

The Economic and Social Impact of China's Rural and Urban Population Aging

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ABSTRACT

The ageing of China's population in both urban and rural areas has had a profound impact on both the economy and society. Population aging is closely related to per capita income, employment, medical expenses, and other aspects. However, The ageing population in rural and urban areas will behave differently. In rural areas, population aging has led to increased labor pressure, decreased agricultural productivity, and hindered the development of rural economy. Simultaneously, a large number of young rural laborers are migrating to cities year by year, leading to a continuous increase in the number of left behind elderly people in rural areas. The limited medical, health and social services available in rural areas cannot fully meet the needs of the elderly who are being left behind, further exacerbating the problem of an ageing rural population. In urban areas, population aging leads to changes in working age, a decrease in labor supply, a decline in the working age population, and an increase in the proportion of elderly labor force, greatly increasing the pressure on the pension and health insurance system. This article will gain an understanding of the impact of aging populations in rural and urban areas of China on the economy and society through data analysis and typical case studies. The research results indicate that there is a significant correlation between population ageing and medical expenditure, while also having a negative impact on per capita income and employment. The problem of population aging is more severe in rural areas than in cities. Overall, in order to alleviate population ageing, different solutions and policies should be adopted based on the characteristics of urban and rural ageing, in order to effectively alleviate the pressure on economic growth and social welfare.

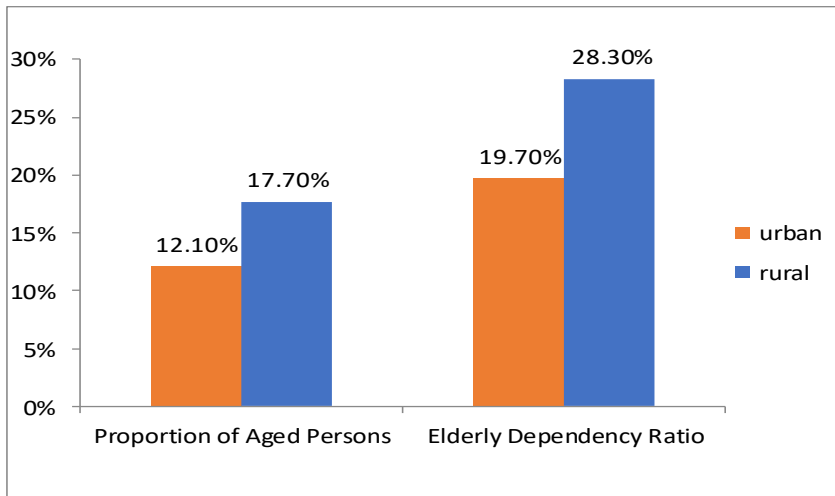
Keywords: population aging, rural areas, urban areas, elderly people, labor force, economic growth, social welfare

RESEARCH BACKGROUND

The definition of population aging includes two aspects. On the one hand, it refers to the process whereby declining birth rates and increasing life expectancy lead to a decline in the young population and an increase in the elderly population, resulting in a gradual increase in the proportion of the population that is elderly. On the other hand, it refers to the social structure that is ageing and entering an ageing society. According to the standards of the United Nations Department of Economic and Social Affairs (UN DESA), the standard for measuring population aging is that a country or city has 10% of its population aged 60 and above, or 7% of its population aged 65 and above, indicating that the country or region is in an aging society. The measurement standard will also use the elderly dependency ratio, which is the ratio of the working-age population to the elderly population.

There are significant differences between rural and urban population aging in China. Compared to cities, the aging population in rural areas is relatively severe. This is shown in Chart 1 below.

Chart 1: Comparison of Aging Population between Urban and Rural Areas in China in 2021 (65 Years and Over)



Source: The 7th National Population Census of 2021

According to Chart 1 above, the proportion of elderly population aged 65 and above in rural areas is significantly higher than in cities, the elderly dependency ratio is also higher than in urban areas. In rural areas, the main reason is the migration of large numbers of young workers to the cities, resulting in a decline in the young population and an increase in the proportion of older people. In cities, the aging situation is better than in rural areas due to relatively sound social security, pension systems, and medical care. Although urban aging is accelerating, a sound welfare system can provide living security for the elderly. However, factors such as poor economic development and medical conditions in rural areas cannot meet the living needs of the rural elderly, further exacerbating the problem of an ageing population in rural areas.

