We begin by describing the demographic transition in China in the context of Asia and the global transition. We draw on National Transfer Accounts (NTA) estimates of consumption and labor income over the cross-sectional life cycle to calculate past and projected support ratios for China, India and other countries to assess the effects of population aging on dependency, based on current public and private programs. Again drawing on NTA data we discuss how consumption by the elderly is funded in China and other countries around the world, and discuss the implications for population aging, saving, and capital accumulation. We also consider the relation of the low fertility that drives population aging to investment in human capital, both public and private. Finally, we consider the relation of NTA to HRS-style surveys.
Closing the Coverage Gap:  
Evolution and Issues for Rural Pensions in China

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The paper first examines the evolution of rural pension system in China from the 1980s to 2009, tracing the expansion, stagnation and renaissance of rural pensions over recent decades and the key lessons of those experiences. It then discusses in greater detail the 2009 national rural pension pilot as a model for sustainable coverage expansion and elderly protection, reviewing the policy framework, issues in program administration and service delivery, etc. Thirdly, it describes the profile of participants and examines the responses of rural household behaviors to rural pension programs by using household survey data from a recent survey in Chengdu. Drawing on the discussion, the paper discusses options for building on the national pilot in the context of international and Chinese experience to achieve the goals of wide and adequate coverage set by the Chinese leadership, as well as emerging experience and issues of integration of pension systems across rural and urban areas in China.
Needs and Difficulties of Old Age Care in the Emerging of Family Change in Rural China: A Case Study of Shandong Province

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In the past 30 years, because of the relatively strict family planning policy, the total fertility rate of Chinese women decreased dramatically. The direct result of the rapidly and continually decreasing TFR is the very fast aging process. Under the condition of urban and rural economic structure, the large amount of younger floating population moved from rural to urban. The family structure of rural population has getting much smaller than expected. The traditional old age supporting system became weaker and weaker. The new supporting system has not set up while the fast changes have taken place. The poverty and less children of the aged population faced much seriously problems for their old age life than before.

Shandong is one of the fast ageing provinces of China. In the next 20 years, the rural population ageing of Shangdong province will become much faster than before. So we have taken Shangdong as an example and try to describe the new situation of rural population needs during the family changes and ageing process. We have selected 1053 household of 72 villages in whole Shangdong province by multistage PPS methods and done the survey in 2008. The main survey results are as follows:

(1) The aged population with fewer children has increased rapidly; the aged supporting resources is a quite limited. The aged population family is mainly with two persons and one generation, more than 60% of the elderly people without spouse;

(2) The elderly population have relatively poor economic situation, almost all the rural aged family has no savings, there are more than 80% of elderly people in debt; nearly 70% of the elderly population supported by other family members; daily living expenses pressure is very heavy;

(3) 60% of the elderly population feels the health condition is not good enough. 40% of the elderly people feel worse. The elderly population has no ability to pay for medical treatment; they mainly rely on their children to spend;

(4) 50% of the elderly aged over 80 can not take care of themselves, the life expectancy of the elderly population can not take care of themselves is more than two years;

(5) 15% of the elderly population is disabled, the life expectancy of elderly population disabled is more than three and a half years; the bedridden time of rural elderly before died is more than half a year on average, the bedridden time
of 80 years old is more than one and a half month on average for each year;

(6) The living conditions of the elderly population is poor, the elderly population live in the dilapidated housing, poor infrastructure, the proportion of no heating facilities in winter is more than 30%;

(7) The limited capacity of rural old-age supporting services, the elderly population has negative evaluation to the institution services.
Financial and Social Capitals of the Elderly People in Thailand

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The panel survey on Health, Aging and Retirement in Thailand (HART) was a pilot project funded by the National Research Council of Thailand to a team of researchers at the National Institute of Development Administration (NIDA) aiming to develop a survey instrument similar to those of the longitudinal survey of ageing in other East Asian countries such as the Korea Longitudinal Studying of Aging (KLoSA), Chinese Health and Retirement Longitudinal Study (CHARLS), and so forth. In the first round survey, NIDA research team undertook a comprehensive survey of 1,476 individuals aged 45 years and older who reside in Bangkok and the surrounded cities as well as in the northeast province of Khon Kaen as the precursor to develop and prepare for a full scale panel survey which will take place in the near year.

