A group of people dancing

Description automatically generated with low confidenceVanguard of the non-working classAt 54, China’s average retirement age is too low

The government’s efforts to raise it face stiff opposition

At about 54, the average age of retirement in China is among the lowest in the world. This is a problem. Since standards were set, life expectancy has soared while the number of working adults—those whose labour, in effect, supports retirees—has begun to shrink. But persuading people that they should work longer is proving hard. In 2008 the government said it was mulling the idea of raising retirement ages, but backed away amid a public outcry. Now it feels it can wait no longer.

The pressure to act is evident. Current retirement ages were set in the 1950s, when the average person was expected to die before reaching that stage. For most men in China the age is 60, much lower than the average of 64.2 in the OECD, a club mostly of rich countries. For female civil servants the age is 55; for blue-collar women it is 50.

Yet life expectancy in China is now just two years short of the OECD average of 79, so a Chinese retiree on a state pension usually needs several more years of support from government funds than his or her rich-world equivalent. In 2019 the public-pension system covered almost 1bn adults, more than any other such scheme in the world. The country’s main pension fund may run out of money by 2035, the Chinese Academy of Social Sciences, an official think-tank, has warned.

The government appears not yet to have decided how to reform the system. The current five-year economic plan, a 142-page document that was approved in March, contains merely a sentence on the topic, calling for adjustment in “small steps” and “flexible implementation”. But its inclusion means that changes are all but certain to begin before the plan expires in 2025: the government rarely announces a goal that may not be attainable.

Officials say retirement ages will be lifted in stages, a few months at a time. China’s main state-run news agency, Xinhua, said two possible approaches were being considered. One would raise the retirement age for both men and women to 65, with the age for women being raised faster so that both reach the end point simultaneously. The other method would involve first raising the retirement age for women to 60, and then both sexes advancing to 65 at the same pace.

Since the government revealed that the five-year plan would call for older Chinese to work longer, social media have reverberated with debate about the idea. On Weibo, a Twitter-like platform, posts tagged with “postpone the retirement age” have received 620m views and launched more than 100,000 discussions. Many comments have been critical, with some blaming the country’s draconian one-child-per-couple policy for exacerbating the population’s ageing. (The limit was increased to two children in 2016, and will soon be raised again, [to three](https://www.economist.com/china/2021/06/03/china-rapidly-shifts-from-a-two-child-to-a-three-child-policy).) In 2020 a survey of 96,000 people by a newspaper in Wuhan found that more than 80% opposed later retirement. They wondered whether they would have the stamina to keep working into their 60s, and also whether—if not in a secure job already—they would still be employable. Firms often discriminate against older people when recruiting.

Concerns about the possible impact on social stability may explain why the government’s plans have kept slipping. In 2008 it hinted that reforms would begin in 2010. They didn’t. In 2015 a senior official said a detailed plan would be revealed in 2017. Again, no show. The government does not always pay much heed to public opinion when shaping policy: the one-child restriction was never popular. But in this case it may worry about angering a large number of people in urban areas where it is especially keen to prevent unrest (the one-child policy was most resented in the countryside). Most farmers carry on working until they are forced to stop by poor health: a rural pension scheme was introduced in 2009, but it provides far less support than urban residents enjoy.

Lifting the retirement age is a bit more popular among government employees. Of almost 170,000 respondents to a survey conducted in 2016 by *China Youth Daily*, an official newspaper, more than 80% said delaying retirement was more favourable to government employees (presumably because such people are considered less likely to be fired for becoming older and therefore, as is commonly imagined, less energetic). One civil servant told Xinhua his boss had doctored his own records to make his age appear younger. “This way, he holds onto power longer,” the bureaucrat said.

But young workers grumble about raising the age. They suspect they will have to wait longer for promotions as older workers occupy jobs for longer. Online, they use a common idiom to describe such seniors, accusing them of “squatting on the toilet without taking a shit”. In reality, lifting the retirement age will be harder on older workers who may struggle to retain their jobs when so many of their younger peers are far better educated. And concerns about job insecurity, especially as they get older, are pushing more young people to apply for jobs in the civil service.

Raising retirement ages may create another problem. China’s fertility rate (the average number of children a woman can expect to have in her lifetime) is among the world’s lowest. On May 31st the Communist Party said married couples would be allowed to have three children to help the country “cope” with its ageing. (In 2018 the share of people over 60 was almost one-fifth; by 2050 it will be more than one-third.) But many families rely on grandparents for child care. When parents retire, the probability that their child gives birth increases by between 44% and 61%, says a study by Fudan University. If grandparents have to work longer, the government will have to spend more on kindergartens and introduce rules to force employers to make better provisions for working parents. Grappling with [China’s demographic woes](https://www.economist.com/china/2021/04/29/is-chinas-population-shrinking) will involve many tough reforms. ■