

Chinese society

Younger Chinese fume at call to raise retirement age

Communist party meeting sparks online row as experts warn ageing population makes change 'inevitable'

Joe Leahy and **Wenjie Ding** in Beijing YESTERDAY

China's lofty ambitions to build a high-tech economy — touted at a flagship Communist party gathering this month — have been upstaged on domestic social media by an intergenerational row over retirement.

The controversy, sparked by a line in a report on the [meeting's resolutions](#) that called for the retirement age to be raised as China's demographic decline threatens to leave it with too few workers, is a reminder to powerful party leaders that this is one area where even they need to tread carefully.

"I suggest that the experts die early," snapped one younger user on Weibo, China's equivalent of social media site X, in response to pundits' assertion that delayed retirement was essential for the economy. Besides saving money, older experts' early demise would open much-needed positions for young people struggling to find decent jobs, the user added sarcastically.

The generational divide over the retirement age underlines the challenges for policymakers trying to deal with a growing imbalance between China's working age and elderly population as the country enters a period of rapid demographic decline.

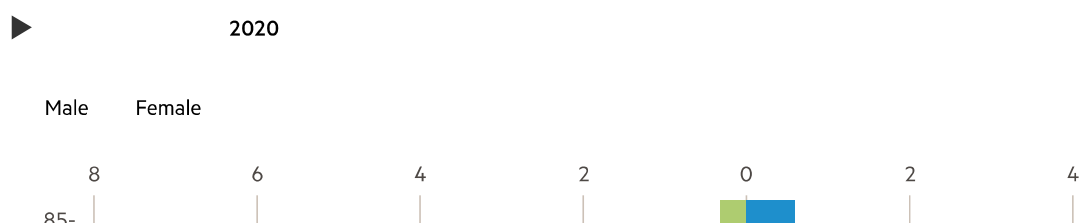
Chinese retirement ages are low by advanced economy standards: 50 years for female blue-collar workers, 55 for female white-collar employees, and 60 for all males.

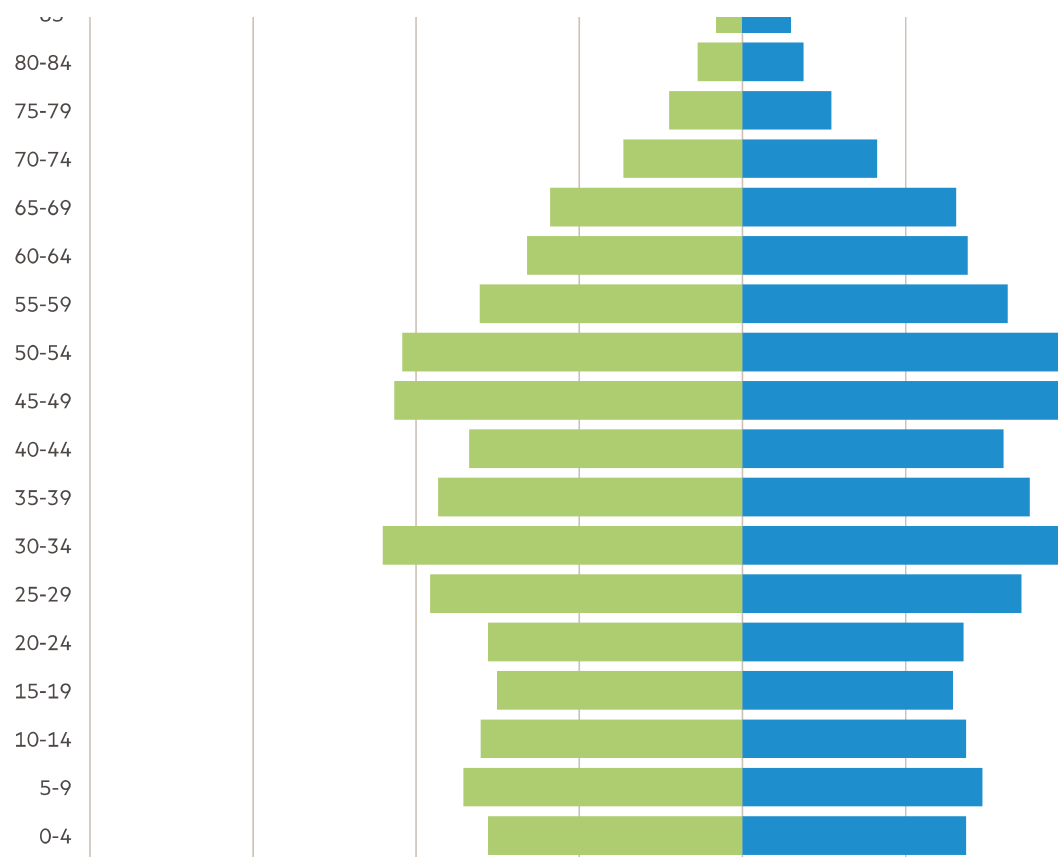
Such early retirement threatens to supercharge the rise in the country's old-age dependency ratio — the number of working age people compared with the elderly.