As China's population ages, we should also focus on urban and rural areas. The ageing population in urban and rural areas presents different conditions, each with its own opportunities and challenges. In cities, population aging can lead to a shortage of labor force and difficulties in the operation of the labor market. On the other hand, the increasing number of elderly people in cities can put pressure on healthcare, elderly care, and other aspects. To meet the needs of the elderly population, governments should invest more financial support to ensure their livelihood. To ease the pressure of an ageing urban population, new opportunities have been brought to the fields of elderly care services, health industry, etc. These emerging industries have injected vitality into economic development.

In rural areas, the problem of an aging population is more prominent. The migration of many young and middle-aged people to cities has led to a decrease in rural labor force and agricultural productivity. At the same time, construction of rural infrastructure, public services, medical services, and other fields is relatively weak, which has put great pressure on the government. However, the current situation of rural aging has also brought opportunities for some emerging industries, such as improving their living standards through the development of green food, characteristic agriculture, etc., and creating new models of care for the elderly to alleviate the problem of rural aging.

Research significance

The impact of population aging on the economy and society is crucial to be scrutinised. With the change in China's population structure, it is of practical importance to study the economic and social implications of aging. Firstly, population ageing is leading to an increase in the number of older people and a decrease in the number of young and middle-aged people in the labour market, which cannot inject a continuous stream of vitality into the labor market. The impact of ageing on the labour market is immense and will slow down the rate of economic growth. However, as the population structure continues to change, people's consumption structure will also undergo changes. As the ageing population grows older, the consumer group facing the

market will gradually shift towards the elderly. New adjustments and developments should be made in industries such as healthcare, entertainment, and elderly care to better deal with the present of population aging.

Secondly, population aging has also had an impact on social development, especially social security. The increase in the number of elderly people will cause certain pressure in medical and health care, elderly security, etc. At the same time, the pressure of taking care of the elderly among young people will lead to a decrease in their sense of happiness and an increase in life pressure. Therefore, by studying population aging, we need to improve the quality of care services for the elderly, optimize the social welfare system, and strive to create a harmonious and happy new society.

Research Objectives

First, by searching for relevant data, we analyzed the China's current population aging situation, and discussed the differences between urban and rural aging. Secondly, using multiple regression analysis to examine the relationship between population aging and per capita income growth rate, employment numbers, and medical expenditures, and to examine the economic and social implications of aging. Compare rural and urban aging with typical cases, analyze the differences and reasons in detail, and provide reasonable suggestions on how to deal with the aging of the population in the future.

LITERATURE REVIEW

The economic and social impact of ageing is far-reaching. Doris Padmini Selvaratnam (2021) used data from 1981 to 2019 to study the economic impact of population aging on Malaysia. The data analysis results showed that population aging did indeed have a significant negative impact on Malaysia's economy. Nader Mehri (2020) believes that social and economic safety for the elderly is a key issue for Iran's aging population, and social and economic support strategies need to be developed to address the aging problem. Meltem Ince Yenirmez (2014) mentioned in the article that the most prominent demographic feature is population aging, with the increasing proportion of elderly people affecting various aspects of society, such as health, education, and life. Lucia Andrade da Silva (2016) mentioned that the ageing of Brazil's population has been the cause of a decline in primary health care, healthcare governance, and quality of life. Society and the country should be aware of the costs of aging and develop specific strategies. Nicole Maestas (2023) found through studying data from 1980 to 2010 that population aging has slowed down the development of the US economy, with annual GDP growth falling by 0.3 percentage points. Paul Kawa (2015) believes that the health problems and long-term care needs of elderly population puts pressure on health and household budgets, and that population aging will hinder macroeconomic development. In summary, population aging will hinder economic and social development.

