



UNFPA China Policy Brief Series

Equitable and Healthy Ageing as a Driver of Sustainable Development in China

Overview

Population ageing is unprecedented world-wide as an inevitable consequence of two underlying demographic trends: decreasing fertility and increasing life expectancy.

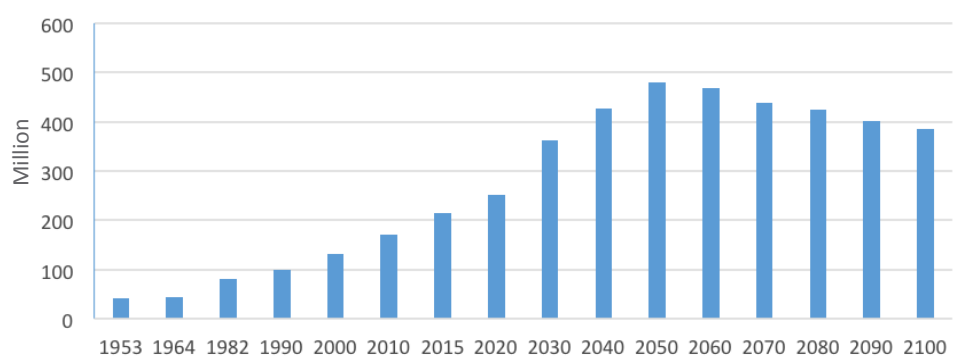
With one in nine persons in the world aged 60 years or over, projected to increase to one in five by 2050, population ageing is a phenomenon that we can no longer ignore (UNFPA and HAI, 2012). Population ageing is happening in all regions and in countries at various levels of development. It is progressing fastest in developing countries, including in those that also have a large population of young people. Of the current 15 countries with more than 10 million older persons, seven of these are developing countries (UNFPA and HAI, 2012).

The largest aged population are now living in China. Ageing in China is considered to have three characteristics: huge in terms of its size of older persons, fast in terms of the increase in both number and proportion of older persons and faster in terms of the increase of oldest old (ages 80 and over). The

population of 60 years old and over increased from 130 million in 2000 (10 %) to over 214 million in 2015 (15 %) and is expected to reach 478 million in 2050 (35 %) (UNDESA, 2017). One in every four older persons in the world would then be a Chinese. China's ageing process is fast as the country will need only 25 years to double the proportion

of its older persons from 10% in 2000 to 20% in 2025. For such doubling of the proportion of older persons it took France 115 years and Sweden 85 years. China will see its population of oldest old, those 80 years and over, increase from a current 13% to 30% of the total aged population by 2050. Though ageing is becoming more

Figure 1: Population of 60 years and over in China (1953-2100)



Source: Census of China (1953-2010), NBS, China; United Nations, Department of Economic and Social Affairs, Population Division (2017), World Population Prospects: The 2017 Revision, custom data acquired via website <https://esa.un.org/unpd/wpp/DataQuery/>, accessed on August 30, 2017.

and more common worldwide, China's ageing population is unique from that of other countries because of the above factors.

Besides, ageing in China arrived at a much earlier stage of economic development compared to other countries. Indeed, when China officially became an ageing country in 2000 (i.e. when its population of 60 years and over first accounted for at least 10% of the total), its GDP per capita was only 7% of what Japan's was when it also crossed the same threshold. While in 2010 the ratio between the population of 15-64 and those of over 64 years was about 9:1, in 2050 this will be less than 3:1. This rapid ageing process leaves China relatively less time to prepare itself for the advent of an ageing population.

Within the 2030 Agenda for Sustainable Development targeting "leaving no-one behind" and achieving common prosperity for all in the world, the fast-growing older persons as one of the vulnerable groups calls for rights-

based planning to put ageing high on national development agenda. Fulfilling the equal rights of older persons to participate in and benefit from national development contributes to national achievement of the SDGs. As a matter of fact, the principles that older persons must be full participants in the development process and share its benefits originate from the Programme of Action of the International Conference on Population and Development (ICPD) held in 1994 in Cairo, and has been reiterated in the Madrid International Plan of Action on Ageing (MIPAA). These principles have been reaffirmed by the 2030 Sustainable Development agenda, which the world has committed to achieve in the coming 15 years.

Amid China's rapid social and economic development, the well-being of old persons as a whole has witnessed improvements. The Government of China has increased pension and health insurance coverage and reimbursement level, encouraged volunteers to

care for their elders and invested in community centers for older people (HAI, 2015). Yet, disparities among various segments of older persons according to social, economic, cultural and geographic traits have neither diminished, nor narrowed over the recent years in the observed areas of health, security and participation. This calls for increased attention to equity dimensions of the national planning process, particularly protection of the vulnerable groups within the older population. Unless adequate responses are put in place, this situation will persist, exerting adverse effects on China's pursuit of the Sustainable Development Goals.

