

China

*Economic Giant, History of Intervention in
National Demographics, a 5-year Plan
on Elderly Care*

China



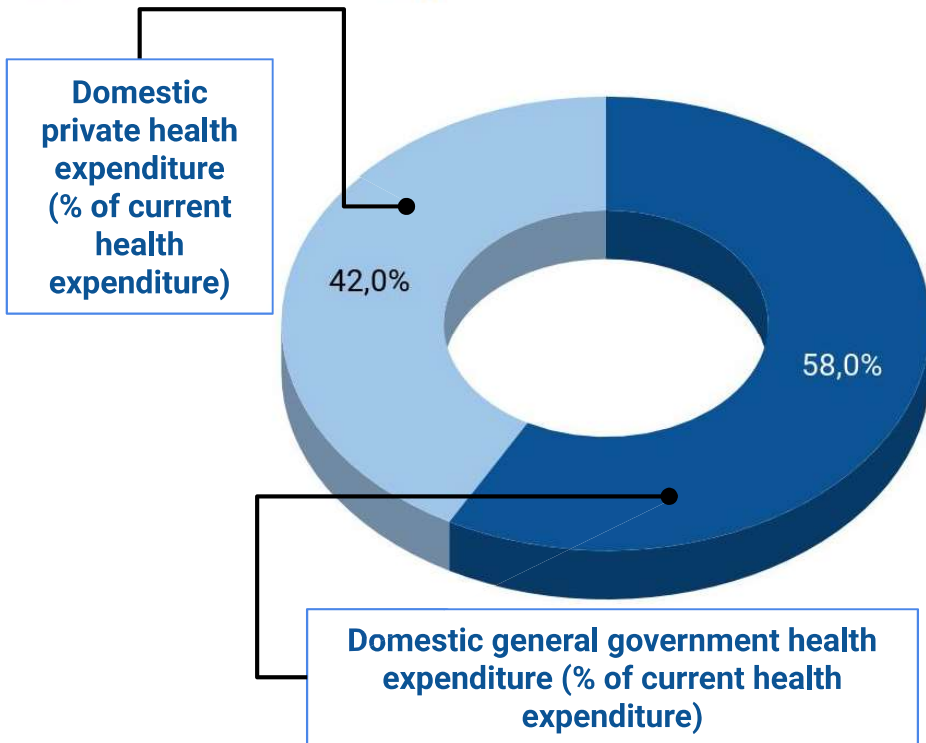
General metrics

HALE	Both Sexes HALE (2016)	68.7 years
	HALE/Life Expectancy Difference 2016	7.4
Economy	GDP per Capita, Current Prices (2016)	8.08 thousand (\$)
	Annual GDP Growth (2016)	6.7 %
Healthcare	Current Health Expenditure per Capita (2016)	0.4 thousand (\$)
	Public Health Care Expenditure 2016	4.98 % of GDP
Retirement	Age Dependency Ratio 2016	39
	Population over 65, 2016	10.1 %
	Number of WHO Age Friendly Cities and Communities	19
General Health Status	Alcohol Consumption per Capita (Litres of Pure Alcohol) 2016	7.2
	Annual Cigarette Consumption (Units per Capita) 2016	2043
	Prevalence of Overweight among Adults 2016 (Age-Standardized Estimate)	32.1 % of adults

