

# International Immigration: A Potentially Feasible Solution to China's Population Ageing

Sheng Zhong (Corresponding author)

School of Economics and Management, Fuzhou University

2 Xueyuan Road, Fuzhou, China

E-mail: jonsen.sheng.zhong@outlook.com

Received: January 18, 2024    Accepted: February 23, 2024    Published: March 22, 2024

doi: 10.5296/jsss.v11i1.21640

URL: <https://doi.org/10.5296/jsss.v11i1.21640>

## Abstract

For a long time, China has been seen as a youthful country, and there are lots of studies have illustrated that the demographic dividend was a crucial factor in China's super-rapid economic growth over the past few decades. However, as a result of strict family planning policies which lasted nearly half a century as well as a significant increase in average life expectancy, the population ageing problem is beginning to emerge in today's China. Although policymakers have been aware of this trend, current domestic remedies are not sufficient to address potential risks effectively. The core viewpoint of this paper is that China is ought to put international measures on the agenda to prevent future demographic crises. In addition, based on China's actual national conditions and the experience of the developed world in dealing with the ageing problem, this paper also makes some suggestions to support the improvement of China's international immigration policies.

**Keywords:** China, economy, population ageing, international immigration

## 1. Introduction

Originally, ageing was just a biological term referring to the physiological process of growing or maturing. But economists have gradually highlighted derivatives of the term ageing such as population ageing. Population ageing refers to an increase in the elderly population of a specific country or region relative to its total population. Herein thereafter, the word 'ageing' specifically refers to population ageing.

In general, a country is considered to enter a state of population ageing if its population aged 65 years and older accounts for more than 7% of its total population (or its population aged

60 years and older accounts for more than 10% of its total population). Based on a definition of ageing as the population aged 65 years and older, the degree of population ageing can be described as follows based on the actual proportion of the elderly population: 7%-14% means “ageing”, 14%-21% means “aged”, and above 21% means “super-aged” (Kim & Kim, 2020).

In this paper, the proportion of the population aged of 65+ (age of 65 and above) is used as the standard measurement of ageing. According to the World Bank, China’s population ageing degree exceeded the world average in 2000, then surpassed the threshold of 7% and entered the “ageing” stage in the following year. China’s 65+ population of 193.78 million accounted for 13.72% of the total population in 2022. China’s population structure is predicted to transform to an “aged” stage soon (Figure 1).

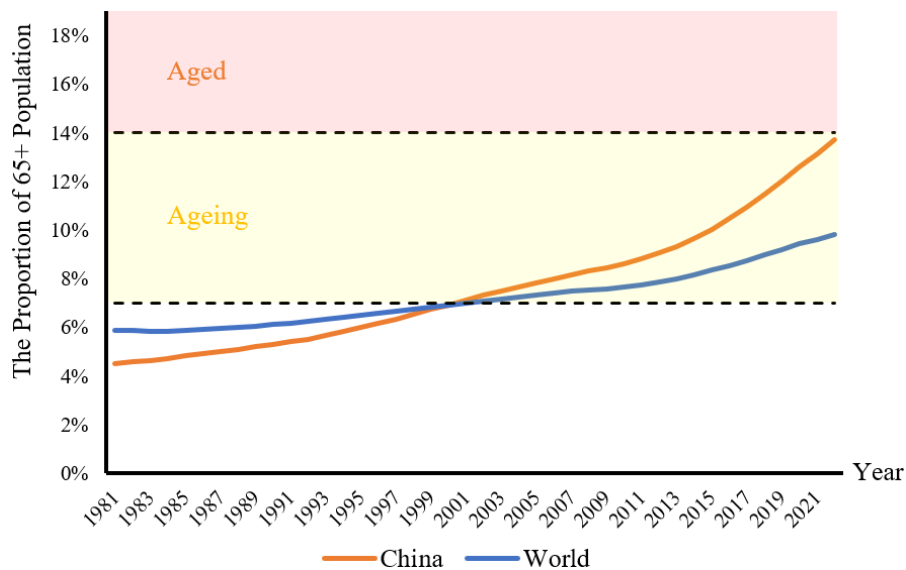


Figure 1. China’s Population Ageing Trend, 1981-2021

Source: World Bank.

