

Population Aging in Asia: Achievements and Challenges

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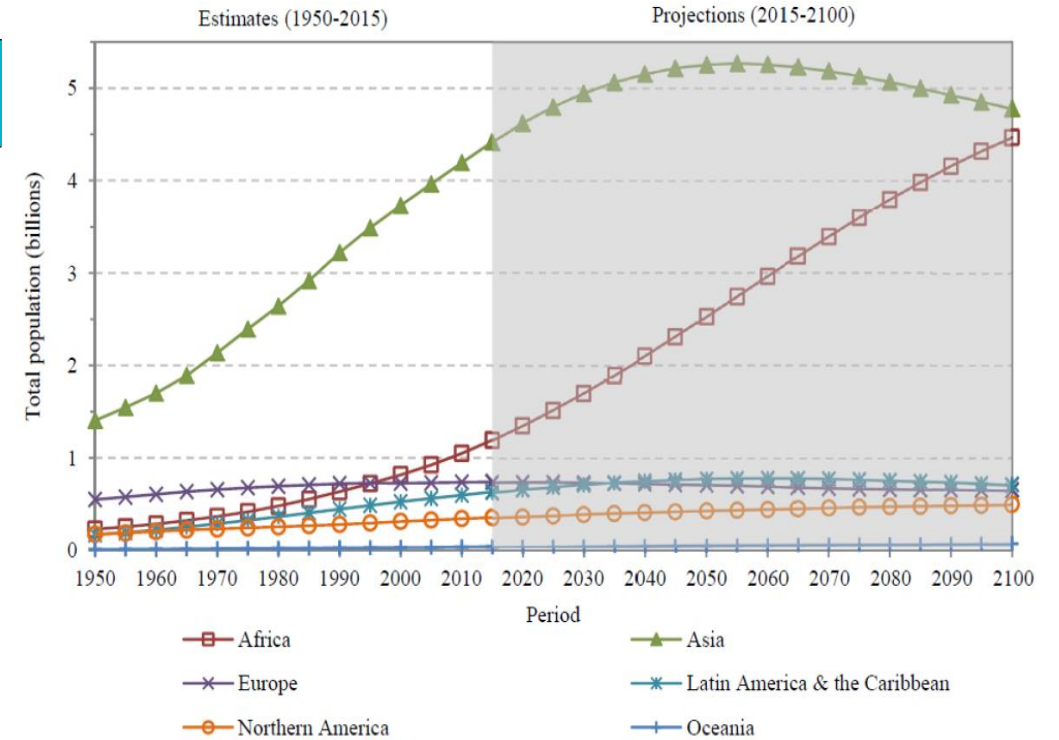
University of Tokyo

Achievements in Asia

Life Expectancy at Birth, 1960–2018 (years)

	1960	1980	2000	2018	Increase 1960–2018
Developing Asia	45.0	59.3	65.8	71.8	26.7
Central Asia	58.7	64.2	65.7	71.8	13.0
East Asia	44.6	66.9	71.6	76.9	32.3
People's Republic of China	43.7	66.8	71.4	76.7	33.0
South Asia	42.3	53.9	62.7	69.2	26.9
India	41.4	53.8	62.5	69.4	28.0
Southeast Asia	51.3	59.9	67.1	72.1	20.8
The Pacific	42.5	53.1	60.6	65.9	23.4
Developed Asia	68.3	75.9	80.8	84.1	15.8
Australia	70.7	74.4	79.6	83.3	12.5
Japan	67.9	76.3	81.2	84.5	16.6
Latin America and the Caribbean	56.2	64.7	71.7	75.5	19.3
Sub-Saharan Africa	40.2	48.3	50.4	61.3	21.1
OECD	67.8	72.6	77.2	80.5	12.7
World	50.1	61.2	66.3	72.4	22.2