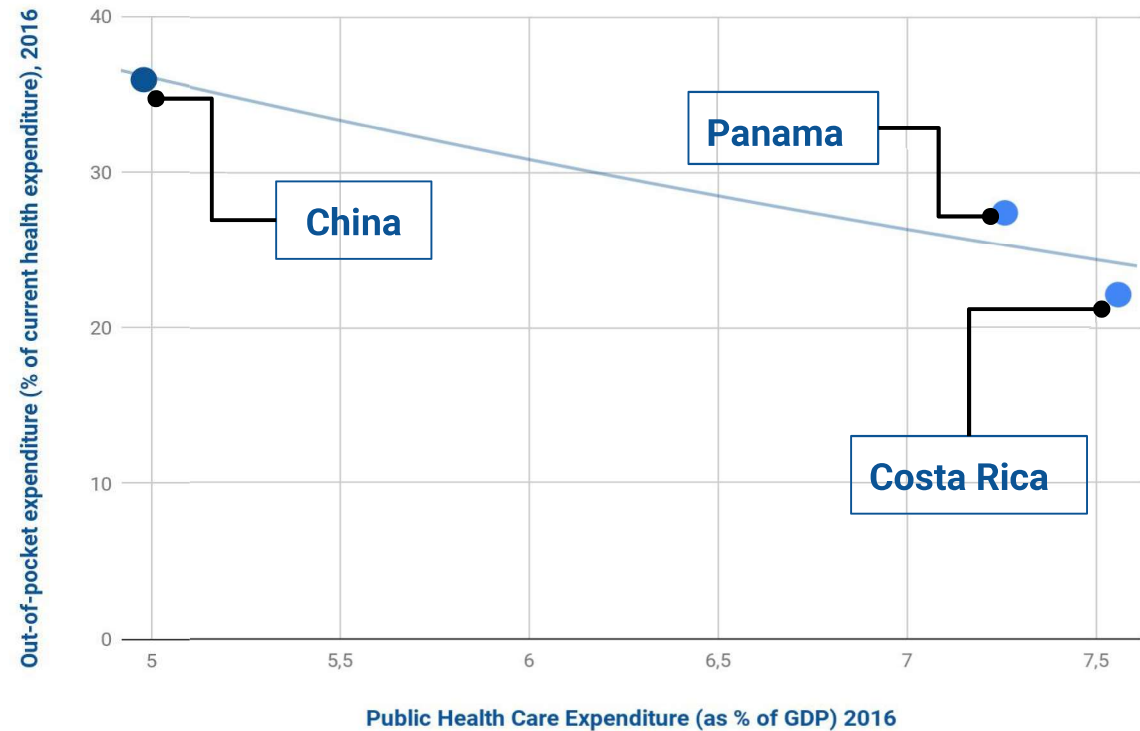
Longevity-Related Indices

- The Healthcare Access and Quality Index -2016: **78**
- Human Development Index 2016: **0.75**
- E-Government Development Index 2016: **0.61**
- Corruption Perceptions Index 2016: **40**
- Global Gender Gap Index 2016: **0.68**
- Democracy Index 2016: **3.14**

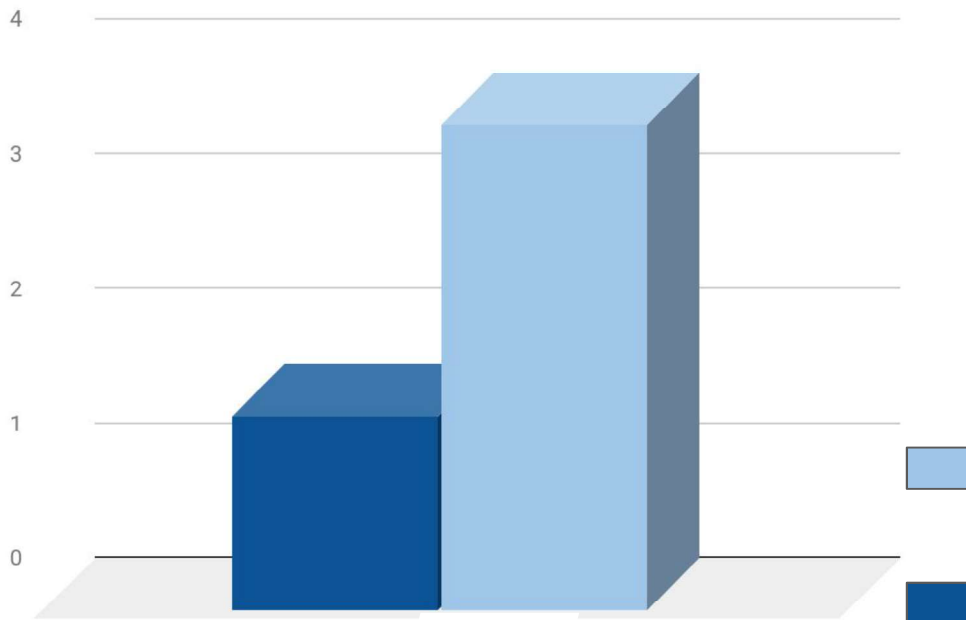
Current Healthcare Expenditure



Countries with Medium HALE and Life Expectancy and Low Gap



Effectiveness ratios



China faces many health challenges. A key component of healthcare should be the promotion of healthy lifestyles and physical fitness, including through the development of healthy cities, to ensure a greater focus on prevention rather than treatment. For greater reduction in infant mortality and rates of infectious diseases, government should invest in expanding health infrastructure, improvement quality of healthcare service and provision of affordable health care in rural areas across country.

HALE and Life Expectancy Difference CAGR (6 years)/Current health expenditures per capita (current US\$), CAGR (6 years)

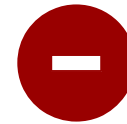
HALE CAGR (6 years)/Current health expenditures per capita (current US\$), CAGR (6 years)

SWOT Analysis of Healthcare in China



STRENGTHS

- 95% of the population have insurance for at least basic health coverage that provides treatments on primary care for the population.
- The government claims that public insurance covers 70% of medicare that is a relatively good indicator for healthcare.
- In the then-impoverished country, the system contributed to a remarkable increase in life expectancy by more than 30 years since 1960 to reach 76.2 years in 2016.
- The infant mortality rate in China has fallen greatly, coming down to 18.3 deaths per 100,000 population in 2018.



WEAKNESSES

- The effectiveness of spending on health is low.
- Public health insurance covers only half of the costs of medication.
- Unaffordable healthcare: people with income lower than average do not afford treatment of serious chronic diseases.
- Shortage of healthcare specialist that cause long waiting periods and low quality of care delivery.
- Uneven distribution of hospitals and specialists - people in the remote area have no opportunity to cure serious diseases.
- The smoking rate is still high and stood at 24% in 2010, three percentage points higher than the OECD average of 21%.