China's urban and rural populations are ageing differently, and its influencing factors and coping methods will also vary. Doris Padmini Selvaratnam (2007) mentioned in the article that Malaysia is beginning to move towards an ageing of its population. Faced with the different aging structures of urban and rural populations, the problems that need to be solved are also different. It is necessary to focus on the current issues and prepare for the happy life of the elderly. Tine Buffel (2016) proposed the idea of building elderly-friendly urban communities to address the issue of urban population aging, which is of great significance in improving the phenomenon of urban population aging. Joost Van Hoof (2018) believes that cities should implement age friendly approaches to address the challenges of future aging, such as inclusive communities and home-based care technologies. Regarding the aging of rural populations, Evandro Fei Fang (2015) believes that the large-scale migration of rural populations to cities has resulted in a serious aging phenomenon in rural areas. Therefore, it is necessary to establish a home-based elderly care system to cope with the aging of rural areas in China. Norah Keating (2016) mentioned in the article using a marginalized perspective to focus on rural elderly people, calling for interaction between people and places, understanding rural services, health, and the process of rural aging. Xufan Zhang (2017) mentioned in his study that the difference in aging population between city and rural is related to the accessibility of healthcare services.

Extensive research has been conducted on the problem of population aging in Germany, India, and Indonesia. Aziiz Sutrisno (2011) mentioned in the article that the aging population in Germany is a major problem for the German government, which can lead to instability in the country's socio-economic system and have an impact on the country's economic indicators. Relevant measures have been proposed to address this issue. Ramani Ponnappalli (2013) conducted research on population aging and demographic transition in India, delving into the factors contributing to different aging processes in different states of India. Fatkhu Ridho Fitra Esa Putra (2024) analyzed Indonesia to study the population aging and poverty rates, and found that in regions with higher levels of economic development, population aging is associated with higher poverty rates.

It is of great significance to solve China's aging population. Almas Heshmati (2018) believes that promoting healthy aging in China contributes to economic and social well-being and focuses on the strategy of healthy aging to improve health levels of older people. Klaudia Jadwiga (2011) took Spain as an example and proposed that solving the problem of an aging population cannot rely solely on immigration but should combine free immigration policies with welfare reform policies. Therefore, the aging population should formulate reasonable policies in accordance with the current situation of the social and economic development of the country.

METHODOLOGY

Data Analysis

Regression analysis

This data analysis mainly studies the relationship between China's population aging and the growth rate of per capita income, the number of employees and the proportion of medical and health expenditure in GDP from 2008 to 2022. The data from 2009 to 2023 for the study are mainly from the statistics released by the National Bureau of Statistics, the International Labour Organization (ILO), the Ministry of Finance, the People's Republic of China, and the national population census.

To examine the specific impact of ageing on the three independent variables, this article uses multiple linear regression analysis to clarify the results of the impact between variables and provide relevant basis for policy formulation.

Chart 2 below shows the multiple regression analysis with China's population aging rate (%) as the dependent variable, and the growth rate of per capita income (percentage), the number of employees (million), and the proportion of medical and health expenditure in GDP (%) as the independent variable. It is possible to see more clearly the impact of these three independent variables on the population aging rate.

Chart 2 : Regression analysis results

Proportion of elderly population (%)	regression coefficient	t	Sig.	Tolerance	VIF
(Constant)	43.017	2.400	0.035		
Per capita income growth rate (%)	-0.149	-1.810	0.098	0.563	1.775
Number of employed individuals (million)	-0.050	-2.191	0.051	0.596	1.678
Proportion of healthcare expenditure to GDP (%)	1.278	5.144	0	0.513	1.949
F	39.655				
Adjusted R ²	0.892				
Durbin-watson	1.506				

According to the regression analysis results in Chart 2, the F-value test result is 39.655. The adjusted R² reflects the goodness of fit, with a value of 0.892, indicating that the model has a good goodness of fit and a good fitting effect. The Durbin Watson statistic is 1.506. This indicates that the model does not have serious autocorrelation problems. The VIF values of the three independent variables are all less than 10, an indication that there is no multicollinearity problem in this model.

Per capita income growth rate: The regression coefficient is -0.149, and the significance level of this variable is 0.098, indicating that it reaches statistical significance at a significance level of 0.1. When the per capita income growth rate increases by 1%, the proportion of elderly population will decrease by 14.9%. Indicating that population aging will reduce per capita income.

Number of employed individuals: The regression coefficient is -0.05, with a significance level of 0.051. Reached statistical significance at a significance level of 0.1. Indicating that for every 1 million additional job opportunities, the elderly population will decrease by 5%. The more severe the problem of population aging, the fewer employed people there will be, and there is a significant negative correlation between the ageing of the population and the employment situation.