UN Population Projections

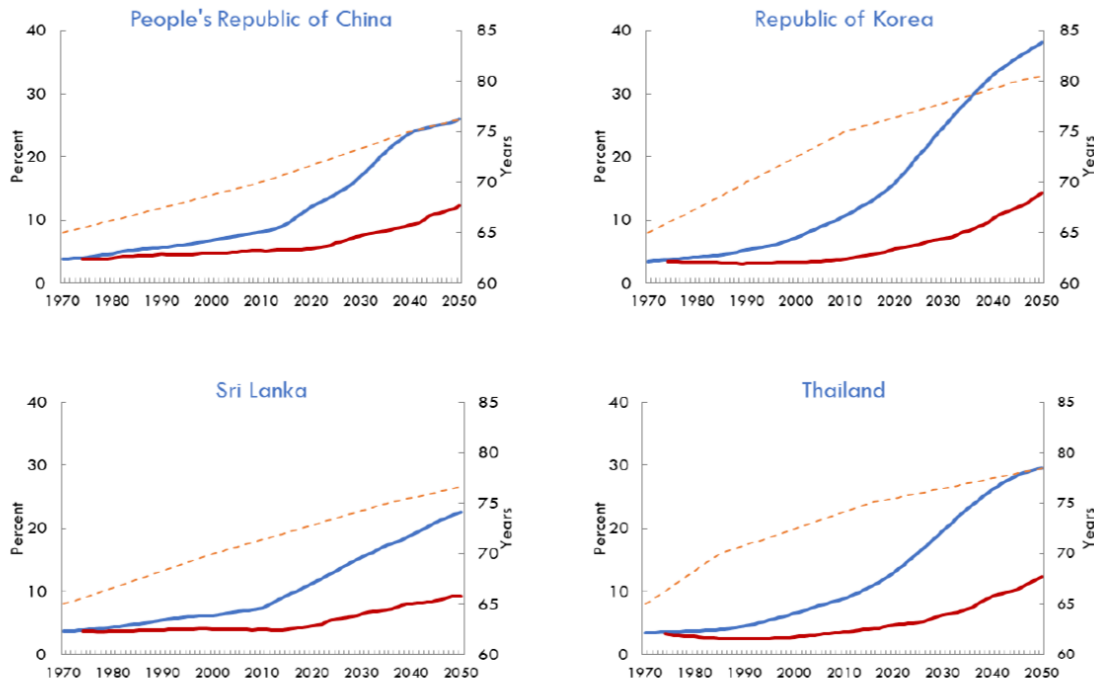


Source: United Nations, Department of Economic and Social Affairs, Population Division (2017). *World Population Prospects: The 2017 Revision*. New York: United Nations.



