

The Retirement and Death Wars In China

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The 2006 White Paper Series – The Retirement and Death Wars, 2006 © by R. C. Ballew, lays the detailed foundation for this addendum to that series. It expands those papers by focusing on the Chinese national culture and the author's personal future projections based on extensive subject readings and research and personal analysis.



This historical researcher believes the Chinese are racing their state-controlled, cultural rickshaw down the international trade autobahn on dangerously bald tires. The question is when the crash will happen, not if.



Americans can anticipate the reporting of a horrific Chinese cultural crash, similar to the collapse of the Soviet Empire, within the next few decades. Their three, bald Chinese tires are the pending (1) citizen globalized expectations and demands, trailed by the (2) gender imbalance and (3) the retirement and death wars. These severe cultural problems remain hidden while the media places its focus on the electrical, electronic and mechanical aspects of the temporary Chinese export dominance. This trade dominance may end and disappear in the immediate future very much like the historical Phoenician, Egyptian, Spanish and Aztec.

The questions becomes, “Will the Chinese survive their self-inflicted problems?”

Back then we said, “Duck and cover!”

The useless warning cry, “duck and cover”, that permeated the dawning of the atomic bomb age echoed the daily, primal fears that American Baby-Boomers faced during childhood. Today, certain foreign country trade practices and profiles represent a similar theoretical, but unspoken, accepted threat to America's culture.

Today, China Phobia Is An Example

Today, Americans fear, but seldom verbalize, the overwhelming educational, manufacturing and export prowess of the Chinese culture.

The daily saturation of American citizens' lives by imports from China, including both legal and “patent-infringing, knock-offs and copies”, reinforces the image of American manufacturing and services outsourced to Chinese and other offshore companies.

The whispered message is that America is becoming a country of service-providers and losing its dominance as a country of premier creators, inventors and manufacturers. America's future, in the minds of the many uninformed, seems to be dim.

That opinion is ridiculous.

Our parents' cumulative post-war “guilt and humanity” helped rebuild Asian economies with new state-of-the-art infrastructures and manufacturing capabilities and then attempted to compete with them using out-dated infrastructures and manufacturing capabilities.

This obvious but temporary result was similar to an endurance race pitting Japan's and China's 20th century Rolls Royce against America's 19th century Model T Ford.

Times and fortunes change.

Section 1 - Citizen Globalized Expectations And Demands

The globalization and expectations of Chinese citizens are rapidly expanding through international communications, media and the Internet. Every country's people are demanding better living conditions, more money and more things. They also read, see and hear how the rest of the world lives, works and plays. It is natural for a person to want more; outside factors can enable or prevent it.

The ruling parties are focused exclusively on providing jobs for the rural millions that are moving from the farms and rural areas to the cities and industrialized areas. If jobs are not made available, at any costs, political upheaval is assured and many of the Chinese ruling party and rich will surely lose their power and riches.

This mandates the explosive growth of the many Chinese businesses alliances, similar to the Japanese "Keiretsu." Interdependent Chinese companies and organizations, supplying each others' hardware, software and services, are organized around a group-centric financing organization or bank. This keiretsu has one business and trade focus...win!

The keiretsu will primarily keep all of its business within its own keiretsu. If it can't, it will enlist the efforts and support of another keiretsu.

What might be considered an anti-competitive, anti-trust action in the United States might not be in Chinese or Japanese business transactions.

The United Kingdom's Patent Office is only about 150 years old. The United States Patents and Trademarks Office is only about 230 years old. America imposes our trade rules on 6,000 year old cultures and then we act bewildered that they don't require these relative new American rules in their own countries.

It seems a bit arrogant to the Chinese that this 500 year old baby-nation-experiment called America has only about 200 years of industrialization and 100 years of global trade experience, yet "...tries to teach the 6000 year old Phoenician's culture how to trade." Japan, India and Korea have repeatedly expressed similar dismay.

They quietly speak in analogies among themselves and say "it is the infant ordering the grandfather and this arrogant, naive and misbehaving infant deserves little respect."

Section 2 - Gender Imbalance

China is a country where men outnumber women, where the vast surplus of sexually frustrated males could threaten the society, and where females are only available in very low numbers proportionally. The desire for male children only is coming back to haunt them.

The total present Chinese population stands at 1.3 billion, but will reach 1.557 billion in 2043. It is estimated to approach a zero population growth rate after 2043.¹

"China's newborn gender ratio of girls to boys was 100:117, according to the fifth national census. The number of boys under 9 years old was 12.77 million more than that of girls."²

"The normal newborn sex proportion is 100:104-107, and if China's disproportionate figure is allowed to continue unchecked, there would be 30 to 40 million marriage-age men who would be single all their lives by 2020. Such serious gender disproportion poses a major threat to the

¹ Xinhua, China's state-controlled news agency.

