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THEMATIC

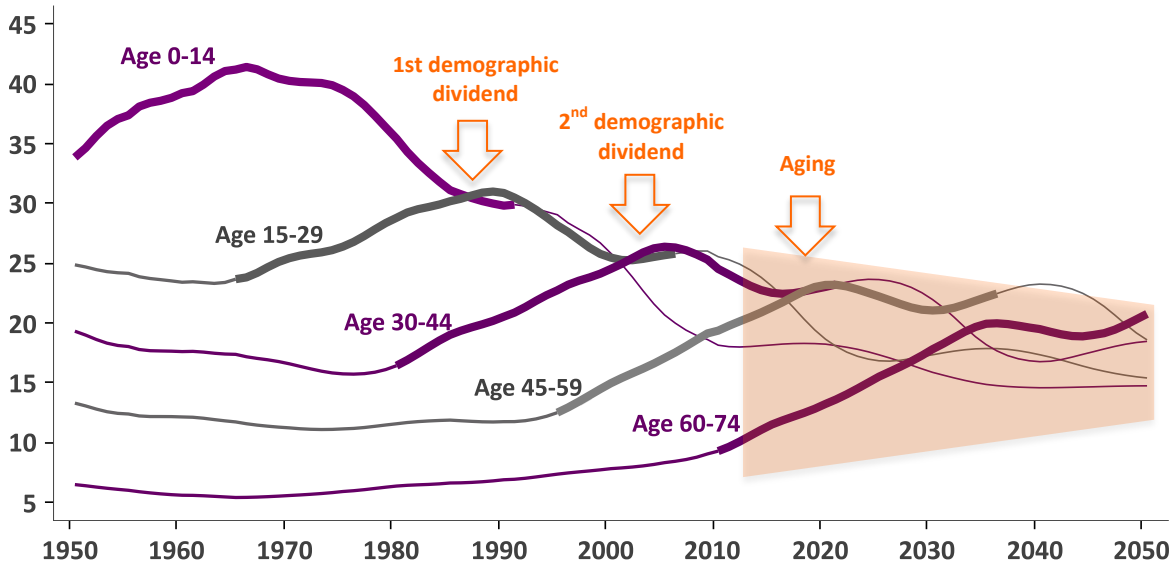
China: Population Decline on the Horizon

Summary

The issue of population probably didn't make it onto the agenda of the November plenary meeting held by the Chinese leadership to discuss future economic policy. Yet of all the economic challenges China will be compelled to address in the next few years, accelerated population aging definitely tops the list. In any case, the U.N.'s authoritative projections leave no room for doubt about where the country will be in 2040. Between now and then, the U.N. expects the median age to rise by more than eleven years to 46; the working-age population to shrink by 10 percent; the 15-to-44 age group to lose 200 million members, with the 65-and-over group gaining as many; and the ratio of workers to retirees to plummet from 18 to 2 at present to just 5 to 2. **So the graying of China is likely to go extremely fast—even faster, in some respects, than the process under way in Europe.**

Changes in the Post-Revolution Baby-Boom Population (1950-1975)

Population by age group, % of total population



Sources: RichesFlores Research, ONU 2012, Macrobond

The broader implications of population aging have only begun to be explored. Moreover, most existing research on the subject pertains to developed countries, making it hard to draw inferences relevant to China. But the apparent lack of comparable data is no excuse for ignoring or downplaying the demographic trends that have been identified for the coming quarter-century. **The post-revolution baby-boomers—the generation born and raised in the years from 1950 to 1975—had a decisive impact on China's economic development. Yet most of what they contributed—and what has generated spectacular growth for the past four decades—they will be taking with them when they go**: a seemingly endless supply of labor, not to mention unprecedented savings.

This means that sooner or later, population aging will deprive China of its dual status as global factory and the country that leads the world in savings. A closer look at demographic factors should therefore give us a much better handle on the medium- to long-range outlook for the Chinese economy—the focus of this third plenary session of the CCP Central Committee's 18th Congress.

Main Population Trends in China, 1950-2050

	1950	1990	2010	2030	2050
Total population, in millions	551	1 145	1 360	1 454	1 385
• **Under age 15**	186	341	247	231	204
• **Age 15–65**	333	757	1 000	988	849
- *ow* age 15-44	243	589	681	571	469
- age 45-65	90	168	319	417	380
• **Age 65 and over**	32	47	113	235	331
Infant mortality rate, ‰	82,7 (2)	42,2	13,7		
Crude death rate, ‰	25,4 (1)	6,67	7,11		
Fertility rate (births/woman)	5,8 (1)	2,5	1,7		
Life expectancy at birth	43,5 (1)	69,5	74,9		

Source: RichesFlores Research, Nations-Unies, Macrobond, (1) 1960, (2) 1969

Full Contents of the French Version

China Getting Older Faster Than "Old Europe"

China's Economic Development: Cashing in on the Baby Boom
Graying—and Fast

A Global Factory With a Labor Shortage

Dwindling Manpower
Investment Erosion
An Industrial Lead Bound to Wind Down

What Can Be Done?