OPPORTUNITIES

- Rapidly growing population's wealth is driving overall health care market expansion.
- China is a major market for different multinational health companies.
- There is an overall tendency in the decrease in smoking rates among the world.
- A fast-growing economy that can learn from advanced countries' healthcare systems and invest in the improvement of its own by the development of modern technologies and P4 medicine.



THREATS

- Environmental crises can be the reason for serious injuries, epidemics and diseases.
- The country has a large health care demand gap due to an ageing population, growing urbanization, proliferating lifestyle diseases.
- The obesity rates are rising and are more than in Japan and Korea.
- Continuing failures in the reforming of healthcare.

Analysis of Strengths and Weaknesses of Health Care System in China



- Obesity is much lower than in other OECD countries. The World Health Organization estimated that 4.6% of men and 6.5% of women were obese in China in 2008.
- Healthcare expenditures in China are growing rapidly from year to year with the growth of income.
- The government became highly concerned about the healthcare system that resulted in the implementation the three types of insurances, two of them on a voluntary basis.
- The health status of the population has been improved for several past decades,
- Living standards and health status of the population have been significantly improved since the 1980s.
- From 1990 to 2000, infant mortality decreased from 65 to 31 per thousand live births, and maternal mortality decreased by nearly 50 per cent.



- With 1.6 physicians per 1000 population in 2012, China had much fewer doctors per capita than the OECD average (3.2 physicians).
- The economic success wasn't mirrored on healthcare and such issues as Longevity in particular.
- China's spent on healthcare only 5.4 per cent of gross domestic product (GDP) in 2013 that is much lower as compared to OECD countries.
- The hospitals in China are prevalent in the urban area, in big cities and are very overcrowded, so rural population is left without an appropriate medical establishment and usually get impoverished by the payments for noncommunicable diseases treatment.
- The out-of-pocket cost issue is the most pressing, especially in rural areas.
- Noncommunicable diseases have become the major disease burden, infectious diseases such as tuberculosis, hepatitis, and schistosomiasis are still the major health problems in poor rural areas. The prevalence of noncommunicable diseases such as cancer, diabetes and cardiovascular disease.

Summary of Relevant Government-Led Longevity Initiatives in China

- In 2017 the government announced a 5 year plan on elderly care for providing better quality public services for senior citizens. The plan includes:
 - Improving pension and healthcare systems.
 - A nationwide information network for basic health insurance.
 - A minimum living allowance.
 - Reimbursement for families living in hardship.
 - Incentives for greater involvement of private capital, NGOs and elderly care institutions.
 - Greater investment in geriatric care departments (ranging from care wards to basic exercise facilities).
- **In 2011 a baseline survey of 10, 000 individuals** was conducted for the China Health and Retirement Longitudinal Study (CHARLS) headed by Zhao at Peking University and funded in part by the U.S. In order to enable multidisciplinary studies on issues related to ageing population, every two years it collects a representative sample of Chinese over 44. It reveals dramatic changes to the Chinese Longevity landscape, industry and lifestyle.



History of Chinese Government Involvement in Longevity

20th Century

Baby Boom Under Mao Zedong's Rule.

1980s

Universities For the Elder.

Universities for the elder created, initially for retired cadres of the Chinese Communist Party.

2011

China Health and Retirement Longevity Study.

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2017

Novel Elderly Care Plan.