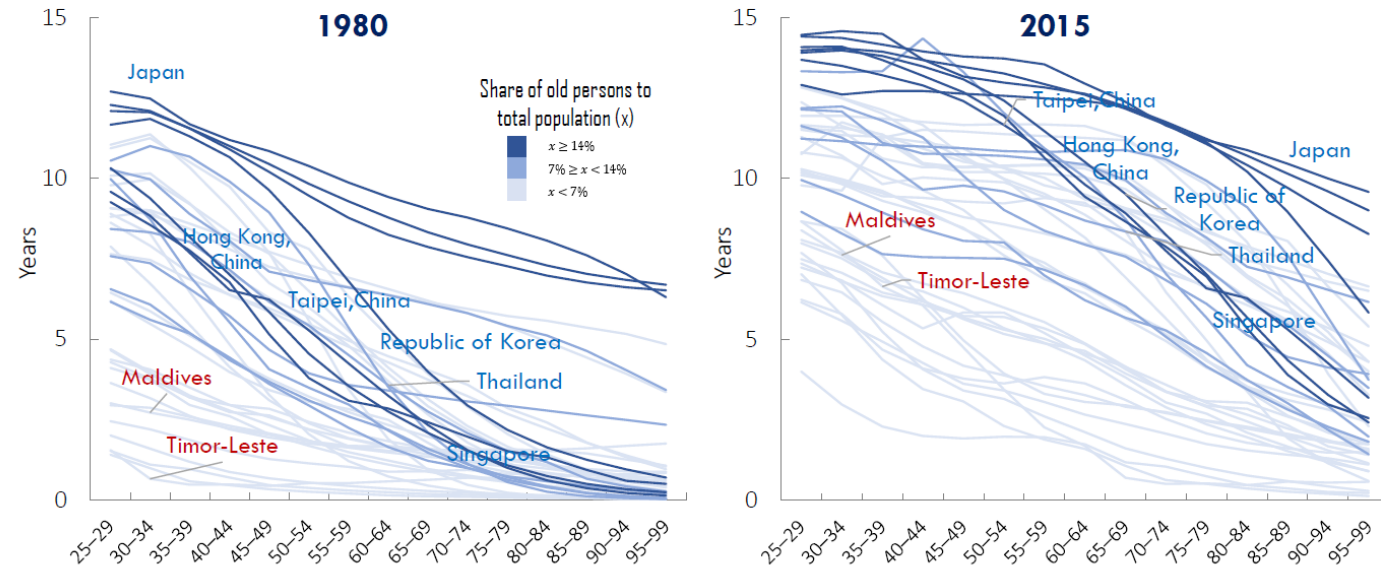
Healthier and More Educated Old

A new definition of "old" persons



- Share of old population based on "chronological" age (i.e., 65-year-olds and above)
- Share of old population based on "prospective" age (i.e., above the threshold old-age)
- - - Threshold old-age, accounting for those with RLE of 15 years or less (rhs)

