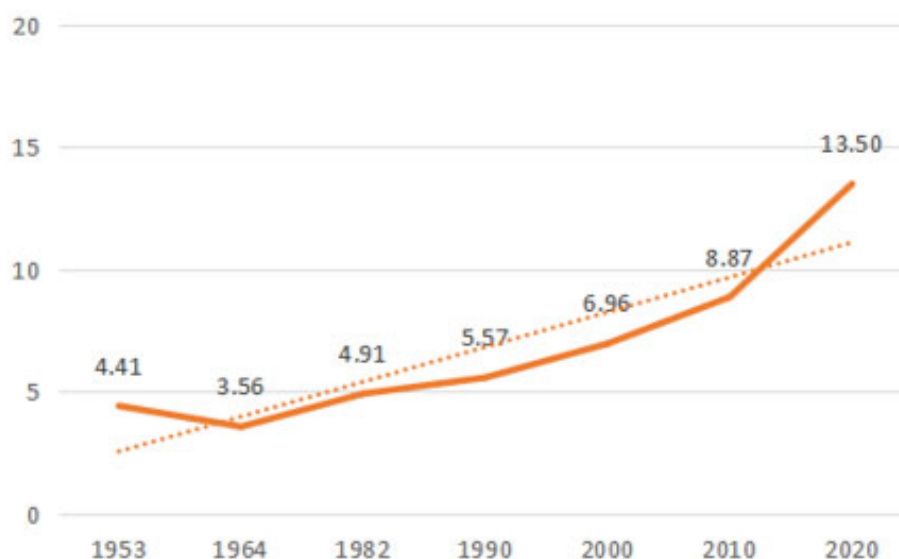
**Figure 2.** Infant mortality rate and under-five mortality rate, 2010-2018  
Source: National census data from the National Bureau of Statistics of China

## 3. Developmental Characteristics of China's Aging Population

### 3.1. Population aging is accelerating

As a large developing country with a large population, China has a relatively late onset of population aging due to the constraints of productivity and economic and social development levels. However, the dual effect of productivity and economic and social development and family planning policies has led to a rapid transformation of China's population structure. According to the data from the National

Bureau of Statistics of China, in 1982, there were less than 50 million people aged 65 and above, and the aging rate was only 4.91%; in 2000, the number of people aged 65 and above increased to 88.72 million, and the aging rate increased to 6.96%. However, since 2010, the aging of China's population has accelerated, with the number of people aged 65 and above exceeding 100 million in 2010, and the aging rate increasing to 8.87%; in 2020, the number of people aged 65 and above will further increase to 191 million, and the aging rate will also increase to 13.50%, which is less than 0.5 percentage points away from entering the aging society [1].



**Figure 3.** China's Population Aging Trend

Source: National census data from the National Bureau of Statistics of China

### 3.2. Large size of elderly population

China has historically been a large population country, and despite the relatively backward development and low level of aging for a longer period of time, the elderly population still has a large size.

According to China's successive censuses, the size of China's elderly population aged 65 and above was 25.69 million in 1953, exceeding the size of Japan's elderly population in 2005 (25.67 million); it grew to about 50 million in 1982, almost twice the size of Japan's elderly population in 2005; and continued to grow to over 100 million in 2005, already reaching four times the size of Japan's elderly population in the same year. In 2020, the size of China's elderly population grows further to 191 million, which is already 1.52 times the size of Japan's total population in 2020 (126 million) and 5.40 times the size of Japan's elderly population in 2020 (35.34 million) [1] [5].

### 3.3. The "old before the rich" situation is obvious

Population transformation and aging in developed countries such as Europe, America, Japan and Korea are all developed in a natural state without human intervention, so population aging is a product of economic and social development to a certain stage, and generally it is developed to a higher level before entering an aging society.

Unlike developed countries, China has artificially accelerated the process of demographic transformation due to the strong implementation of family planning policies, resulting in an aging society before it becomes affluent. China's population aging lags behind its economic

development, and the situation of "getting old before getting rich" continues. Moreover, the lack of sufficient economic conditions makes it more difficult to cope with the aging problem.

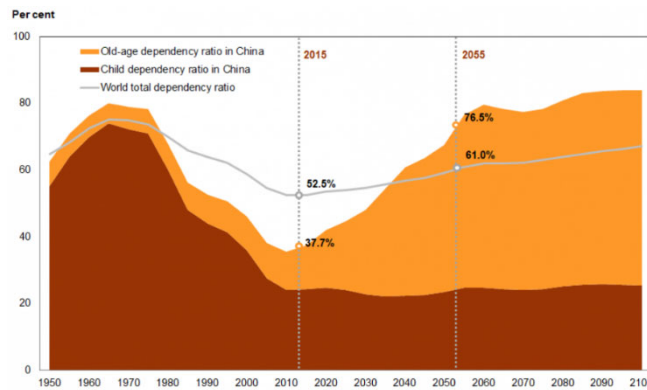
## 4. The Impact of the Aging of Fewer Children on China

### 4.1. Constraints on economic development

People are producers and consumers, the most basic factors of production. In a certain sense, economic activity is largely determined by the labor force population. A declining birth population and aging will further reduce the working-age population. If the increase in labor productivity does not offset the impact of a declining labor force, the continued decline in the working-age population will certainly constrain economic development and reduce the size of the economy. At the same time, a declining and aging population will affect consumption capacity and reduce the domestic consumption market, thus weakening the willingness to invest and its contribution to economic growth.