Similar to KLoSA instrument, HART questionnaire contains an array of information of Thai elderly in seven aspects. That is, personal demography, family support, health, employment, income, asset and liability, and, life satisfaction. A number of questions in KLoSA instrument have been altered to appropriating to the circumstances in Thailand.

Though research findings in various countries indicated the important of social capital and income inequality as major factors that influence the health conditions of ageing people, no study on this issue is available in Thailand due to the lack of data. Using the first wave of HART survey, this study shows that social participation contributes significantly to both physical and mental Self Rate Health (SRH) of Thai elderly. Taking into account of the endogenous issue in-between SRH and the decision to participating in social activities, the study found that taking part in social activities contribute more to SRH than an increase in an individual wealth. Social activities can help to reduce both physical and mental health inequalities among Thai elderly.
Patterns and Determinants of Intergenerational Transfers: Evidence from CHARLS

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Using China Health and Retirement Longitudinal Study (CHARLS) 2008 pilot, this paper analyzes the patterns and determinants of intergenerational transfers between elderly parents and adult children. We find that, contrary to that in developed countries, the direction of transfers is predominantly from children to elderly parents, and this reflects the relative economic disadvantage of the Chinese elderly due to rapid economic growth. Transfers are partly determined by parental needs - those with lower income, with severely depressive symptoms and not owning a house are more likely to receive transfers. Taking advantage of the rich information on all children of the respondents, we employ family fixed-effects models to deal with family heterogeneity and find strong evidence that transfers are significantly affected by financial capabilities of children – Highly educated and employed children have higher probability to provide transfers to their parents. Interestingly, we see some division of responsibilities among the children in parental support. Consistent with expectations of traditional Chinese culture, the oldest son is more likely to provide financial transfers on a regular basis; the youngest son is more likely to live with the parents; while daughters seem to be more likely to provide in-kind transfers. China is predicted to continue the rapid economic growth into the future, thus the income disadvantage of the elderly will persist and upward transfer will remain the primary direction of transfers in future China. However, with dwindling number of children, the financial burden on each child is likely to increase.
Recognizing the Elderly Women’s Role:  
A Study from Gender Perspectives

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It is well known that the old population is feminized, but the issue of gender and ageing have not merge into the mainstream neither of gerontology nor gender study. There are strong stereotype of older women in our mind, they are lower income, worse security, long life expectancy but unhealthy, strong need for care given by family members, high pressure in family care and longer widowhood than male and so on. Those stereotype partly attribute to the studies which focus on the disadvantage of elderly women. The positive life and contribution of elderly women has been ignored greatly.

Based on the data of 2008 Time Use Survey carried out by National Statistics Bureau of China, the paper compared the gender difference of time that old people spend on family care work and other unpaid housework. It is shows that time elderly women spend on those unpaid work is about more than twice times than that of elderly men’s. In order to reveal the huge value of those work elderly women contribute, the paper estimate of the total value created by an elderly women doing family care work which value about 176 thousands Yuan from age 60 to 74. In 2008, the total value of the family care work that elderly population contribute is about 1,286.2 billion Yuan, as much as 10 percent of the GDP created by the tertiary industry in the same year, while elderly women’s contribution to 855 billion Yuan, as much as 7 percentage of the GDP created by the tertiary industry.

The paper suggests that the government should acknowledge the contribution of elderly women and try to establish a gender sensitive policy to support elderly women and their family.
The Labor Market Outcomes of Population Aging

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This presentation starts with reviewing the importance of demographic transition for the fast economic growth in China in the past 30 years – namely, the mass reallocation of labor force from agricultural to non-agricultural sectors and translation of its demographic dividend into the world’s factory. Then it depicts the diminishing demographic dividend, as a result of population structure change, aging in general and decline in working age population in particular. The shortage of unskilled workers and consecutive increase of wages of ordinary, especially of migrant, workers imply that the Chinese economy has reached its Lewis turning point, a point of time that is conventionally understood in the context of economic development and that now should be also understood in conformity to demographic transition. The presentation then names major challenges facing China in labor market caused by population aging and proposes options for policy changes based on experiences and lessons from other countries.
Understanding the Patterns of the Labor Supply and Retirement of China's Older Population