Higher Productivity—the Obvious Response—Is Probably Unattainable
The Necessary Retooling May Not Be Fully Achievable
A Major Offensive Abroad

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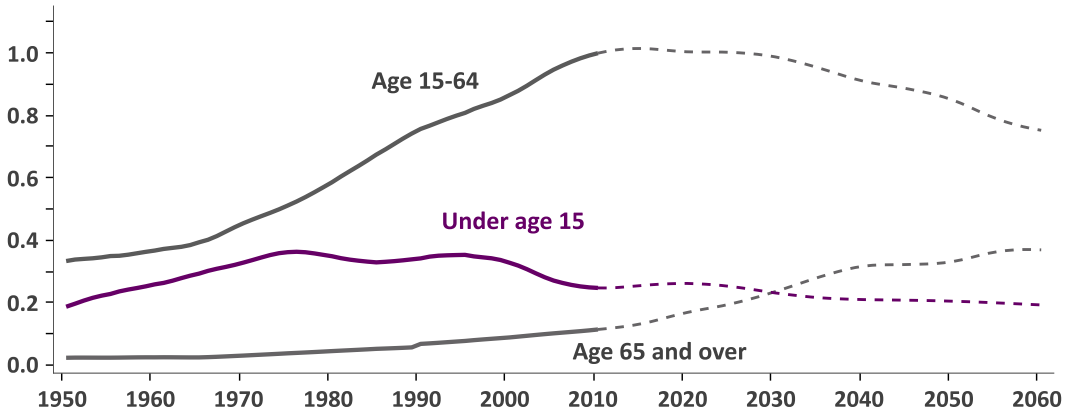
Main Population Trends in China

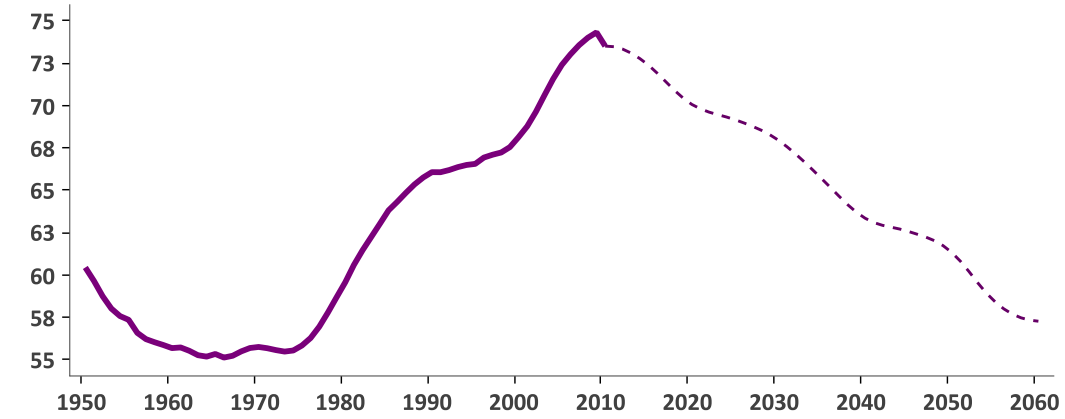
UN's 2012 projections

Chinese Population by Age Group, Billions of Inhabitants



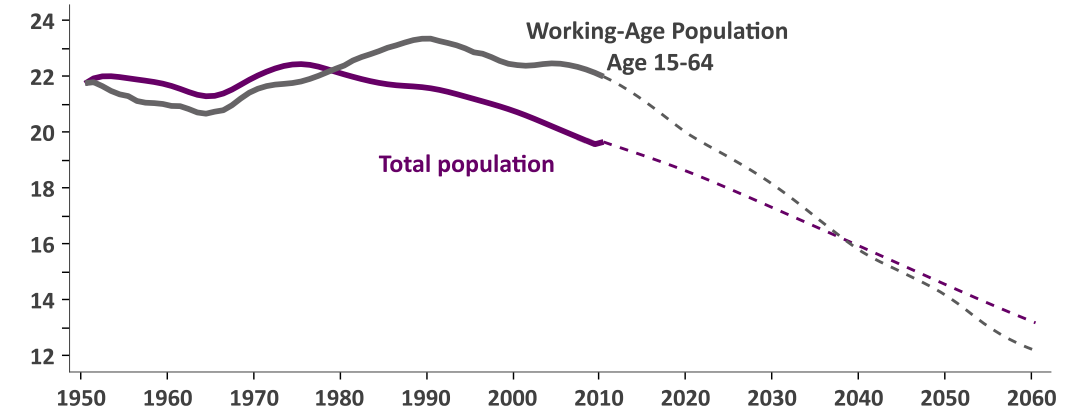
Sources: RichesFlores Research, ONU 2012, Macrobond

Working-Age Population , % of Total Population in China



Sources: RichesFlores Research, ONU 2012, Macrobond

China's Population, % of World Population



Sources: RichesFlores Research, ONU 2012, Macrobond

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