The proportion of medical expenditure to GDP: The regression coefficient is 1.278, with a significance level of 0, which is very high ($P < 0.01$). For every one percentage point increase in the proportion of medical expenditure to GDP, the elderly population will increase by 1.278 percentage points. The growth in the elderly population points to a significant increase in health expenditure, putting pressure on public finances.

In order to more intuitively see the relationship between the independent variable and the dependent variable, the specific model expression is as follows:

$$y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \mu$$

Among them, y is the dependent variable (population aging rate), X represents the dependent variable, X_1 , X_2 , X_3 respectively represent the growth rate of per capita income, the number of employed people, and the proportion of medical and health expenditures to GDP. According to the coefficients in Chart3, the regression equation can be written as:

$$y = 43.017 - 0.149X_1 - 0.050X_2 + 1.278X_3 + \mu$$

In summary, there is a strong correlation between the aging of the population and expenditure on health care, employment and per capita income. There is a significant correlation between population aging and medical expenditure, while employment and per capita income have a weaker significant relationship with population aging compared to medical expenditure. Therefore, it is necessary to attach importance to the problem of population aging, propose feasible measures, and formulate policies for economic and social development.

Case Study Analysis

The data from 2009 to 2023 for the study are mainly from the statistics released by the National Bureau of Statistics, the International Labour Organization (ILO), the Ministry of Finance, the People's Republic of China, and the national population census.

This case analysis is based on data from two regions in 2022, which are mainly sourced from the National Bureau of Statistics, Beijing Aging Development Report, Beijing Government, Beijing Bureau of Statistics, Gansu Bureau of Statistics, and Gansu Provincial Statistical Yearbook.

This case analysis method takes developed cities (Beijing) and poorer rural areas (Min County, Dingxi City, Gansu Province) as typical cases to explore and analyze the effect of population aging on the economy and society in different areas. By comparing economic dimensions and social dimensions, we can comprehensively understand the regional differences of China's population aging.

City selection criteria used are that Beijing is the capital of China, with a well-developed economy and comprehensive social security, medical standards, and elderly care services. The reason for choosing Min County in Dingxi City, Gansu Province, is that the region is located in the northwest of China and represents an economically underdeveloped area with low social security expenditures and medical standards.

According to the comparison between these two cities, the urban-rural difference of China's aging population can be more clearly reflected, as per the dimensions described below:

Economic dimension

Differences in the labor market: Beijing tends to lean more towards technology intensive industries and service sectors. Due to the increasingly serious problem of population aging, the number of people of working age is falling, and the number of people in the high-tech labour force is also falling. Some high-tech industries are facing labor shortages, which seriously affects productivity. In some nursing, medical and other service industries, there may also be employment difficulties. The aging of the population has been a source of pressure on the survival and development of these industries.

Due to the backward economic development, a large number of young people have migrated from rural areas to big cities in Min County, Dingxi City, Gansu Province, resulting in an increase in the number of older people in the area. The loss of young rural labor has led to a decline in agricultural productivity in the rural area. In order to alleviate labor shortages and improve agricultural production efficiency, the development of agricultural automation is of great importance to the local government. However, due to financial issues, this policy has also been hindered. The aging population hinders agricultural production efficiency.

Differences in consumption structure: With the increase of the elderly population, Beijing places more emphasis on the development of industries such as healthcare, health services, and elderly care services. With high income levels in Beijing, elderly people have more retirement benefits, and their consumption power will also increase. Elderly people will pay more attention to the development of elderly care services, elderly health care, and other aspects. Industry development driven by aging population such as health entertainment and healthcare, as well as the growth of the health consumer goods market.

Because of the low income levels of older people in Min County, Dingxi City, Gansu Province, they do not have sufficient economic conditions to support their pursuit of high-level elderly care. Their consumption mainly focuses on daily necessities such as daily necessities, and their expenses in medical and health services are relatively low. On the one hand, it is due to low income and weak awareness of healthy elderly care. On the other hand, the medical conditions in the region are poor, and health needs cannot be met. The consumption in the region is in a sluggish state, and the aging population has insufficient driving force on the local consumption structure.

In Chart3, it is clearer that the economic impact of ageing differs between urban and rural areas.