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Wei Cai, World Bank
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This paper first contrasts the labor supply behavior across age cohorts of urban and rural residents from China using the CHARLS survey with labor supply behavior of older adults in the US (HRS), the UK ((ELSA), Europe (SHARE) and Indonesia (IFLS). We show that older workers in urban areas, where a high proportion of the population have access to pensions, exit the labor force earlier than all of these other countries, while older workers in rural China are generally working until much later ages than those in the US, UK and Europe. Declines in labor force participation in China are associated with pension eligibility. We find little robust evidence that exit from the labor force by women in urban China can be explained by a return to traditional roles providing elder care or care for grandchildren, or that continued work in agriculture by rural residents of both genders can be attributed by the loss of household labor occurring with the out-migration of adult children.
Facilitating Longer Working Lives: The Need, the Rationale, the How

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The central theme is that social and economic choices in societies must adjust as the age structure of the population changes. Some of the bounty of longer lives must be allocated to prolonging the labor force participation of older workers. As the number of older people increases, the cost of health care and public pension programs will rise but there will be fewer workers in the labor force to pay for these increasing costs. The problem has been magnified by the departure of workers from the labor force at younger ages along with substantial increases in the number of years they spend in retirement. I emphasize first the need for longer working lives and that it will not be feasible to use all of the increase in longevity to increase years in retirement. Then I discuss how better health and declining mortality provide a rationale for working longer. I then discuss the ways that longer working lives can be facilitated, emphasizing the need to eliminate pension plan provisions that provide an incentive to retire early and to abandon the false presumption that inducing older people to retire provides more jobs for the young. The paper is based in large part on the findings from the International Social Security Project.
Do the Elderly Consume Less?
Evidence from an Urban Household Survey

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A wide concern about the impact of aging on economic development is that the elderly would consume less than the young generation given other things constant. If this is the case, the country like China that is going to rebalance its economy from investment-led growth to consumption-led growth will need to seek new source to sustain economic growth. Taking advantage of the most recent urban household survey conducted by the Institute of Population and Labor Economics in six big cities in China, this paper describes the pattern of consumption of the households with elderly in terms of the amount of consumption and the categories of consumption. Empirical models are also applied in order to observe whether older households consume less than the young households. Policy-related issues are also discussed in the paper.
Stability of Preference against Aging and Health Shocks: A Comparison between Japan and the U.S.

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Hideki Hashimoto, University of Tokyo
Satoshi Shimizutani, Hitotsubashi University

This study explores stability of preference against aging and health shocks. Contrary to a vast literature which assumes time invariant risk attitude, we utilize Japanese Study of Aging and Retirement (JSTAR), which is a longitudinal data on the middle aged and older comparable with HRS/ELSA/SHARE, to examine how aging and past health experiences systematically affect risk attitude. We show that health shocks and retirement indeed affect revealed risk preference systematically over time.
Relying on Whom?
Analyzing How Chinese Elderly Finance Their Consumption

Albert Park, Oxford University
Yan Shen, Peking University

This paper uses data from China Health and Retirement Longitudinal Study (CHARLS) to document the extent of consumption poverty, the characteristics of the poor among the elderly, and to quantify the importance of private support, public support, and dissaving/borrowing in maintaining consumption levels, especially for those with low levels of own income per capita. We find that poverty rates calculated based on expenditure are much lower than those calculated based on income. In addition, transfers are important financing sources for consumption expenditure, especially so for those in poverty.
Chinese Internal Migrants: 
Policy and Measurement Challenges

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This paper concentrates on the 200 million or more internal migrant workers in China, and their families. Economic questions center on the role of remittances in generating income and savings for the families of migrants, and the problems of providing health care, education, and retirement security for migrants when the social safety net is largely provincial, and migrants cannot obtain adequate services from their home province. The paper gives preliminary and partial survey evidence on income mobility of migrant families between 1986 and 2006. It discusses determinants of migration intentions and prospects. It concludes with a discussion of the challenges of obtaining better data on the migrant members of poor families enrolled in a longitudinal survey: Undocumented migrants are particularly difficult to locate and follow in economic surveys, and it is important for survey representativeness and for informed economic policy to assure that this part of the population is tracked over time.
Indonesia has been undergoing a major health and nutrition transition over the past twenty or more years and there has begun a significant aging of the population as well. In this paper we focus on documenting major changes in the health of the population aged 45 years and older, since 1993. We use the Indonesia Family Life Survey (IFLS), a large-scale, broad-based panel survey of households and individuals, covering 4 full waves from 1993 to 2007/8. Much of the changes can be seen as improvements in health, such as the movement out of undernutrition and communicable disease as well as the increasing levels of hemoglobin. On the other hand, other changes such as the increase in overweight and waist circumference, especially among women, and continuing high levels of hypertension that seems to be inadequately addressed by the health system, indicate that the elderly population in Indonesia is increasingly exposed to higher risk factors that are correlated with chronic problems such as cardiovascular diseases and diabetes. In addition to documenting long-run changes in health and its distribution among the elderly Indonesian population, we examine correlations between socio-economic status, principally education and per capita expenditure, and numerous health outcome and behavioral variables.