The ageing trend epitomizes a general law of economic development, but China’s population strategy is not without its challenges. China’s family planning policies, initiated at time when it was necessary to curtail population development, were not entirely unreasonable. However, decades-long and strict implementation of family planning policies underpin current and future population crisis. Over the past few years, China’s central government has attempted to remedy the resulting population crises through progressively liberalizing family planning policies, stimulating fertility and an intention to delay retirement, but these measures only resulted in suboptimal outcomes.

The population ageing problem cannot be addressed through domestic approaches alone as has been seen in other developed countries necessitating the need for an international framework for policy and strategy. Admittedly, international immigration may also result in undesirable social and cultural effects. Most countries, including China which is a culturally conservative country, may find international immigration a radical approach. Nonetheless, if domestic measures cannot resolve China’s population ageing problem, the need for economic

sustainability will gradually outweigh that of cultural conservatism. Subsequently, relatively concessive and moderate international measures will probably be implemented in China.

There is a famous Chinese proverb that states “repair the house before it rains”, which means that precautions should be taken in advance of future uncertainties. International immigration may solve China’s population ageing problem. This paper explores the feasibility of international immigration to address China’s potential ageing problem.

## **2. Does China Need International Immigration to Solve Population Ageing?**

### *2.1 The Limits of Domestic Migration*

Since the Reform and Opening, there has been a great deal of internal population movement among different regions within China. According to China’s seventh (latest) population census, in 2020, approximately 80 million Chinese people from the central, western, and northeastern parts of China are living in the southern and eastern regions. Such internal migration resulted in an ample working-age population in the population-inflow regions where most industries in China are located and young labors have more lucrative job opportunities.

However, domestic migration has exacerbated the demographic problems in population-outflow regions and caused extreme imbalances in development among different regions of China. For instance, the recent deficit in pension funds in Heilongjiang Province are the consequences of its demographic structural imbalance. Although China’s central government can alleviate these crises by coordinating the financial transfer payments (which it has already done), such measures only suffice in the short-term.

Obviously, domestic migration will not solve a country’s overall ageing problem because population gain in one region means a population loss in another (Newbold, 2018).

### *2.2 The Inefficiency of Fertility Incentives*

Fertility decline is an inevitable phenomenon of economic and social development as has been seen in other countries. Many studies have investigated the relationship between fertility rates and social development from diverse aspects including the relationship between fertility rate and other developmental indicators such as price levels, per capita income levels and per capita educational attainment (Sobotka et al. 2011; Harper, 2014; Mills et al. 2011). In recent years, the rising cost of living and feminist consciousness, and the unbalanced distribution of educational resources, have had an impact on the fertility preferences of China’s young generation.

China’s government began gradually deregulating its fertility restrictions as early as 2011, and several incentives have been implemented in recent years to promote procreation. However, such approaches, which could only bring short-lived outcomes at best, cannot fundamentally reverse the downward trend of fertility (Figure 2).