Mean Years of Schooling by Age Group – Asia 1980 vs. 2015

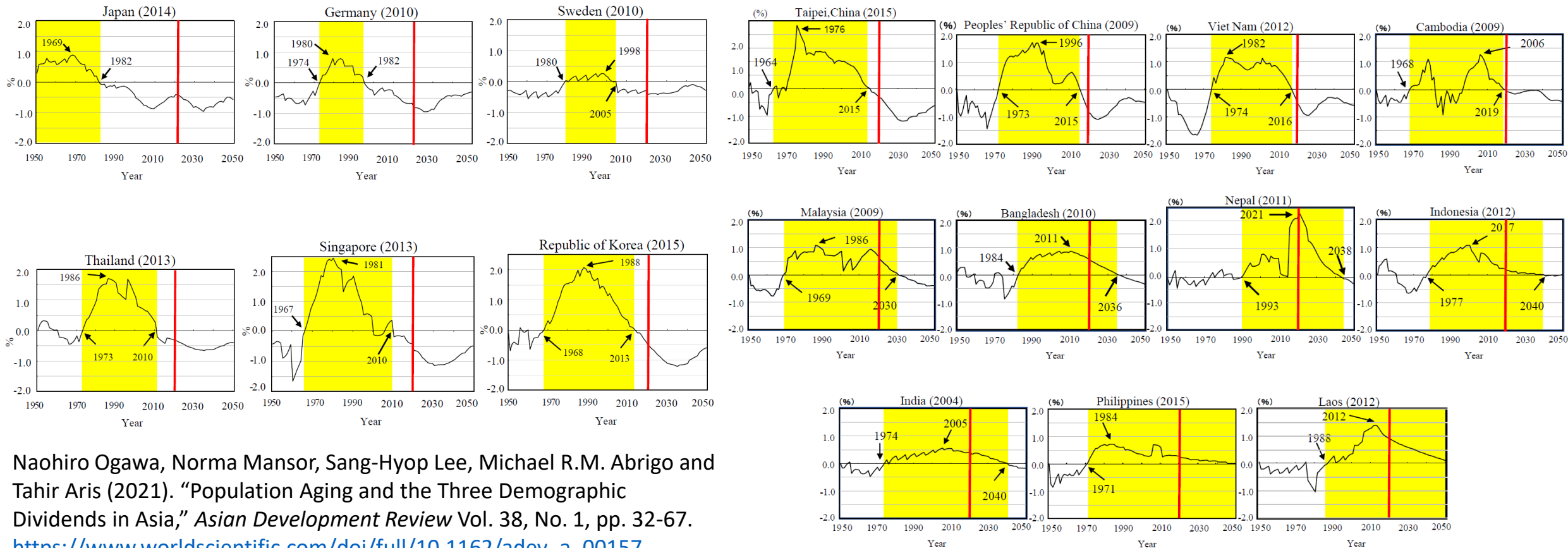


Source: ADB calculations using data from Wittgenstein Centre for Demography and Global Human Capital. Wittgenstein Centre Data Explorer Version 2.0. www.wittgensteincentre.org/dataexplorer (accessed June 2019).

Source: ADB calculations using data from United Nations Department of Economic and Social Affairs, Population Division. <https://population.un.org/wpp/Download/Standard/Population/>. (Accessed October 2019).

1st and 2nd Demographic Dividends (DD) in Asia

- 1st DD = growth rate of economic support ratio
- 2nd DD = growth rate of productivity or output per effective worker

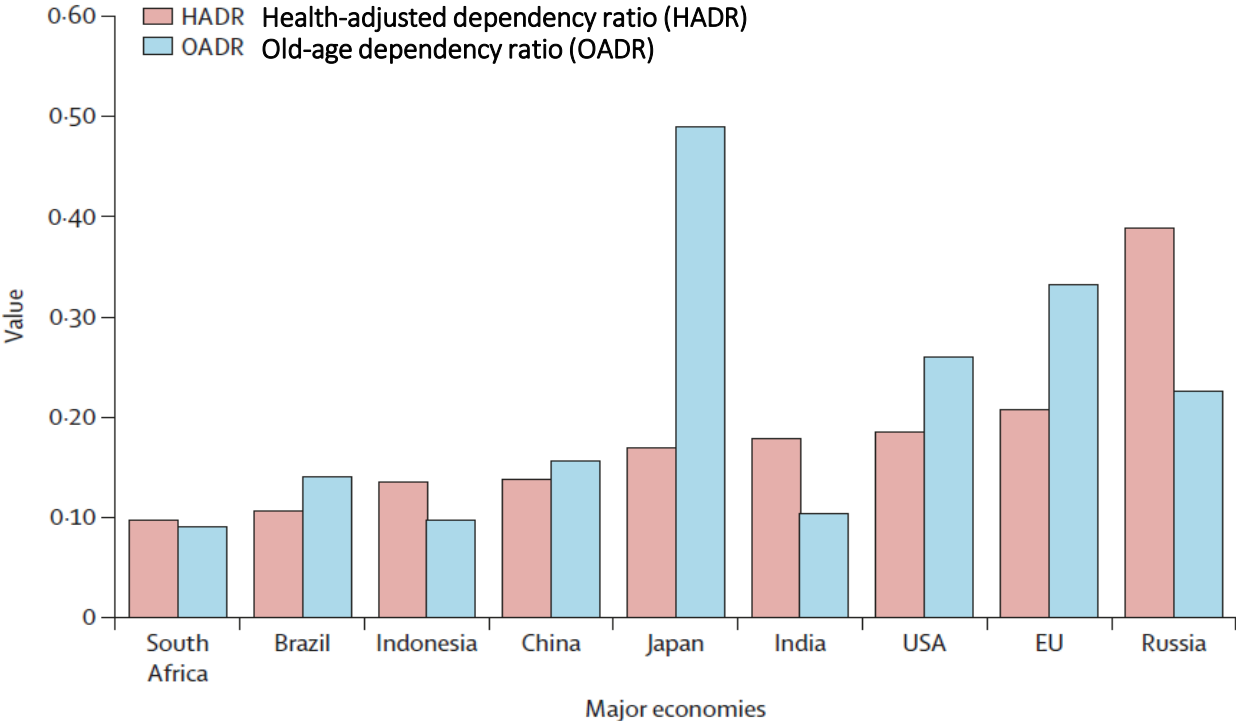


Naohiro Ogawa, Norma Mansor, Sang-Hyop Lee, Michael R.M. Abrigo and Tahir Aris (2021). "Population Aging and the Three Demographic Dividends in Asia," *Asian Development Review* Vol. 38, No. 1, pp. 32-67.