China ranks 52 among the 96 observed countries on the 2015 Global Agewatch Index (HAI, 2015). Among the 4 categories of health status, income security, capabilities and enabling environment, the country does not fare so well in the first two. In particular, on the income security, the country ranks 75, which is in the bottom quarter.

Consequences associated with rapid ageing

Though the interlinkage between social and economic advancement and population ageing is yet to be fully empirically articulated, there is broad consensus that age-based inequities would hamper the pace of development and increase of old-age population (OP) would immediately result in higher expenditure on health.

Inequities tend to be magnified in old age. A UNFPA China supported study found that major disparities persist between urban and rural areas, between the wealthier Eastern coasts and the poorer Western and Central regions, and between men and women among older persons in China (NBS,

Inequities persisting between urban and rural areas, east, middle and west regions, men and women among older persons and intra-generationally would eventually demand more resources from public budgets and families. Monitoring trends through regular data collection and analysis, and development of policies based on evidence are the most effective approaches for responding to China's fast changing context of rapid ageing.

2010). Chances thus are that with a larger share of older persons, more severe intra-generational inequities will have to be tackled, thereby demanding more resources from public budgets and families. But since these resources are scarce, striking a balance between the needs of the

old and the young will be required to preserve generational harmony and inter-generational equity.

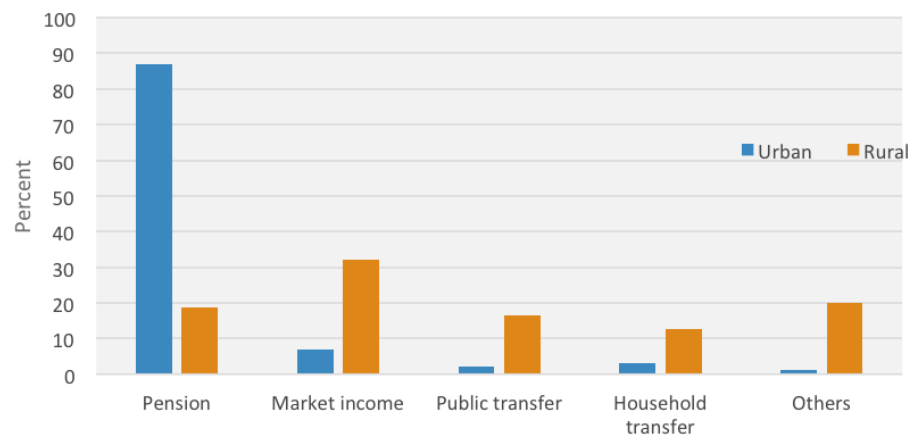
The inequities are often rooted in fundamental factors. For example, income disparities between older persons in urban and rural areas are strongly correlated with their

percent
 respective sources of income (Figure 2), where older persons in urban areas depend mainly on pensions while those in rural areas still have to work and/or depend on transfers from their children. Behind these facts are the differences in pension systems, which in urban areas is mostly associated with one's level of income during productive working life period, while in rural areas it is a low flat rate.

Increase of expenditures on health while prevalence of non-communicable diseases and disability surge parallel to population ageing demand more innovative policy responses to maintain older persons' health.

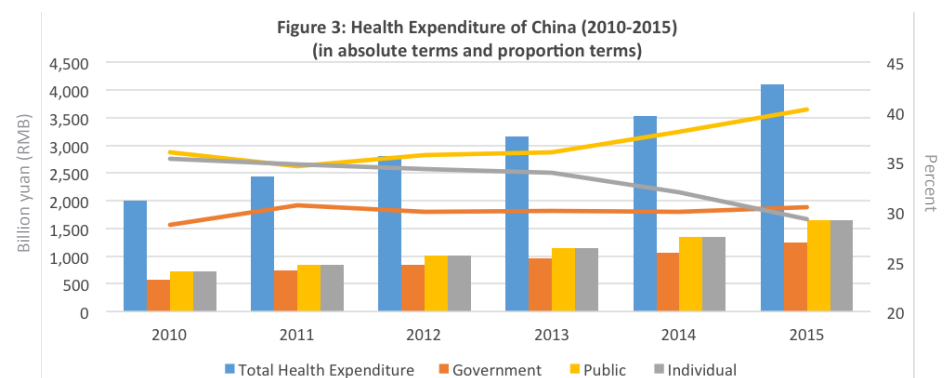
percent
 Investment in healthcare in China has massively increased over the past few years (Oxford Analytical, 2017), with expenditure on health doubling between 2010 and 2015 as shown in Figure 3 below (measured in current value). According to the estimates from eight waves of the China Health and Nutrition Survey (CHNS) from 1991-2011, health expenditures among older persons are increasing faster than other age groups (Jin Feng, Pingyi Luo, Yangyang Yu, 2015). Hence, in the absence of significant interventions by other actors, individual older persons and families with older persons would face increased financial burden. The trend has been counteracted by the health reform process since 2008, where the Government and other sectors (social health security, commercial health insurance, donations, etc.) have increased their health expenditures by more than double, a much greater increase than that of individuals. Consequently, the share of individuals in the total health expenditure has declined substantially during 2010-2015.