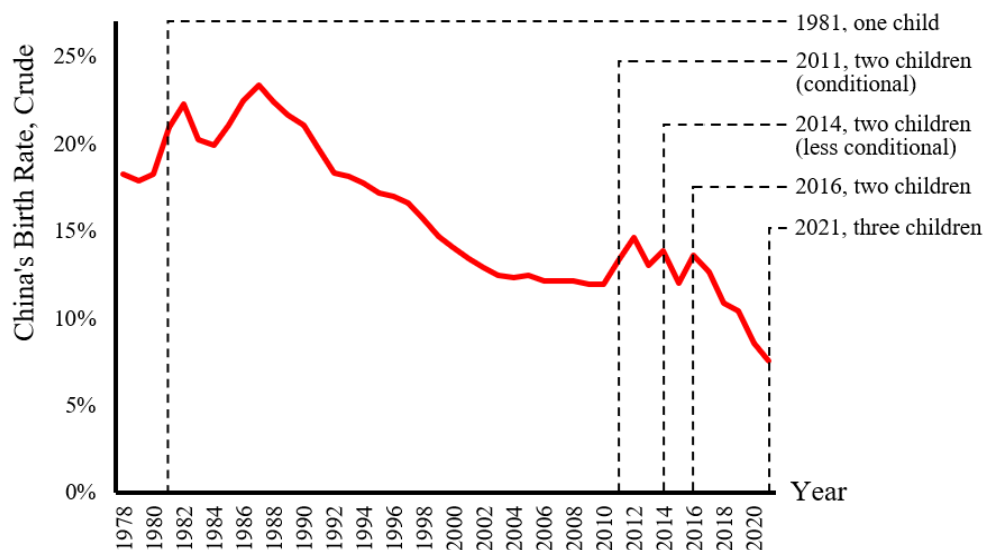


Figure 2. The Reforms of China’s Family Planning Policies and Its Birth Rate, 1978-2021

Source: World Bank.

According to the National Health Commission of China, in 2021, the fertility intention of Chinese women of childbearing age at 1.64 was much lower than the replacement level. Moreover, lower fertility intentions of women of the same age-group in the 1990s and 2000s (1.54 and 1.48, respectively) implied that younger families were less willing to procreate. Therefore, in the absence of effective stimulus policies, China’s fertility rate will continue to decline.

In addition, fertility incentive subsidies, which cannot immediately address the current ageing problem, and cannot fully cover growing parenting costs which will have to borne by the current generation.

### 2.3 The Drawbacks of Delaying Retirement

Many countries opted to delay retirement to deal with the population ageing problem. The retirement age in China is currently 60 and 55 years for males and females, respectively (and 50 years for females in specific professions). But this policy will soon become history since the Ministry of Human Resources and Social Security in China plans to progressively delay China’s official retirement age to 65 years.

Unlike most developed countries, China still has enough room to adjust its delayed retirement strategy. However, delaying retirement can only change the labor participation rate and not the overall population age structure. Delaying retirement simply shifts the current demographic pressure to a later date.

It is worth noting that elderly persons face more health risks at work than in retirement. Besides, for select industries, the work efficiency of older people cannot be equated to that of younger people. Hence the benefits of delaying retirement may not outweigh the additional costs of healthcare.

## *2.4 The Need for International Immigrants*

In summary, all three approaches of domestic migration, fertility incentives and delaying retirement will not be sufficient for China to solve its potential population ageing. Therefore, the importance of the international immigration becomes clear.

Firstly, international immigration can transfer the welfare losses that results from internal migration beyond national borders. Secondly, international immigration instantly addresses workforce shortages unlike fertility incentives. Thirdly, the work efficiency of legal immigrants who have undergone targeted and relatively rigorous screening process by local governments normally exceeds that of additional older workers brought by the method of delaying retirement.

International immigration also has many positive externalities. International immigrants are intermediaries between China and other countries or international organizations, it is beneficial for foreigners to have a deeper understanding about China, thus augmenting China's global reach. Besides, partial foreigners (e.g., investment immigrants) infuse international capital into the country will sustain China's current and future development.

## **3. Suggestions**

### *3.1 An International Immigrants' Evaluation System*

Currently, China does not have a comprehensive evaluation system for international immigrants, so it is important to draw on the experience of developed countries in this regard. The lack of standards will disadvantage China as it competes in the global labor market.

On the one hand, a transparent and standardized international immigration evaluation system will attract more international immigrants. On the other hand, it will help China to efficiently identify highly competent and compatible candidates.

### *3.2 Different Criteria for Different Regions*

China is a country with a vast territory, the differences between the various sub-regions should be highlighted in China's international immigration policies. Canada, where different provinces also have their own policies for international immigrants apart from federal policies (Paquet & Xhardez, 2020), can serve as an instructional model for China.