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Longevity Initiatives

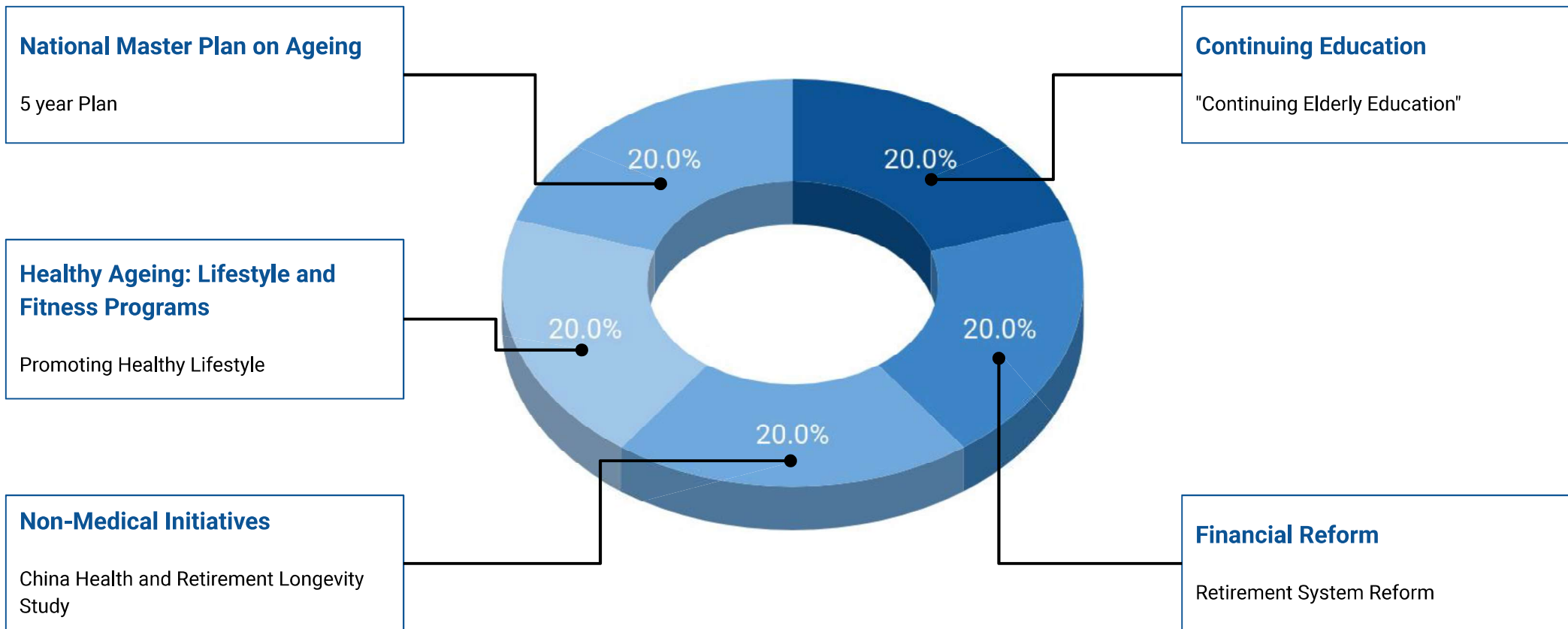


General metrics

Life Expectancy	Both sexes life expectancy (2019)	75.9 years
	Male life expectancy (2018)	75 years
	Female life expectancy (2018)	77.9 years
GDP	GDP per capita, current prices (2018)	10.15 thousand (\$)
	GDP per capita, PPP (2018)	19.52 thousand (\$)
	GDP, current prices (2018)	14 220 billion (\$)
Population Ageing	Rate of population ageing	3.3 (2007-2017)
	Aged over 65 (2018)	11.9%
	Age dependency ratio (2017)	15%
Healthcare Efficiency	Health expenditure (2017)	1.75% of GDP
	Health expenditure per capita (2017)	1.071 thousand (\$)
	Healthcare efficiency score (2018)	54
Retirement	Total # retired	147 532 179
	Retired people proportion	11%
	Normal retirement age (Man/Woman)	65 years / 65 years
	Early retirement age (Man/Woman)	60 years / 55 years

- Age of relevant initiatives: **40 years**
- **9** of WHO age-friendly cities and communities
- **4** initiatives focused on non-medical improvement of quality of life