² Zhang Weiqing, Minister-in-Charge of the State Family Planning Commission

healthy, harmonious and sustainable growth of the nation's population and would trigger such crimes and social problems as mercenary marriage, abduction of women and prostitution."³

These officials would not have expressed these types of facts and predictions without government approval. This approval is unusual in a society where face-saving and secrecy is the norm. It demonstrates the concerns of the Chinese government.

This translates to social unrest and discomfort. A group of 10 single men gathered on a dark corner or in a bright food store communicates a threat of danger even if there is none. This accelerates and expands with 500 and 1 million. Society becomes uneasy.

The China Daily discussed the background of the ancient practice of preferring boys to girls and asked, "Where have all the girls gone?" It concluded that it's a combination of the old and the new. The Chinese love to quote snippets from their long history and state that the "*Book of Songs*" (1000-700 B.C.) declared:

*"When a son is born, Let him sleep on the bed,
Clothe him with fine clothes, And give him jade to play..."*

*"When a daughter is born, Let her sleep on the ground,
Wrap her in common wrappings, And give (her) broken tiles to play..."*

This may seem a bit harsh, but for centuries Chinese families without sons feared poverty and neglect and the male offspring represented continuity of lineage and protection in old age. American history reflects that 19th century, middle-America farmers fathered large families to work their farms. This is also the history of most agrarian societies and cultures. Customarily, Chinese men take care of their elderly parents and Chinese women are expected to take care of their parents-in-law. It's a tradition in a heavily traditional society that is hard to break.

In 1979, Chairman Mao brought in the infamous one-child policy as part of his strategy to fast-track economic modernization. Originally, Mao had favored a huge population to provide strength in numbers, but then realized that placing a limit would ensure greater control.

Parents faced with this law and with only one choice... unsurprisingly choose a boy. This has led to such extremes as the reported killing or abandoning female infants, as well as the mass adoptions.

The security implications of Asia's surplus male population is well recognized. The situation in China (and India) could threaten future world peace. In societies where the status of women is so low, the prospects for peace and democracy are reduced. By 2020 these "bare branches" will make up 12-15% of the young adult population. It is unlikely that this problem will "self-correct" as there is no incentive to stop having boys. The Chinese government is aware of this dilemma, but hasn't solved the problem yet.

Section 3 - Retirement And Death Wars

China has a rapidly aging population. By 2040, each Chinese-citizen's-work will be required to support five non-working Chinese elders.

Only 25% of these elders have any type of pension.

³ Li Weixiong, vice chairman of the Population, Resources and Environment Committee of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), at a full meeting of the CPPCC's annual session.

United Nations analysis and reports state that the ratio of elderly Chinese people to working-age will increase from 3:1 now to 5:1. By 2040 the count of 80+-year-old Chinese citizens will rise from 8 million now to about 50 million. Chinese citizens over age 60 will increase explosively, from 11% of the population in 2004 to a projected 28%.

Looking at China's extreme demographic difficulties (which will only increase with time) makes its growth as a sustainable economic superpower, that will just overwhelm the United States and the rest of the world, seems highly unlikely.

China's huge single-male and elderly populations will cause its retirement and death wars problem to grossly overshadow the United States' projections.

One analytical tome states, "By 2040, assuming current demographic trends continue, there will be 397 million Chinese elders, which is more than the total current population of France, Germany, Italy, Japan, and the United Kingdom combined."⁴

With a lot fewer workers to power the engine of China's monstrous machine, the huge advances of today could come to a halt tomorrow.

It is very clear that Chinese taxpayers' contributions and the entire social security system will have to be transformed.

"Pension coverage in China is largely limited to urban workers in the state-owned sector of the economy. In 2002, the 'basic pension system' covered 45 percent of the urban workforce, mainly employees at state- and collectively owned enterprises. Rural workers are excluded from the basic pension system, although 11 percent participate in a small and voluntary rural pension system. All told, just 25 percent of China's total workforce, urban and rural, have any pension provision at all."⁵

The government-run People's Daily stated, "According to government rules, professional women working for government institutions and state-run companies should retire at the age of 55, but men should retire at 60. Female blue-collar workers may retire at the age of 50 and men at 55." These retired women live longer than the men and will require financial support. The World Health Organization puts the average life expectancy for Chinese women at 73 (70 for men); in some affluent areas like Shanghai it's nearly 80.

Official figures from the People's Bank of China state that in September 2005, savings deposits at financial institutions were 28 trillion yuan (US\$3.46 trillion). That doesn't count the bundles of cash that are kept at home.

Unlike American personal practices, saving money and hoarding are endemic in Chinese society. In rural areas, they may have no pension, but there will be rampant savings in private. This variable will cause a difference in the world's documented perception of the retirees' status and the real situation of many of the Chinese elderly.

The rich-to-poor gap will be extreme and the wife shortages will promote social unrest.

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⁴ Graying of the Middle Kingdom by Richard Jackson and Neil Howe.

⁵ Ibid.