

# Impact of Population Aging on Economic Growth and Coping Strategies

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**Abstract:** While the pace of economic development is accelerating, the phenomenon of population aging in China is becoming more and more serious, which is mainly due to the demographic structure of China is changing, and the situation of negative population growth is occurring due to the decline in the fertility rate. When the aging of the population is more serious, it will lead to the reduction of the economically active population, which will seriously affect the labor productivity, and will have a serious impact on economic growth. Therefore, population aging not only represents a change in the demographic structure of China, but also affects economic development. In view of this, this paper will analyze the measures to cope with the impact of population aging on economic growth, starting from the impact of population aging on economic growth.

**Keywords:** Population Ageing; Economic Growth; Economic Transformation

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## Introduction

In economic activities, productivity and economic benefits are affected by many factors, and in terms of economic theory, supply and demand are the main factors determining output, and population aging will have a direct negative impact on output, and population aging will increase socio-economic inputs and increase economic pressure. Therefore, from the perspective of economics, population aging will have a great impact on economic growth, but population aging is not the only disadvantage, the negative impact on economic growth can also be mitigated by certain means, so as to balance the relationship between economic development and demographic change.

## 1. Impact of population ageing on economic growth

### 1.1 Impact on productivity

Population ageing will have an impact on social productivity and lead to a decline in employability, which will have the most direct impact on economic development. Population aging will mean that the disposable labor force will be reduced, and the labor force will shrink, leading to the reduction of the total social labor force, which will seriously affect the demand of the whole economic development. In addition, due to the high dependence of the elderly consumer group on the service industry, and the special characteristics of this industry, fewer employment opportunities, resulting in an imbalance between social supply and demand, seriously affecting the development of the economic market<sup>[1]</sup>.

### 1.2 Increasing social security

Population ageing will lead to an increase in social insurance costs, such as medical care and old-age security, which will become the focus of economic policymaking and lead to increased pressure on the allocation of economic resources in China. Since population ageing will lead to an increase in social costs, it will have a negative impact on fiscal health, and the Government can only maintain normal social functioning by means of adjusting taxes, welfare policies and expenditures, resulting in increased pressure on the Government's macro-control.

### 1.3 Impact on scientific and technological development

Population aging will also have an impact on the development of science and technology, mainly due to the weakening of human resources, resulting in slow progress in science and technology, scientific and technological innovation lack of fresh power, for older research-

ers, the ability to accept new things is weak, some scientific and technological research requires the use of modern information equipment, the operation of this part of the personnel training is more difficult, and will increase the cost of scientific research, which seriously affects the economic growth and social competitiveness. Economic growth and social competitiveness<sup>[2]</sup>.

## **2. Current status of population ageing**

At present, the phenomenon of population ageing in China is becoming more and more serious, and in terms of regional location, the trend of population ageing in China has shifted from the east to the west, which is sufficient to show that there is an obvious link between population ageing and economic development. For developed countries, they have a rich economic foundation, and when facing the economic impact of population aging, they are subject to less fluctuation and have sufficient economic support. However, China is a developing country with slow economic growth, and the trend of population aging will put great pressure on economic development. From the perspective of historical development, the main reason for population aging in China is that China implemented the family planning policy in the early days, which led to an aging society before it had stepped into an affluent country, resulting in China's population aging lagging behind its economic development and lack of sufficient economic support, which has led to a greater pressure on our country to cope with the problem of aging<sup>[3]</sup>. From a large number of demographic surveys and studies, the aging of China's rural population is more serious than that of its urban population, and the pressure it faces is greater than that of its urban population, so the focus of the breakthrough in the aging of the population is in the rural areas. The large number of young people moving to towns and cities has led to the aging of the rural population, and the difficulty in implementing some of the rural pension policies and medical and health care systems has led to regional imbalances in the aging of China's population.

## **3. Measures to address the impact of population ageing on economic growth**

### **3.1 Accelerating industrial upgrading**

Population aging and economic growth are inversely proportional to each other, and at this stage, there is a serious mismatch between population aging and economic growth, for which our country should accelerate the transformation of economic growth, promote the upgrading of the industrial structure of , and make the economic development adapt to the trend of population aging. In this regard, manufacturers should be consumption-oriented, the aging of the population into the scope of economic development considerations, centered on the elderly group, the development of the elderly-oriented economic industry, and expand the peripheral products, to stimulate the vitality of the elderly market, and to promote the structure of economic development can be tilted to the elderly group. At present, China's industries show an intensive trend, if not optimized and upgraded, it will lead to the decline of China's economic market vitality and international competitive advantage. Therefore, only by continuously promoting the upgrading of industrial structure and improving productivity and production efficiency can we effectively alleviate the economic development pressure brought about by population ageing.

### **3.2 Improving the policy system**

First of all, we should strengthen the attention and care for the elderly, improve their quality of life and level of medical protection, provide them with comprehensive medical and pension services, and encourage them to actively participate in social activities and contribute to economic development. Secondly, it should stimulate the vitality of the labor market, provide employees with lifelong learning and training benefits, improve the vocational skills of the elderly, and enhance market competitiveness. Finally, the government should improve and optimize the social insurance system, strengthen the supervision and adjustment of financial policy, and assume more social responsibility, so that the elderly can really realize a sense of security and use<sup>[4]</sup>. In addition, the government should take into account the actual demographic structure of the society, increase the investment in the construction of elderly institutions, actively create facilities for the elderly, and make use of idle resources to provide resources for the elderly, so as to promote a more secure life in old age.

### **3.3 Developing human resources**

The experience and learning of the elderly is a valuable asset, and in the face of the trend of population ageing, China can give full play to the advantages of the elderly, so that their knowledge and wealth of experience can serve economic development, not only bringing economic income to the elderly, but also reflecting their social value, and contributing to the growth of the social economy. This requires society to increase the development of human resources for the elderly, and while safeguarding the legitimate rights and interests of the elderly, to guide the elderly to give full play to their spare time and continue to contribute to the development of society. At the same time, the implementation of a flexible retirement system is an effective way to retain the human resources of the elderly, and on the basis of respect for the wishes of the elderly, to promote their independent choice of retirement time. In the past, China relied on the huge demographic dividend to promote economic development, but at the stage when the demographic dividend is gradually disappearing, the advantage of China's economic market has gradually faded<sup>[5]</sup>. In view of this, we should increase the exploitation of human capital dividend, increase the economic investment in education, enhance the average knowledge level of the labor force, and promote the further upgrading of industries.

## Conclusion

Population aging not only affects economic growth, but also has an impact on all aspects of society, based on which the government should strengthen the improvement of relevant policies and systems, and relevant enterprises and departments should increase the aging industry, cultivate professional talents, increase economic investment, and at the same time, increase the mining of resources for the elderly, so as to turn the crisis into a business opportunity, thereby effectively promoting economic development.

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