China Initiatives Level of Comprehensiveness



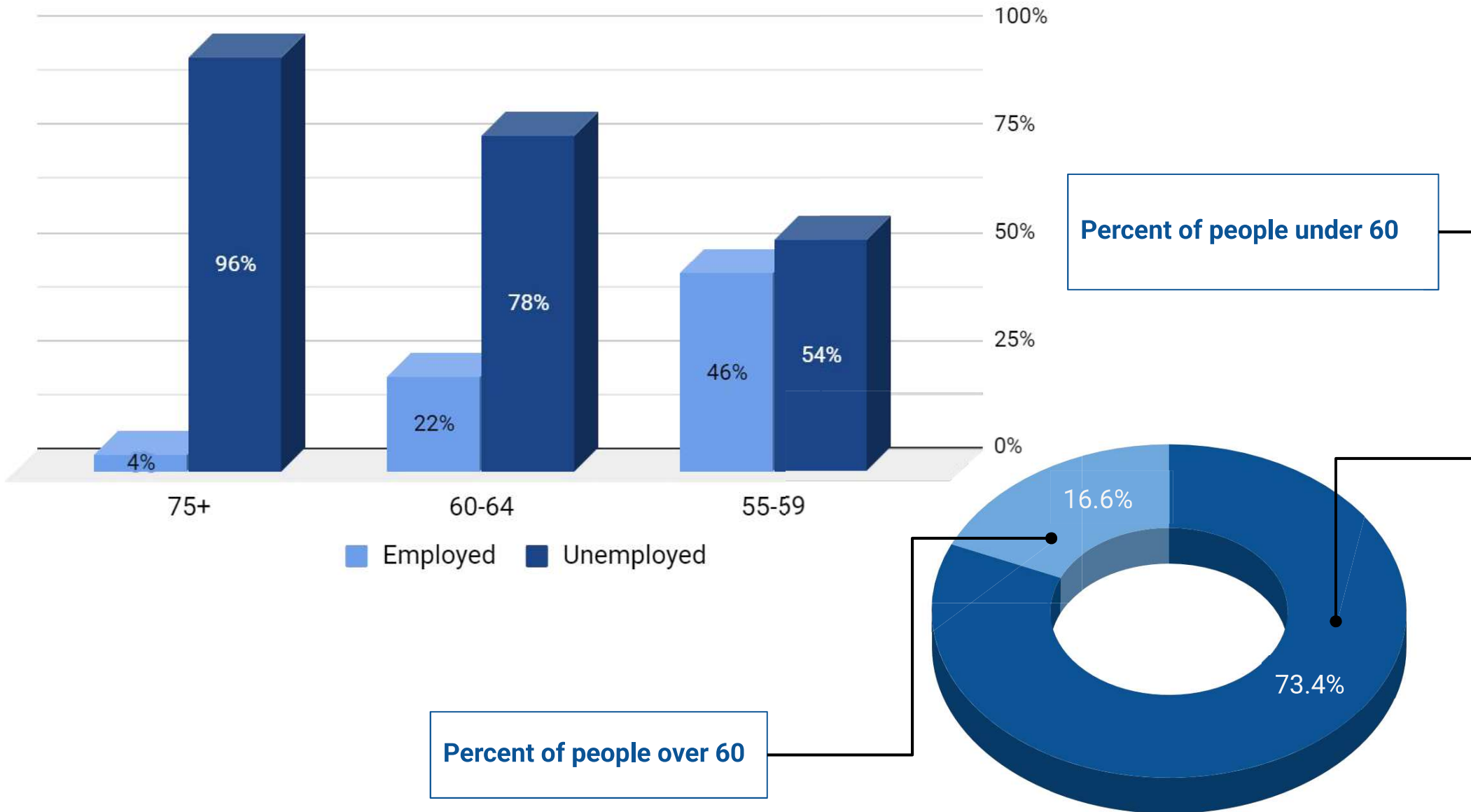
Underrepresented Initiatives

Preventive Medicine	Geroscience R&D	AgeTech	Elderly Healthcare Vouchers	Longevity Industrial Strategy
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China Age/Employment Range