### 4.2. Impact on social security and fiscal sustainability

The economy is the material base that supports social security and government finance. Once the economy shrinks in size, the result will be a weakened or even reduced material base to support social security and government finance, and the existing social security system and finance system will not be sustainable.



**Figure 4.** Dependency ratio of China

Source: United Nations, Department of Economic and Social Affairs, Population Division, World Population Prospects: The 2017 Revision, 2017

In addition, from the perspective of the relationship between production and consumption, custodian and dependent, China's total dependency ratio in 2021 is 45.9% [2]. However, as the population declines and the aging, it is estimated that China's total dependency ratio will exceed 75 per cent by 2055, much higher than the estimated global average [6]. It is conceivable that this situation, once it arrives, will greatly impact Social Security payments, which are dominated by medical and intermediary care costs, and further deepen the imbalance between payment and burden.

Such a demographic structure and social environment will not only make it difficult to ensure the reproduction of human beings, but also to maintain the vitality of society and the sustainability of social development.

## 5. Japan's Response

In response to the adverse effects of an aging population, Japan has introduced policies related to pensions, medical care, employment for the elderly, childcare, real estate for the elderly, and support for corporate participation in the elderly business, forming a relatively complete policy system. Specifically [7]:

### 5.1. Employment & Income

- (1) To improve the environment for the achievement of a society where people can work age-free.
- (2) Set up a public pension scheme in which everyone can feel safe.
- (3) Support to asset formation, etc.

### 5.2. Health & well-being

- (1) General health promotion.
- (2) Functioning of a sustainable long-term insurance scheme.
- (3) Enhancement of nursing services (achievement of zero turnover for nursing).
- (4) Functioning of a sustainable health care system for older persons.
- (5) Promoting actions to combat dementia.
- (6) How health care should be at the end of life.
- (7) Promote the development of a resident-centric system of mutual support, etc.

### 5.3. Learning and participation in society

- (1) Promoting learning activities.
- (2) Promoting social participation activities.

## 5.4. Living environment

- (1) Securing affluent and stable housing
- (2) Comprehensive promotion of community development suitable for an ageing society.
- (3) To ensure road safety and to protect against crime, disasters, etc.
- (4) Promotion of the use of adult supervision.

## 5.5. Contribution to R&D, international society, etc

- (1) Using advanced technologies and revitalizing the elderly market.
- (2) Promoting research and development and infrastructure development.
- (3) Exchange of knowledge and problems with other countries.

## 5.6. Foster the active participation of all generations

- (1) Promote active participation by all generations.

## 6. Lessons and Insights for China

The aging rate of China's population today is similar to that of Japan's population in the 1990s [1][5]. Moreover, the aging of China's population is characterized by accelerated progress and larger scale. In order to cope with population aging, China should learn from the relevant experience and practices of Japan, plan ahead and actively respond to.

### 6.1. Strengthen the planning and design of pension business

Japan responds to population aging with planning strategies and laws first. China should learn from Japan's experience and do a good job of planning and top-level design to cope with population aging in the future. When planning for the elderly business, it should change its thinking, not only to do a good job of coping strategies, but also to vigorously develop elderly-related industries, continuously attract social resources to participate in the elderly business, and form a positive interaction situation between the development of the elderly business and economic development.

## **6.2. Implement a more active pension policy and improve the relevant policy system in a timely manner**

The response to population aging involves many areas such as pensions, medical care, elderly care, re-employment, and housing. Japan has introduced a more complete policy system to cope with the aging population. At present, China has introduced fiscal expenditure, taxation, finance, social security and other related policies to cope with population aging, but the relevant policies in the fields of real estate, finance for the elderly and encouraging social entities and enterprises to participate in the elderly care business are not perfect. China should learn from the relevant experience of Japan, establish and continuously improve the policy system to cope with the aging of population, and attract more enterprises and social entities to actively participate in the elderly business.

## **6.3. Give full play to the role of all sectors of society in dealing with the aging of the population, forming a joint effort to develop the cause of the elderly**

Coping with population aging is a systematic project that requires the joint efforts and participation of the whole society. In the field of elderly care, Japan has given full play to the

role of local governments, social entities, enterprises and individuals. China should learn from Japan's experience and give full play to the role of all sectors of society in coping with the aging population to form a synergy. In the future, it should further clarify the division of responsibilities of governments at all levels in the elderly care business and specify the responsibilities of governments at all levels; introduce relevant tax, financial and other preferential policies to attract social entities, enterprises and others to participate in the elderly business.

## **References**

- [1] Main data of the National Bureau of Statistics of China for the past national censuses.
- [2] Annual data from China National Bureau of Statistics.
- [3] "Constitution of the People's Republic of China".
- [4] National Bureau of Statistics of China "2018 Statistical Monitoring Report on China's Child Development Program (2011-2020)".
- [5] National Institute of Social Security and Population Studies, Japan, "Population Statistics Collection (2022)".
- [6] United Nations, Department of Economic and Social Affairs, Population Division, World Population Prospects: The 2017 Revision.
- [7] Japan's Cabinet "White Paper 2020 on Ageing Society".