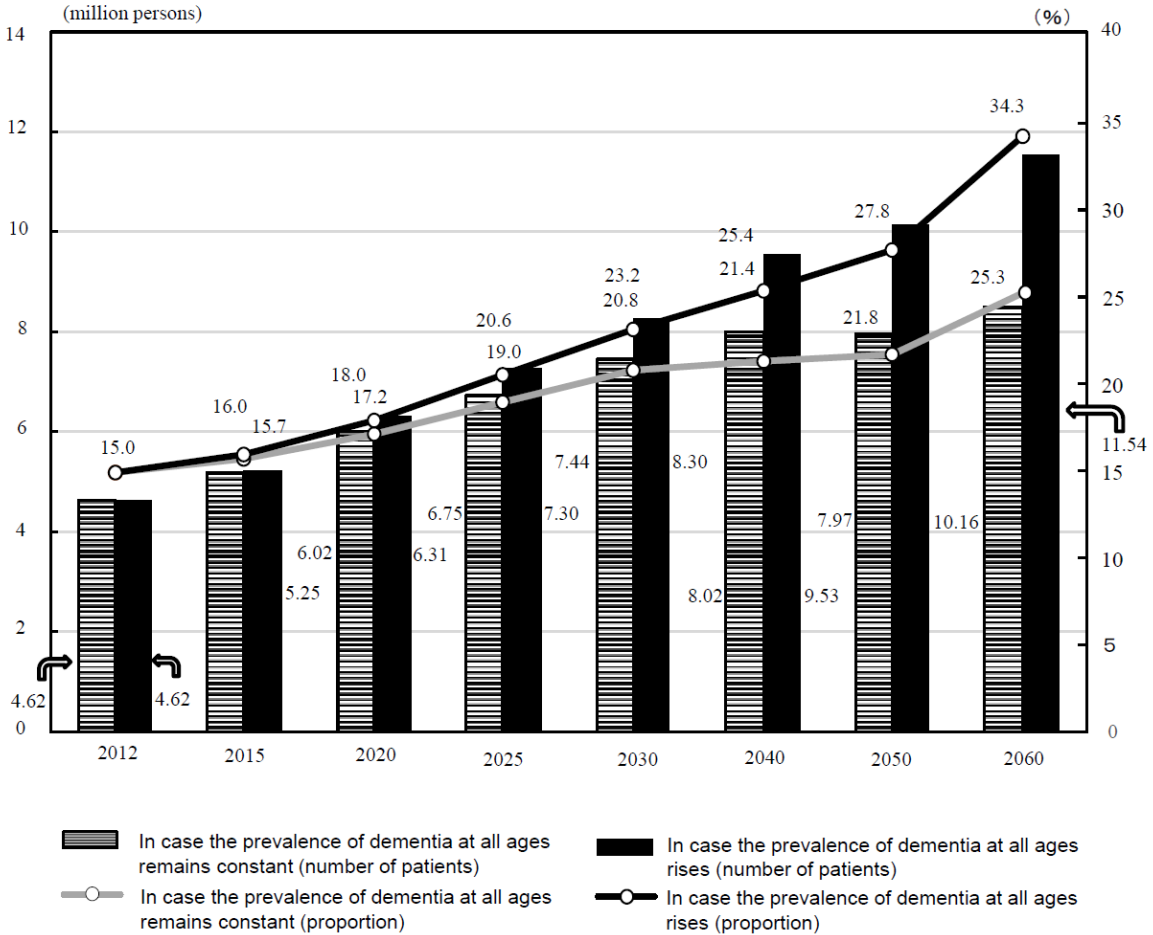
https://www.worldscientific.com/doi/full/10.1162/adev_a_00157