China's population is declining and growing older

Estimated population by age group, % of total population

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Source: United Nations World Population Prospects 2022, FT calculations

Using a broader definition of the working age than set by China's current retirement ages, the Center for Strategic and International Studies, estimated that China's old-age dependency ratio (the ratio of people aged 65 and over to the number of people aged 15-64) was 21 per cent last year, against 27 per cent for the US.

This was set to rise to 52 per cent in China by 2050 compared with 39 per cent for the US, the CSIS calculated, hitting 83 per cent by 2100 compared with 55 per cent for the US.

Delaying retirement could slow the decline in the number of workers in China and also, crucially, take some pressure off the pension system, which many analysts believe will face a shortfall in the longer term.

The Chinese Academy of Social Sciences think-tank in 2019 calculated that the cumulative balance of the country's basic pension insurance fund for urban enterprise employees nationwide was then Rmb4.26tn (\$589bn).

This was forecast to peak at nearly Rmb7tn by 2027, and then decline rapidly, running out by 2035.

Economists said that aside from ensuring the pension system was fully funded in the future, the government faced a further challenge in trying to make it more equitable. Pensions for civil servants and those formally employed in urban areas are far more generous than those for many migrant workers and people in rural areas. Addressing this imbalance would also require even more money.



The number of Chinese aged 65 and over is estimated to be equivalent to 83% of those aged 15-64 by 2100 © Na Bian/Bloomberg

“Some people get a very nice pension and then there are the 70 per cent of people who get a pretty low pension, or don’t have any pension,” said Wang Tao, UBS chief China economist and author of the book “Making Sense of China’s Economy”. “But even the 30 per cent [receiving the ‘nice pension’] is already not going to be sustainable.”

China’s low retirement age was set when life expectancy was much lower and few people went into higher education, said Gao Lingyun, a researcher at the Institute of World Economics and Politics at CASS.

Today, enrolment in higher education was more than 60 per cent, so people were entering the labour force much later, and average life expectancy was approaching 80 years, Gao said.

“Delayed retirement offers numerous advantages,” he said. “For instance, it can

increase the accumulation of social welfare and alleviate labour shortages due to population ageing.”

He pointed out that the language used after the Communist party’s [third plenum](#) gathering indicated that authorities would be flexible on changes, promising to “gradually raise the statutory retirement age” and allow “voluntary” participation.

But even though the proposal was broadly in line with previous party statements on the issue, it spooked younger people already worried about [record long working hours](#) and poor employment opportunities as China’s economy struggles to recover from a property crisis.

This tension spilled over into anger when rumours spread online that the retirement age would be extended to 65 for those born after 1990.

One online commenter said of the younger generation: “Born when they said there were too many people, grew up when they said there were too few, too old when job hunting, now too young to retire.”

Qi, 28, a white-collar worker in Shanghai, said young workers were being asked to work so hard that it was doubtful some would make it to their 60s, and “even if they reach that day, will there still be a pension?”

“It’s very challenging for the post-90s generation and those who follow,” said Qi, who asked to be identified only by their surname.

Even middle-aged workers were resentful of the older generation, whom they said had managed to retire on generous benefits at a relatively young age while enjoying the fruits of China’s earlier decades of rapid economic growth and plentiful opportunities.

“The current retired group has overly benefited from the country’s development dividends,” said Gong, a 51-year-old engineer in Beijing.

But analysts warned that no matter what their objections, many of today’s workers would have to retire much later than their elders.

“As an older person myself, I hope everything goes well when I retire, that birth rates among the young are high and they happily make their social security contributions,” joked Ma Qiji, director of the Ageing Society Studies Centre at the Pangoal Institution, a think-tank.

But China's development and ageing trends made changes "inevitable", Ma said.
"These issues need to be faced head on."

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