Fraction of the Unemployed by Age

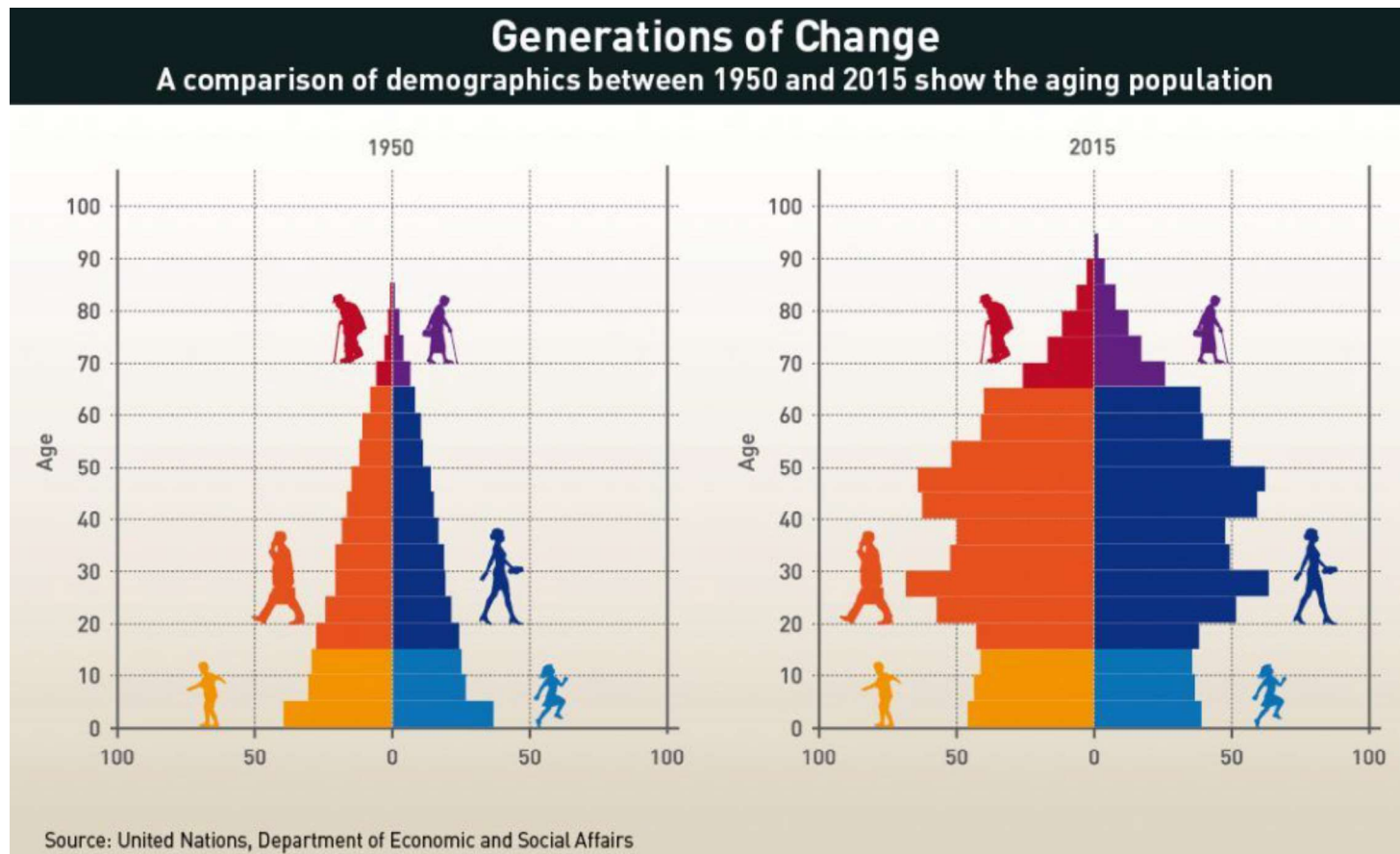


Recommendations for China

- **A focus on national-level health status and its temporal trajectory.** Health status is one of the most important indicators of well-being, and it predicts a large proportion of societal expenditures on health and social services for the elderly. Health status depends on individual lifestyle factors, social and community networks, general socio-economic, cultural and environmental conditions. Health status is also reciprocally affected by social and political policies and programs.
- **Improve engagement of staff in healthcare.** Though the government claims that there is basic insurance and treatments for 95% of the population are available, the real situation is the opposite. People find it difficult to receive the qualified treatments because of queries, waiting period and difficult system to sign up for a visit to a doctor. And this is in big cities where the huge public clinics have enough equipment, instruments and well-trained staff.
- **Provide more freedom for private sector development.** Private clinics can bring advanced methods and technologies in treatments, especially, foreign one by following the successful examples of the developed OECD countries that effectively tackle the burden of the noncommunicable diseases and provide the appropriate medications for elders.
- **Health system re-orientation towards the changing epidemiological landscape.** The increasing burden of noncommunicable diseases highlights the need to move from sick treatment to the prevention of chronic conditions. It requires patients' participation and high health consciousness.
- **Combat with undernourishment, poverty and socioeconomic inequality.** Results of our study show an evident linkage of health and wealth. Healthy Longevity in China should be started from the provision of basic services for all population, including adequate sanitation facilities, improved water sources, effective prevention and treatment. The focus also should be made on both the healthcare status of adults and children to create favourable conditions for the growth of future generations.

Chinese Demographic Challenge

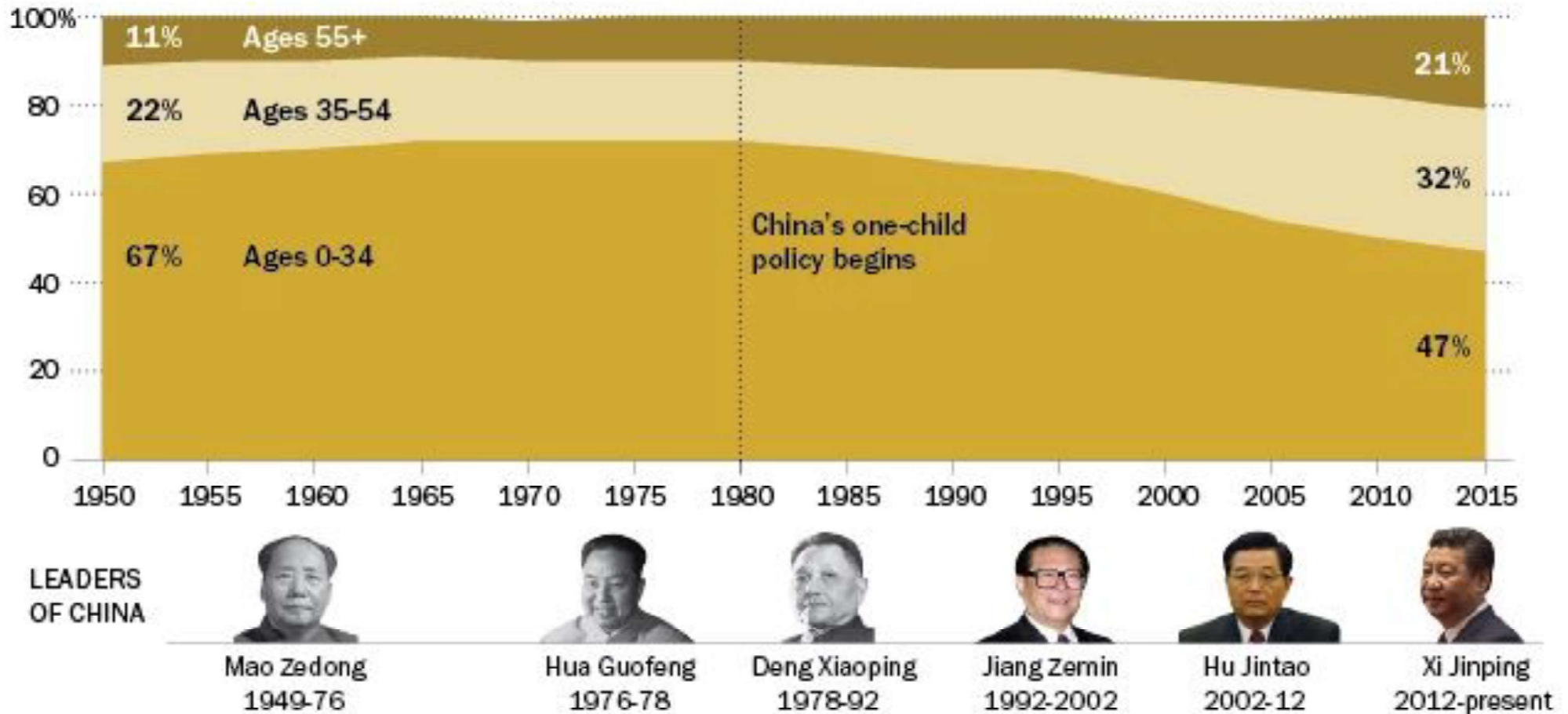
For 35 years from 1980, China forbade parents from having more than one child, to control a booming population. The upshot is there are now far more older people than younger – an imbalance set to worsen further in coming decades. The working age population is shrinking dramatically: in 2010, there were about five Chinese taxpayers for every senior citizen; by 2030 there will be two. In 15 years, 400 million people will be over 60. Caring for them will be enormously costly. The government has relaxed the one-child policy. It may prove too little too late.