Figure 2: Composition of Primary Sources of Income of Older Persons in Urban and Rural Areas in 2010



Source: The National Survey on Older Persons in Urban and Rural Areas, 2010

Figure 3: Health Expenditure of China (2010-2015)(in absolute terms and proportion terms)

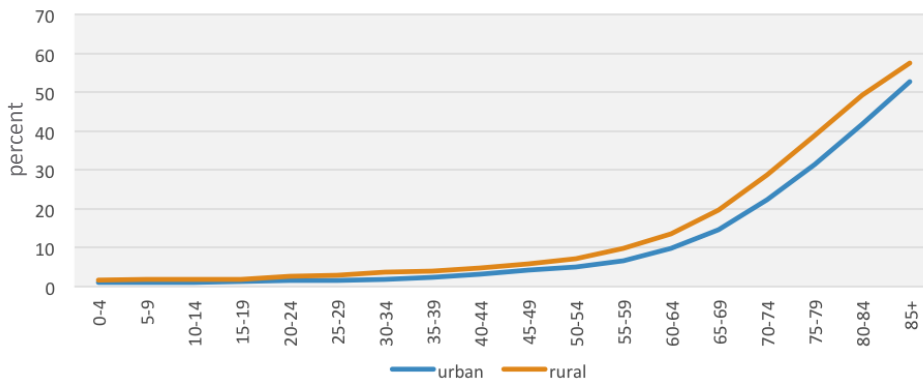


Source: Statistics of Status of Women and Children, 2016

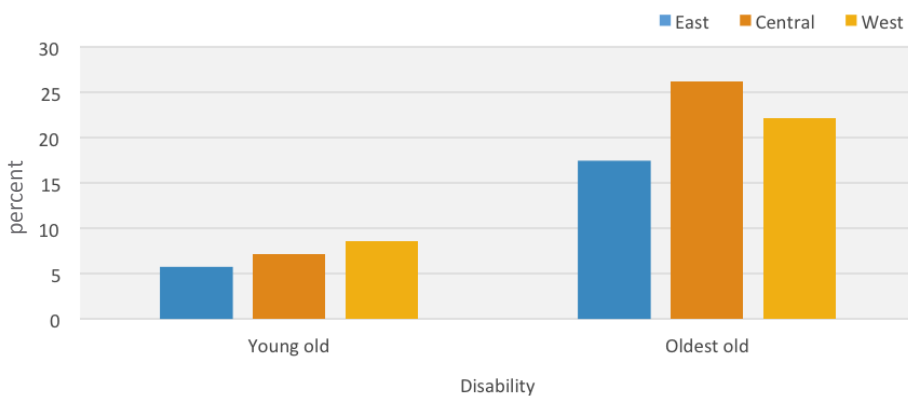
However, many older persons state a low level of self-reported health and cannot always access standard health facilities. In 2010, only 44 percent of older persons reported being healthy, while another 39 percent indicated at least having a reasonable health status. These numbers differ between men and women, with women reporting lower levels of good health status and being more dependent on others to take care of their health (NBS, 2010). Likewise, in 2012, older persons reported high levels of physical limitations, with hypertension and body pain being the most common causes (CCER, 2013).

These limitations are likely to keep on rising in parallel to the surge in prevalence of non-communicable diseases, which is usually the case in ageing populations. For instance, mental illnesses, cancers and cardiovascular diseases, among others, are already increasingly afflicting older people.

Old age is closely related to the prevalence of disability. Two national sample surveys on disability were held in China, one in 1987 and another in 2006. The surveys were led by a leading group comprised of 16 government bodies including National Bureau of Statistics (NBS) and China

Figure 4: Disability Prevalence by Age in Urban and Rural Areas in China

Source: the Urban-Rural Gap and Disability Trends: 19 Years of Experience in China - 1987 to 2006, 2010

Figure 5: Prevalence of Disability among Older Persons by Age Group and Region in China

Source: China Health and Retirement Longitudinal Study, 2013

Disabled Persons' Federation (CDPF). Figure 4 shows the age-specific prevalence rates for rural and urban areas, based on the 2006 disability survey (Xiaoxiao Peng et al., 2010). The overall disability prevalence stood at 5.29 per hundred persons for urban areas and 6.95 per hundred persons in rural areas. The prevalence of disability among persons over 60 years and older for both rural and urban areas is higher than 10 per hundred persons, with drastic increase in the oldest age cohort reaching as high as more than 50 per hundred persons. The prevalence of disability in rural areas was found to be significantly higher than in urban areas.