Chart 3: Comparison of Economic Dimensions between Beijing and Min County, Dingxi City, Gansu Province

Index	Beijing	Min County, Dingxi City, Gansu Province, Beijing
Proportion of elderly population	21.3%	17.8%
Proportion of labor force (15-59)	65.4%	60%
Medical and health expenditures	364937million	11210million
Social security and employment expenditures	106780million	15130million

Through the above comparison, we find that the impact of ageing differs significantly between regions. Due to its relatively good level of economic development, Beijing can improve elderly care facilities and policies by increasing public spending, alleviate the economic pressure brought by population aging, and promote the development of the healthy elderly care industry. However, Min County in Dingxi City, Gansu Province has a backward economic development and limited fiscal expenditure. This makes it very difficult to cope with population ageing and hampers economic development. Overall, addressing the issue of ageing populations in different regions, policies need to be tailored to local conditions.

Social dimension

Differences in family elderly care: Beijing has a high level of urbanization and well-developed communities, and some older people are able to rely on community-based elderly care services to help relieve the pressure of caring for their children. Due to the high income level of the family, elderly caregivers can also be hired to take care of the elderly, relieving the pressure of young people's lives and caring for the elderly. Due to the good construction of urban infrastructure, joint efforts from various aspects can be made to alleviate the pressure of family elderly care caused by population aging. The main way of elderly care in Min County, Dingxi City, Gansu Province still relies on family care. The income of elderly people in rural regions is low, and the elderly care in rural areas needs to be developed. Most elderly people still rely on their children for elderly care. Due to the large outflow of young people, the economic pressure has further increased. Taking into account the above reasons, traditional family-based methods of elderly care are relied upon by the rural elderly.

Differences in the economic burden of elderly care: Beijing's elderly care security system is relatively sound, and the pension and medical security system for the elderly can help them bear some of the living and medical pressures. Elderly people in Beijing have high incomes and abundant savings and can even alleviate the economic burden of their children's retirement by hiring nursing staff.

The income of elderly people in Min County, Dingxi City, Gansu Province is relatively low, and the pension security system is not sound. Most elderly people cannot afford their living expenses through their own retirement pensions and savings and still rely on their children's work income. Especially for low-income families, young children may not be able to balance both life pressure and retirement pressure, and the quality of life for older people cannot be a guarantee. The increase in medical expenses, inadequate elderly care system, and low incomes have led to an increased burden of caring for the elderly in rural areas.

The data in Chart4 can more clearly show the differences in social dimensions between urban and rural areas in the context of population aging.

Chart 4: Comparison of Social Dimensions between Beijing and Min County, Dingxi City, Gansu Province

Index	Beijing	Min County, Dingxi City, Gansu Province, Beijing
Community Day Care Center	Wide layout, mature and diverse services	Narrow layout and limited service content
Medical insurance coverage rate	Nearly 100%, with comprehensive social security	Nearly 98%, with a relatively low level of social security
Coverage rate of elderly care service facilities	1498 community elderly care service stations and 301 elderly care centers	There are relatively few elderly care facilities, mainly consisting of township nursing homes
Social participation rate of elderly people	Higher, elderly education and cultural activities are widely carried out	Low, mainly focused on grassroots community activities and agriculture

Through the above comparison, there are significant differences in social dimensions between Beijing and Min County in Dingxi City, Gansu Province. Due to the well-established elderly care facilities, abundant resources, and relatively light burden, the quality of life for the elderly in Beijing is relatively high. However, Min County in Dingxi City, Gansu Province tends to focus on the basic elderly care model. The lack of elderly care resources and facilities has led to a heavy burden on families and society, and the normal living needs of the elderly cannot be guaranteed, resulting in a decline in their quality of life. Therefore, when dealing with the problems caused by population aging, China should start from the current situation in different regions, strengthen elderly care assistance and policy optimization for poverty-stricken areas, and enhance the development level of community and family elderly care services.