Source: [The Guardian](#)

Chinese Population Today is Less Youthful Than Under Past Regimes

Share of the population, by age group



Note: Data do not include Hong Kong, Macao, Taiwan and Special Administrative Regions. Only 'paramount leaders' shown.

Source: United Nations Population Division, DESA, World Population Prospects: The 2015 Revision

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Source: Pew Research Center

China's 5-Year Plan on Elderly Care

China has resolved to provide more quality public services for senior citizens, as a way to deal with an ageing society, according to the five-year plan on elderly care issued by the State Council on March 6 2017. According to the plan, pension and healthcare systems will be improved. According to the plan, by 2020, 80 percent of urban and rural residents should enjoy basic pension insurance, and 95 percent of citizens should be covered by basic health insurance.

A nationwide information network for basic health insurance will be built to facilitate settlement of healthcare costs for retired people across regions, said the plan. Local governments will be encouraged to include basic rehabilitation devices in the reimbursement catalog for families living in hardship.

According to the plan, minimum living allowance and other social assistance should be available for all registered poor senior citizens. As an integral part of elderly care, families and communities are asked to take their share of responsibilities. Community elderly care centers will receive more government funding.

Private capital and nongovernment organizations will have more access to the elderly care market, so that senior citizens can have more options in diverse services. By 2020, elderly care beds provided by governments should account for no more than 50 percent of the total. Hospitals and elderly care institutions were asked to enhance cooperation and services, and more efforts should be made to build rehabilitation hospitals, nursing homes and palliative care institutions.

The plan said that hospitals ought to do more in rehabilitation and the fight against old-age diseases, the plan said. By 2020, over 35 percent of hospitals above second-class will have geriatric care departments. More physical exercise facilities will be built and open for old people free of charge. Sports organization for senior citizens will be encouraged.

China's 5-Year Plan on Elderly Care

China's targets for elderly care services in the nation's top development plan show how determined the government is to tackle the challenges of an ageing population, according to officials. Zhu Yaoyin, deputy director of the general office of the National Working Commission on Ageing, said the incorporation of improving elderly care services in the nation's development road map is part of the top leadership's key measures for addressing an ageing population. A group of officials from various government departments that influence the quality of services for seniors gathered on Tuesday to explain what benefits the 13th Five-Year Plan (2016-20) may bring for the public. The previous year, 230 million Chinese, or 16.7 percent of the population, were over 60 years old. Currently, the ratio between working age people - 16 to 60 - and the retired population is 2.8-to-1. That is expected to drop to 1.33-to-1 by 2050, according to Jia Jiang, deputy director of pension insurance for the Ministry of Human Resources and Social Security.

The plan states that private capital and nongovernment organizations will have more access to the elderly care services market, so that seniors have more options of diverse services. The number of beds for the elderly in public hospitals and care agencies is expected to account for no more than 50 percent of the total by 2020. Currently, private-owned elderly care institutions account for about 40 percent of the total nationwide, with the proportion exceeding 50 percent in some provinces. Pension and healthcare systems will be improved, with 90 percent of urban and rural residents enjoying basic pension insurance, and 95 percent of citizens being covered by basic health insurance, according to the plan. Hospitals should improve rehabilitation services and step up the fight against old-age diseases, the plan said, adding that by 2020, more than 35 percent of middle and top-tier hospitals will have geriatric care departments.

Meng Zhiqiang, deputy director of social welfare and philanthropy promotion for the Ministry of Civil Affairs, said that despite ongoing efforts to invite more private capital into the elderly care services sector, the move has not met the expectation. One problem is that administrative approval procedures are complicated and lengthy, and that the threshold for private elderly care agencies remains high. The government will continue working under the guidance of the latest five-year plan to make it easier for entrepreneurs to enter the elderly care services market. Nearly 150 million seniors in China suffer from long-term diseases, while more than 40 million seniors are affected by deteriorating mental or physical health. According to official estimates, by 2020, the number of seniors living on their own will reach 118 million.

Source: Chinadaily.com

Study on Policies to Promote Healthy Ageing in China

While the rapid ageing of China's population is thought to condemn the nation to a dismal future, past policies on education and new policies to improve health and foster internal migration could ease the challenges posed by an older citizenry, according to a new study of the impact of ageing on China's future. Problems that need attention include China's growing obesity rate and high smoking rates among men and rising levels of urban pollution, challenges that could increase health costs if they trigger disease in older ages, according to the report published online by the Journal of the Economics of Ageing. In addition, China should reform migration policies to allow older Chinese residents to move about the nation more freely and retain full health benefits when they relocate. Such a change would allow older citizens to follow their children as they move about China.