As shown below in Figure 5, prevalence of disability is much higher in the oldest old age group (75 and above) than in the young old group (60-74) and prevalence of disability in the central and west regions ranks higher than in the east region.

Policy Recommendations

There have been tremendous improvements in the well-being of older persons in recent decades in parallel to the economic development of China. Most recently, the word "equity" was included into the State Council document on ageing for the first time in 2017. This signifies government's commitment toward equitable ageing via adopting evidence-based policy making. Increase of universal coverage of health care services and pension in China enables older persons to enjoy the benefits of the development of the society to some extent. Also, launching the pilot on integrated services

of medical and elderly care in 2015 is a significant move by the Government to improve the quality of life of older persons.

However, considering increasing inequalities among older persons, between women and men, rural and urban areas, and across western, central and eastern regions of China on dimensions of health, security and participation, policymakers should (Du Peng, Asghar Zaidi and Chen He, 2016):

- Pay specific attention to the vulnerable groups of older persons, especially those with multiple disadvantage factors, in their health promotion

programmes;

- Take a life course approach in mainstreaming health promotion in all national and local policies. Policies are also needed to meet the increasingly higher health and long-term care needs of older persons, especially the needs of those key vulnerable groups mentioned above;
- Invest in the Chinese social insurance system to promote pension income coverage and particularly income level of rural and low-income urban residents;
- Undertake special urban planning strategies in which

economic development is balanced with compensating measures for those who may no longer have comparative advantages in the modern Chinese labour market, especially older workers close to the retirement age and those who are residents of rural areas;

- Formulate favorable policies to attract private sector investments, together with professional social workers, to deliver the social services needed;
- Expand lifelong learning opportunities with a special focus to enhance the participation of older women. Innovative ways should also be explored to mobilize and utilize the current experiences and knowledge of Chinese elderly women through lifelong learning and new forms of employment and engagement. Besides lifelong learning, other investments to improve the social and cultural life in rural China also need to be enhanced in order to reduce the disparities between rural and urban older persons;
- Consider paying extra-pension income allowances to rural older persons so that they reach the local minimum living standards of urban older persons and are not constrained to work over the retirement age because of their low pension income.

The transformative vision of the Sustainable Development Goals, to 'leave no one behind' in the universal effort to eradicate poverty and secure peaceful and equitable development for all, requires policies to deliver, and tools to measure well-being in older ages (HAI, 2015). This imperative can only be realized if systematic efforts are made to:

- Promote reliable and accessible

age- and sex-disaggregated data on population dynamics.

Advocacy and technical assistance for consolidation and exchange among ageing data holders and the establishment of core indicators on ageing would be needed to boost further development of ageing studies and support formulation of evidence-based ageing plans and policies in China.

- Undertake advocacy and policy advice for the formulation of rights-based national plans and policies on ageing so that older persons can equally participate in and benefit from national development.
- Use ICT for innovative ageing initiatives to support ageing in place, with a focus on integration of health services with care services at the community level, to inform future policy improvement and development and also as models for national and international exchanges (UNFPA and MOFCOM, 2016).

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Conclusion

Equitable and healthy ageing would be one of the most propelling drivers of sustainable development if the risks stemming from increasing social and economic costs as a consequence of unprecedented and irreversible population ageing in China can be effectively mitigated.

With government working to ensure equity in welfare among different age groups and within sub-groups of older persons, UNFPA will continue to work together with national counterparts on rights-based policy development, informed by evidence and data, to respond to rapid ageing in China. Joint efforts and collaboration of public and private sectors will be a must. Only with a more rigorous contribution from the private sector can the potentials of innovation be capitalized to better serve older persons.

About UNFPA

UNFPA, the United Nations Population Fund, is the lead UN agency for delivering a world where every pregnancy is wanted, every birth is safe, and every young person's potential is fulfilled. Currently, UNFPA works with national partners on the UNFPA-China Eighth Country Programme (2016-2020), which aims to strengthen policy environment to advance universal access to sexual and reproductive health and rights, particularly for young people and vulnerable populations, to address gender-based violence and gender-biased sex-selection, and to promote integration of population dynamics in policy making and planning.

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