China's central government can consider establishing a basic framework for its international immigration policies to ensure an acceptable level of the quantity and quality of international immigrants, and then empowering regional governments to further refine specific criteria based on the same framework to guarantee national stability without sacrificing cross-border labor mobility. Besides, it would be prudent and advisable to select partial provinces in China to pilot the implementation of new international immigration policies.

For example, relatively liberal international immigration criteria can be adopted in less-developed regions (e.g., the central, western, and northeastern regions of China where most of the population-outflow provinces are located) which have more needs and lower requirements for labor than the population-inflow provinces. On the contrary, developed

provinces which have already benefited from the dividend of domestic migration should protect the jobs of domestic migrants from other regions of China, so they can set more detailed and restrictive criteria for the admission of quality international immigrants matched to their industrial structure and economic development level. Moreover, some border regions of China (e.g., Yunnan and Guangxi) that neighbor Southeast Asia and South Asia, where with abundant young labor, can offer short-term or even ultra-short-term work visas to foreign young workers to offset the outflow of the local working-age population.

### *3.3 Different Criteria for Different Industries*

Industrial heterogeneity should also be considered in China's future international immigration policies. Almost all developed countries have diverse admission criteria for international immigrants with different skills. For instance, Japan, which is also extremely conservative about international immigration, still has fewer restrictions on foreigners working in the "3K" (which is an abbreviation of kitsui, kitanai and kikken, meaning difficult, dirty and dangerous, respectively) industries because of its serious population ageing problem (Iskandar, 2019).

In China, the trend of population ageing will significantly transform the national industry landscape. Most labor-intensive industries (especially health-related industries) may have to rely on international immigrants as substitutes. Therefore, after identifying which industries will be adversely affected by population ageing, appropriate more lenient criteria and possibly incentive measures can be implemented to attract international immigrants with relevant work experience or potential competence in these industries.

It is also important to note that industry-related criteria in international immigration policies should be flexible enough. Policymakers must continually adjust them in response to changes in local industries and market supply and demand so that external population inflows can be used efficiently to offset domestic recession.

### *3.4 Overseas Ethnic Chinese and International Students in China*

There are two groups of people whose importance deserves to be emphasized and who should serve as the main source of international immigrants imported by China.

Firstly, overseas ethnic Chinese (who living outside of China, with Chinese ethnicity but without Chinese nationality). It is estimated that there are more than 45 million overseas Chinese (both Chinese citizens and non-Chinese citizens) worldwide (Guo, 2022), and even excluding the part of Chinese citizens who are not the subject of this paper's study, it remains a huge number. Japan's experience on the Nikkeijin (Japanese blood descendants living out of Japan, mainly in South America) is a noteworthy reference for China, it illustrated that "blood immigration" has relatively fewer negative externalities on the society and culture of a traditional and conservative country (Hollifield & Sharpe, 2017). However, Chinese ethnicity does not equate to the ability to integrate into China. Therefore, factors which are crucial to the integration of international immigrants such as language proficiency and knowledge of Chinese culture, cannot be ignored.

Secondly, international students in China. According to China's Ministry of Education, the

number of international students in China had been expanding in recent years (the data of 2020 and 2021 are not considered due to the COVID-19 pandemic), and there were approximately 100 thousand international students graduating from China’s higher education institutions each year (Figure 3). Obviously, this group is also a potential source of international immigrants for China.