RESULTS AND DISCUSSION

According to the results of regression analysis on the data, Population ageing will lead to declining per capita income growth. This is because population aging reduces the number of people in working-age population, and the newly added labor force is not enough to make up for the retired population, thereby reducing labor participation rate, lowering economic production capacity, increasing fiscal burden, and greatly reducing per capita income growth rate. The aging of the population will lead to a decline in the number of people in work, a reduction in the labour force and an increase in the number of retired people. However, with the advancement of technology, traditional positions are disappearing and being replaced by high-tech positions. This leads to a weakening of the willingness and ability of older people to learn new skills, resulting in an overall decline in the number of employed people. The aging population has led to a significant increase in medical and health expenditures. Due to the poor physical health of the elderly, there is a high level of demand for medical services. Nowadays, the prices of medical services have significantly increased, and the elderly need more high-end medical technology, which requires them to pay higher medical expenses. In summary, economic and social development has been negatively affected by population ageing.

Based on case analysis, comparing Beijing and Min County in Dingxi City, Gansu Province from economic and social dimensions, it can be concluded that the degree of ageing of the urban population is lower than that of the rural population, due to a large number of young rural people migrating to the cities. There is a significant economic gap between urban and rural elderly people, with urban pension coverage higher than rural areas. Urban elderly people have diverse income sources, while elderly people in rural areas are still dependent on their children for support. Social security and medical and health conditions are better in cities than in rural areas. Urban social security is stronger, medical services are widely distributed, medical technology is advanced, and there are better elderly care conditions. However, in rural areas, social security is poor and medical resources are scarce, which can only guarantee the basic medical needs of the elderly. There are also differences in the way older people are cared for between urban and rural areas. While rural areas mostly rely on family elder care and the assistance of old children, urban areas primarily rely on community elder care, institutional elder care, and a variety of elderly care techniques to maintain the safety of elderly people's lives. In summary, The disparity in aging populations between urban and rural areas is caused by a number of variables, including unequal economic development and social resource distribution.

Therefore, to lessen the impact that the aging population is having on the economy and society, and narrow the gap between urban and rural population aging, practical and feasible measures and suggestions should be proposed.

Policy Implication

Solutions to alleviate the difference in population ages between rural and urban areas in China

There is a significant difference in the phenomenon of aging population between urban and rural regions in China, and alleviating the significant difference between urban and rural areas is also a key focus in solving the problem of population aging. To improve this difference, we can start from the following aspects.

First, Create a reliable pension security mechanism. In rural areas, ensure that the majority of people participate in urban residents' medical and pension insurance, increase pension benefits and raise pension standards based on their original income levels. We should also address the issue of limited access to medical care in rural areas, lessen the financial burden on older persons seeking medical treatment in rural areas, and enhance rural medical and pension insurance. In urban areas, reducing prejudice against rural elderly seeking medical treatment, allowing rural elderly to enjoy the same medical and insurance benefits as urban areas, and narrowing the urban-rural gap.

Second, encourage young people to return home and promote rural economic development. Introduce relevant policies to encourage young people to their hometowns for innovation and entrepreneurship, improve rural employment rates, and alleviate the pressure of rural aging. Vigorously developing the modern economic system in rural areas, deepening agricultural automation into rural areas, reducing the burden of farming on

elderly people in rural areas, and improving agricultural efficiency. In order to raise the revenue streams and standard of living for older residents of rural areas, we can also establish new industries there, such as picking gardens and rural tourism.

Third, improve the elderly care service projects. Establish nursing homes and senior care facilities in rural locations to provide prompt support for the elderly. Enhancing the quality of medical treatment, developing medical services in rural areas, and ensuring the physical well-being of the elderly are all imperative. Additionally, young people can be encouraged to work in the medical and elder care sectors and to return home to help the elderly in rural areas.

Fourth, encourage a culture of elder care. The cultural environment and associated cognition of the elderly are intimately linked to the notable disparity in the aging population between urban and rural settings. Rural communities can regularly carry out elderly care public welfare volunteer activities to increase care for elderly people in rural areas. Through cultural promotion, we aim to deepen the understanding of elderly care among the elderly and narrow the ideological gap with urban elderly. It is also possible to build leisure rooms for the elderly, carry out entertainment activities for the elderly, and enrich the life of rural elderly in their later years.

Fifth, mobilize social figures and urban residents to participate. Encourage social individuals to invest in rural elderly care service projects through policy support, financial assistance, and other means. Urban areas can organize volunteer activities to encourage urban residents to provide advice and suggestions for caring for the elderly in rural areas, integrate into the field of rural elderly care, and enhance the interaction between rural and urban areas.