We find generally strong correlations between our health variables and SES and find in particular, the schooling plays a role in reducing the adverse health effects of aging. We also find that for hypertension in particular, that there is a very large degree of underdiagnosis in this population, one that is weakly correlated with SES. This result raises serious questions regarding the ability of the health system in Indonesia to cope with the rapid aging of the population and the transition from infectious to chronic diseases.
Health Care and Insurance among the Elderly in China: Evidence from the CHARLS Pilot

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Lin Li, Peking University
Albert Park, Oxford University
Li Yang, Peking University
Yaohui Zhao, Peking University

There has been a major spread of health insurance in both urban and especially rural areas of China in the past 7 years. In the CHARLS pilot data some 90% of our sample report having some type of insurance, with the New Cooperative Medical Scheme insurance being the most prevalent. Reported premiums actually paid are low in rural areas, averaging 20 Yuan per year per person, though higher in urban areas. At the moment, in Zhejiang and Gansu, these schemes cover mainly inpatient care, and the reimbursement rates top out at 64% for respondents in Zhejiang having an urban hukou. For those with rural hukou, reimbursement rates are lower, ranging from 23% to 35% in Zhejiang and Gansu. By urban-rural residence, reimbursement rates for inpatient care average 40% in urban and 30% in rural areas. There is much variation across county-units. Reimbursement rates tend to be higher for higher total health care costs, but do not rise enough to be said to offer very complete coverage for catastrophic illnesses. Outpatient service is just beginning to be covered by insurance in Zhejiang province, especially in urban areas and among those holding urban hukou, but not much yet in Gansu province. Simple descriptive regressions show that respondents with lower incomes as measured by per capita expenditure have a lower chance of being insured, as do migrants, older women and widows. There is a lot of variation across communities in coverage, and reimbursement rates, as reported in earlier studies.

For inpatient use, having higher pce matters positively for both men and women, and it is also positively correlated with utilization for outpatient services for women. Unobserved community effects also are strongly correlated with utilization. Finally, although we cannot definitively call it a causal relationship, having health insurance is positively correlated with inpatient use for men. Overall, though the importance of income means that insurance is not fully covering the older populations in Zhejiang and Gansu.
The ability to measure functional health status is becoming central in most developed countries to understand the health risks and likely incidence of disabilities among the old—an important factor in creating demand for support provisioning and long-term care. Despite rapid ageing and high prevalence of old age diseases, this aspect has hardly ever been an issue of serious consideration in many developing countries including India. Using both—i.e., self-assessed (or self-reported) abilities to perform daily life activities, and a set of physical performance tests—this analysis attempts to examine ADL related functional autonomy (or lack of it) in a sample of 273 post-60 men and women drawn from a cross-section of rural and urban households spreading over each of the 9 census districts in Delhi. The findings of the study reveal: (a) a close proximity between the set of results obtained on the basis of the self-assessed as well as the measured physical capabilities, (b) more women than men suffering with poor functional health, (c) multiple functional disabilities are alarmingly high among the older old and women, and (d) socio-economic factors do have a role in shaping the later life health, although the results remain hazy and inconclusive. At the policy level, ageing—especially the accelerating growth of older old—is likely to increase demand for medical and rehab services. It may as well bring other collateral issues like demand for long-term care and its financing mechanism. The paper inter alia provides an interesting comparison of results based on ‘self-reported’ and ‘observed measures’ of functional abilities, contributing—though modestly—to the current debate on non-efficacies of self-reported health due to biases caused by inadequate understanding among many about the health and sufferings.