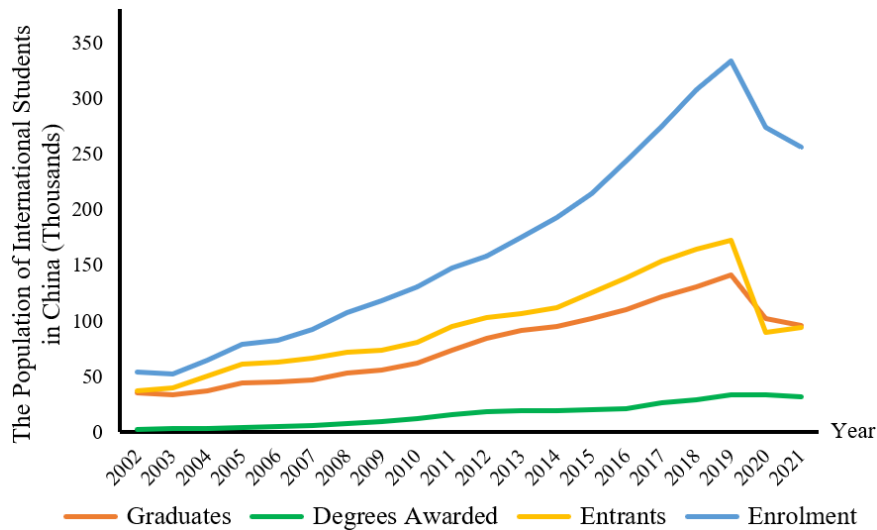


Figure 3. Statistics on International Students in China, 2002-2021

Source: Ministry of Education of China.

Nevertheless, it is necessary to note that this paper suggests that China should adopt a relatively conservative strategy towards the issue of international students in the short term. The first reason is that the continued expansion of international students will further consume China’s already scarce educational resources and worsen public opinion about international students and possibly international immigrants in China. The second reason is that an increase in the number the international students may lead to a decline in their average quality resulting in ineffective spending.

A more reasonable and feasible goal is to enhance the employment rate and social integration of international students in China. China could postpone some of the subsidies for international students from the education stage to the work stage to stimulate them to stay and work in China. In this way, the educational expenditure spent on international students make a real economic contribution to China. However, more detailed measures would require cooperation among China’s education departments, which is beyond the scope of this paper.

Based on the above, overseas ethnic Chinese students and international students in China can adapt to working and living in China faster than other foreigners without any Chinese background (Chinese ethnicity or study experience in China). China can save the costs of integration and largely avoid the risk of cultural conflict if importing them as international immigrants. Therefore, China’s future international immigration policies should provide a reasonable degree of convenience for these two groups of foreigners as far as possible, while maintaining some mandatory requirement (e.g., language proficiency, knowledge of Chinese

culture and academic performance of international students).

### *3.5 Others*

Although China's population ageing is predictably headed in a worse direction, it is yet to reach extreme levels of severity. So domestic approaches such as fertility incentives, delaying retirement and the transfer payments by the central government may suffice in the short-term. For example, although China cannot completely reverse its population ageing, fertility incentives should still be promoted to slow down the decline in Chinese young people's willingness to have children. Similarly, delaying retirement to a moderate extent will accommodate a population that has exhibited a gradual increase in the per capita life expectancy and ease the financial pressure from population ageing. Research in developed countries has shown that a combination of international immigration and domestic approaches can better address population ageing (Marois et al. 2020), an approach that China can also adopt.

Furthermore, even though China may not drastically reform its international immigration policies in the short term, some forward-looking measures should be on the agenda. For instance, China must strive to eliminate extreme populism among its populace to avoid racial discrimination in advance of the arrival of international immigrants. And a series of optimization measures should be implemented for the convenience of foreigners living in China.

## **4. Conclusion**

In the past few decades, China has created a remarkable economic miracle by utilizing its huge demographic dividend, but this advantage will soon disappear. The ensuing population ageing structure will soon have a negative impact on China's economy. However, the domestic measures that China has already taken and plans to take (e.g., fertility incentives, delaying retirement and compensating for regional ageing with transfer payments) will not sufficiently resolve the increasingly expanding population ageing problem.

The present study posits international immigration as a mean to address China's ageing problem. Although China is not a multicultural and multiracial country, it may have to make modest concessions on its traditions due to economic pressures. International immigration policies suited to national conditions are potentially valuable for China in dealing with the demographic crisis in the future.