The three authors of the study are James P. Smith of the RAND Corporation, John Strauss of the Department of Economics at the University of Southern California, and Yaohui Zhao with the National School of Development of Peking University. "There will not be a demographic fix to healthy ageing in China, even if the one-child policy is relaxed, since fertility is unlikely to change much," said Smith, Chair in Labor Market and Demographic Studies at RAND, a nonprofit research organization. "Government policies need to focus on improving health behaviors, combating pollution and allowing elderly parents to live with their adult children."

Researchers say that Chinese people, reaping the health benefits of dramatically improved education levels, will live longer and healthier lives in future decades, even among those who live in remote areas of the country.

"If you look at a cross section right now, it can be very misleading for ageing population in China," Smith said. "In 20 years, Chinese people who are 50 today are not going to look at all like Chinese people in their 70s right now."

Better education will make a difference in the health of Chinese citizens as they get older, researchers say. For example, the survey found that today 80 percent of women and 40 percent of men over the age of 75 were illiterate. But in the age range of 45 to 54, only 20 percent of women and 5 percent of men were illiterate, and the education levels of young adults is virtually the same for both men and women today.

Source: [World Economic Forum](#)

Study on Policies to Promote Healthy Ageing in China

But Chinese people also are making the same health-threatening lifestyle choices as people in the rest of the world. Smoking rates among men remain high, rates of obesity among men and women are growing, and China's urban areas have extraordinarily high levels of pollution. And as young people migrate to cities for schooling and jobs, their ageing parents could be left to fend for themselves in remote areas, according to the study.

The research team analyzed information from the 2011-2012 wave of the China Health and Retirement Longitudinal Study (CHARLS), which is collected by researchers headed by Zhao at Peking University and is funded in part by the U.S. National Institute of Ageing. The survey is a nationally representative sample of people 45 and older in continental China. Chinese respondents from more than 10,000 households will continue to be followed every two years in face-to-face interviews. In 1950, the life expectancy in China was about 40 years, growing to about 70 today, with every indication the trend toward longer life will continue. The biggest change that will affect Chinese people as they age is a rising education level.

Chinese citizens also are getting diagnosed and treated for common conditions such as hypertension and diabetes, conditions that just a few years ago they didn't even realize they had. "The silent killers are now being heard," Strauss said. The tradition of children caring for ageing parents also is undergoing dramatic change, with fewer children available as caretakers. In 1950, the average Chinese woman had six children. Projections are that in China, in part due to the one-child policy, by 2050 women will have 1.9 children, or below replacement level fertility. "If you have five kids, it's a lot more certain that one of them will take care of you than if you only have one or two," Zhao said.

Today, more than 90 percent of elderly people have a child living with or near them. But indications are that that is changing. While 94 percent of people over 75 live with or near a child, that is true for only 82 percent of those 55 years old. And when children leave rural areas for cities, some government policies make it difficult or impossible for parents to follow. For example, today almost all rural Chinese people have health insurance. But insurance pools are operated at the county level, and reimbursement for care decreases while co-payments increase for care received outside of one's home county. Such policies discourage older parents from following their adult children to new locations.

"A larger fraction of parents will not have access to an adult child," Zhao said. "That's not a crisis of the moment, but a potential crisis of the future." Changes in China's one-child policy are unlikely to affect this since China's fertility rate is very similar to other countries at the same level of development, according to researchers.

Continuing Elderly Education in China: “The University for the Aged”

The University of the Aged is on the frontline in a fight against one of the most dramatic and potentially destabilising problems facing modern China: a looming demographic crisis that experts believe will have major implications for everything from the wellbeing of hundreds of millions of citizens, to the Communist party’s ability to hold on to power, and even the prospects for world peace. Wang Feng, a University of California, Irvine scholar who is recognised as one of the leading experts on Chinese demographics, has said the combination of these trends would place a monumental strain on the nation’s resources in the coming years and had the potential to radically alter its social, economic and political landscape.

China is not the only country bracing for a severe ageing crunch but Wang says a potent mixture of challenges mean its situation is particularly daunting. “It’s massive, it is unique, and it takes place in the most populous country in the world.”

At the university – where students pay just 80 yuan (£9.60) a term – students and staff say they are content with the government’s efforts to protect China’s pensioners.

“The government and the party are taking good care of the elderly,” said Yu, the flautist, as local officials who were offering a tour of the three-floor facility looked on.

Yan Xingzhang, 78, the university’s head, said decades of unprecedented economic development had transformed life in Rudong and meant its entire population was far better off than in the past.

“It’s impossible to describe how big the changes have been and how good things are now,” said Yan. Miao, the deputy headmaster, dismissed the idea that the one-child policy was a major demographic blunder for which his county was now paying a price. “The happiness of the elderly isn’t defined by the number of children people have,” he said. “In the olden days there was a saying: ‘Raise children to look after you in old age.’ But these days we have a very good social insurance system so nobody thinks about whether family planning was a mistake.”

Source: [The Guardian](#)