



***Challenges Posed by Population  
Aging at Ever-Lower Levels of  
Development in Asian Countries***

**Robert D. Retherford  
Population and Health Studies  
East-West Center**

# *Individual aging and population aging*



- **Individual aging:** Measured by life expectancy
- **Population aging:** Measured by percent age 65+

# *Causes of population aging*

---

- **Declining mortality**

- **Note:** Individual aging is only one of the causes of population aging

- **Declining fertility**

- Decline in proportion of children automatically causes rise in proportion of elderly

- **Net out-migration or low net in-migration**

- In-migrants tend to be younger than average, so net in-migration makes the population younger and net out-migration makes the population older

# *Very low fertility in East Asia*

---

- 1.2—1.5 children per woman in almost all East Asian countries
- Governments of Japan, Korea, and Taiwan are now trying to raise fertility
  - **Major reason:** Worries about rapid population aging

# *The case of Japan*

---

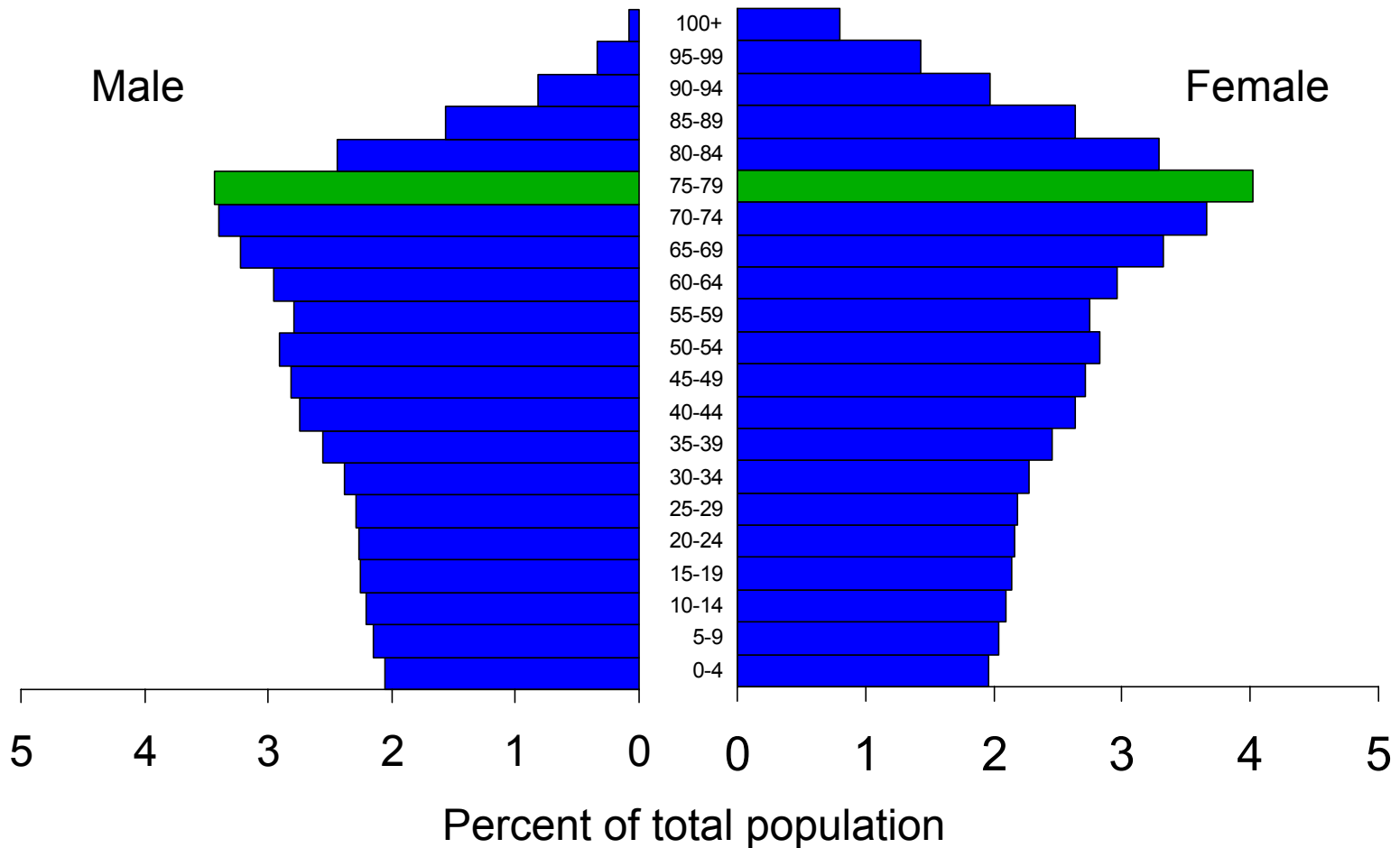
- **2000**

- % 65+ : 17% (among highest in world)

- **2050 (projected)**

- % 65+ : 36% (among highest in world)

# Age structure of Japan's population in 2050



# ***Japan's population by age, 2000–2050***

(millions)

	<b>2000</b>	<b>2050</b>	<b>% Change</b>
<b>Total</b>	<b>127</b>	<b>109</b>	<b>– 14</b>
<b>Age 15–64</b>	<b>87</b>	<b>56</b>	<b>– 36</b>
<b>Age 65+</b>	<b>22</b>	<b>40</b>	<b>+ 84</b>

*Source:* UN Projections, 2000 revision, medium variant.

# *Projected percentages age 65+ for world and selected countries*

	2000	2050
World	7	19
India	5	15
China	7	23
Japan	17	36
Italy	18	36
Germany	16	31
USA	12	21

# *Many Asian countries will get old before they get rich*

---

- Japan already has problems funding social security
  - Will get much worse
  - But at least Japan is rich!
- Population aging in South Korea, Taiwan, and China 20–30 years after Japan
  - These countries are not nearly as rich

# ***Getting old before getting rich: The case of Tamil Nadu state in India***

---

- Fertility hit 2.0 in 1999.
- 52% literacy among women of reproductive age
- 34% of households have a toilet or latrine
- Per capita income less than US\$1,000/year
  
- Tamil Nadu will get old before it gets rich

# *Implications of timing of Asian demographic transitions*

---

- In Asia (compared with the West), mortality and fertility are falling at lower levels of development
  - **Reason:** Importation of mortality and fertility control technology
- As a consequence, population aging is occurring at lower levels of development

# *Projecting ahead for Asian countries*

---

- Consider the level of population aging typical of Western countries in 1970
- Asian countries that achieve this level of aging in 2025 will have a per capita income about 1/7 as high as was typically the case in Western countries
  - The analysis takes into account inflation and projections of per capita income as well as population.

# *Policy implications*

---

- **Accelerate economic growth**
  - Pursue good macroeconomic policies
  - Take advantage of “demographic dividend”
- **Plan ahead: Put pension and medical schemes in place** (sustainable ones)
- Some international assistance may be needed