Besides, some complementary measures (e.g., eliminating racial discrimination and improving foreigners' life convenience in China) are also required for China to import international immigrants of a satisfactory quality and quantity. If China does not get ready to integrate foreign immigrants soon, it cannot hope to use international immigration as a lifesaver when population ageing becomes acute.

Finally, international immigration is not a perfect solution, some domestic methods are still useful in slowing down China's ageing trend to some extent. Therefore, a combination of limited and controllable international immigration policies and domestic strategies will be



highly feasible and effective for China to address its population ageing problem in the future.

**Acknowledgments**

Not applicable.

**Authors contributions**

Not applicable.

**Funding**

Not applicable.

**Competing interests**

Not applicable.

**Informed consent**

Obtained.

**Ethics approval**

The Publication Ethics Committee of the Macrothink Institute.

The journal's policies adhere to the Core Practices established by the Committee on Publication Ethics (COPE).

**Provenance and peer review**

Not commissioned; externally double-blind peer reviewed.

**Data availability statement**

The data that support the findings of this study are available on request from the corresponding author. The data are not publicly available due to privacy or ethical restrictions.

**Data sharing statement**

No additional data are available.

**Open access**

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/4.0/>).

**Copyrights**

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

**References**

Guo, S. (2022). Reimagining Chinese diasporas in a transnational world: toward a new research agenda. *Journal of Ethnic and Migration Studies*, 48(4), 847-872.

<https://doi.org/10.1080/1369183X.2021.1983958>

Harper, S. (2014). Economic and social implications of aging societies. *Science*, 346(6209), 587-591. <https://doi.org/10.1126/science.1254405>

Hollifield, J. F., & Sharpe, M. O. (2017). Japan as an 'Emerging Migration State'. *International Relations of the Asia-Pacific*, 17(3), 371-400.

<https://doi.org/10.1093/irap/lcx013>

Iskandar, K. (2019). Japan Aging Issues, Long Term Care Insurance (LTCI) and The Migration of Indonesian Nurse to Enter Japan Labor Market. *Journal of Strategic and Global Studies*, 2(2), 18-39. <https://doi.org/10.7454/jsgs.v2i2.1020>

Kim, K. W., & Kim, O. S. (2020). Super Aging in South Korea Unstoppable but Mitigatable: A Sub-National Scale Population Projection for Best Policy Planning. *Spatial Demography*, 8(2), 155-173. <https://doi.org/10.1007/s40980-020-00061-8>

Marois, G., Bédanger, A., & Lutz, W. (2020). Population aging, migration, and productivity in Europe. *Proceedings of the National Academy of Sciences*, 117(14), 7690-7695. <https://doi.org/10.1073/pnas.1918988117>

Mills, M., Rindfuss, R. R., McDonald, P., & Velde, E. T. (2011). Why do people postpone parenthood? Reasons and social policy incentives. *Human Reproduction Update*, 17(6), 848-860. <https://doi.org/10.1093/humupd/dmr026>

Newbold, K. B. (2018). Aging and Migration: An Overview. In R. R. Stough, K. Kourtit, P. Nijkamp, & U. Blien (Eds.), *Modelling Aging and Migration Effects on Spatial Labor Markets. Advances in Spatial Science* (pp. 19-30). Cham, Switzerland: Springer. [https://doi.org/10.1007/978-3-319-68563-2\\_2](https://doi.org/10.1007/978-3-319-68563-2_2)

Paquet, M., & Xhardez, C. (2020). Immigrant integration policies when regions decide ‘who comes in’: the case of Canadian provinces. *Regional Studies*, 54(11), 1519-1534. <https://doi.org/10.1080/00343404.2020.1808881>

Sobotka, T., Skirbekk, V., & Philipov, D. (2011). Economic Recession and Fertility in the Developed World. *Population and Development Review*, 37(2), 267-306. <https://doi.org/10.1111/j.1728-4457.2011.00411.x>