To address the issue of the age gap between rural and urban locations, it is necessary to consider the current situation of rural development and the wishes of the elderly. While adapting to local conditions, it also relies on the joint efforts of urban and rural areas.

Solutions to China's aging population

The aging population will have an adverse effect on social processes and economic development. Only by facing this issue and taking effective measures can potential risks be avoided in future development. There are several methods to alleviate population aging, including extending the retirement age.

First, extend the retirement age. With the extension of life expectancy, appropriately extending the retirement age and providing suitable positions for elderly people who delay retirement, choosing the retirement age based on their physical condition, etc., can help alleviate the problem of labor shortage and also reduce the pressure of retirement benefits.

Second, encourage childbirth and increase the birth rate. Due to various factors such as high life pressure and high parenting costs, young families have greatly reduced desire for childbirth. To alleviate this problem, policies such as maternity subsidies, childcare subsidies, and parental leave should be implemented to put these policies into practice, so that young people can let go of their concerns about childbirth, thereby growing the population of youth and alleviating the aging situation.

Third, increase the older population's employment rate. Create a favorable employment environment for the elderly, develop job positions suitable for them, encourage healthy and willing elderly people to continue working, and enhance social value.

Fourth, establish sound elderly service facilities. Automated devices that are helpful for the elderly can be installed in public places, with emphasis on the construction of accessible facilities to increase enhance their standard of living and gain their freedom.

Fifth, promote balanced regional development. Encourage more resources to flow into underdeveloped areas, and relevant policies can also be tilted towards underdeveloped areas to achieve overall economic and social development, which is an important measure to improve population aging.

Overall, in order to address the potential problems brought about by population aging, it is necessary to consider from multiple perspectives and angles, implement policies in practice, and actively respond to challenges.

CONCLUSIONS

By studying the social and economic effects of China's aging populations in both rural and urban places, the following main conclusions have been drawn:

Firstly, the economy and society are greatly impacted by the aging of the population. The aging population will decrease in the young population in the labor market, which cannot make up for the shortage of labor force. At the same time, per capita income has also declined, slowing down economic development. In addition, the aging population has seriously affected the healthcare system, and with the increasing proportion of elderly people, the need for medical treatment is likewise rising. According to data analysis, medical expenditure is highly correlated with aging population, therefore optimizing the allocation of medical resources is crucial.

Secondly, there is a significant gap in aging population between urban and rural regions. The city can better handle the strain that comes with aging thanks to its reasonably comprehensive community old care system and senior care service facilities. However, the outdated elderly care facilities and low medical standards in rural areas have led to a more pronounced aging phenomenon in rural areas. This illustrates the significance of policies that are skewed toward rural areas and reflects the unequal allocation of social resources.

Finally, China's aging population has a profound and complicated effect on the country's economy and society, both in urban and rural areas. In cities, facing aging population, there are well-established elderly care facilities and advanced medical technology, while also seizing economic opportunities to develop numerous enterprises related to elderly care services. In rural areas, factors such as labor outflow, declining agricultural productivity, and lack of elderly care services have further exacerbated the negative impact of rural population aging. Therefore, policy intervention is needed to encourage the growth of the rural economy.

China can address the future development direction of the aging urban and rural populations from the following perspectives, according to the conclusion above:

Firstly, policies should be improved. Strengthening social security efforts, improving medical insurance and pension insurance systems, ensuring equitable resource allocation between rural and urban areas, and tilting policies towards rural areas can effectively provide security for elderly people in rural areas.

Secondly, the common growth of both rural and urban areas. Urban and rural areas should achieve coordinated development, resource sharing, appropriate flow of urban resources to rural areas, and convenient measures such as establishing elderly care service centers for rural areas to learn from cities, in order to enhance the ability to jointly address aging issues.

Thirdly, technological innovation and development. According to the current situation of China's aging population, we have actively developed advanced and practical pension equipment to provide advanced medical equipment and technology for the elderly. We can also seize opportunities and assist the market for senior care services based on the differences in aging between urban and rural areas, which can help alleviate the current situation and find new economic growth points.

In short, China should make more efforts to cope with the aging population. By using policies, technology, and other means to alleviate pressure, we can also seize new economic growth points, build a harmonious and fair social development environment, and promote further overall economic growth.

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