Healthier & More Educated Old Soften the Burden But Increasing Dementia is a Challenge

Health-adjusted dependency Ratios



Estimates of dementia sufferers over age of 65 in Japan

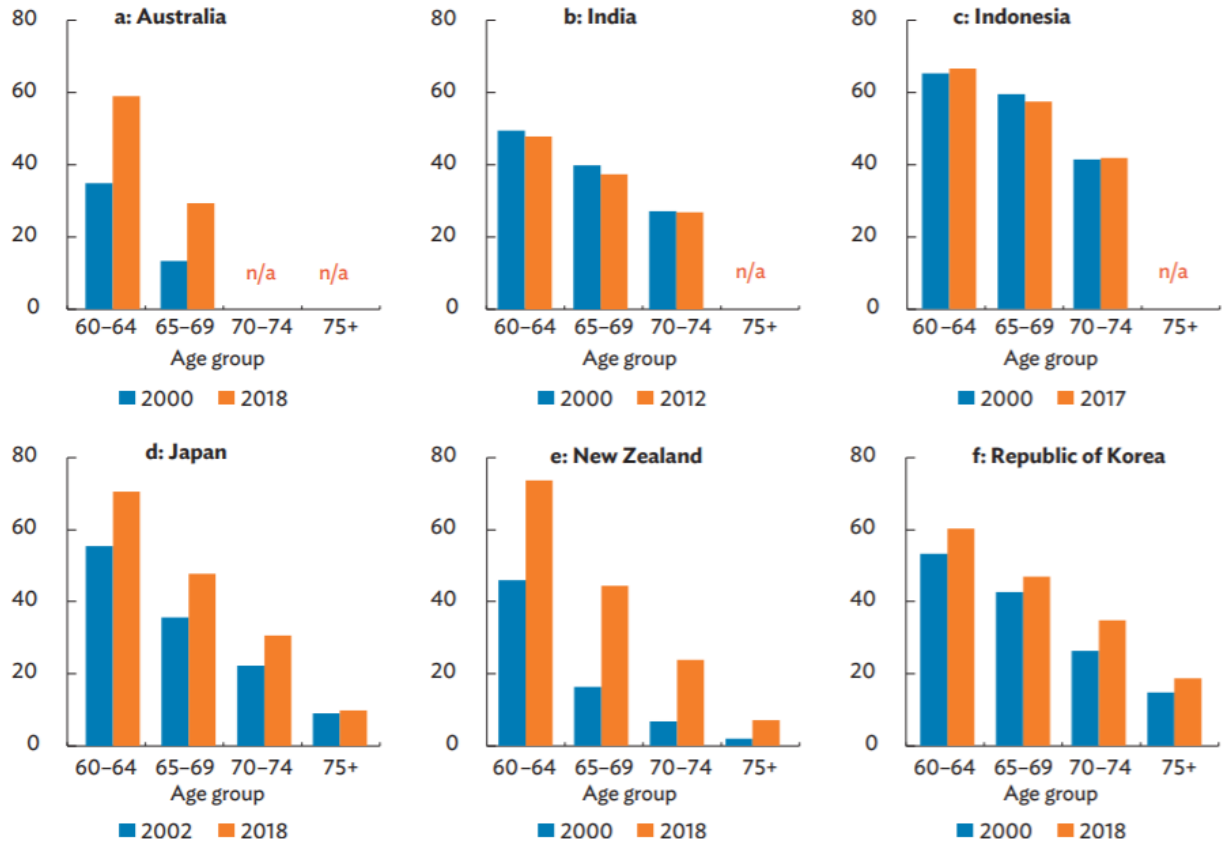


Vegard Skirbekk (2022). "A New Global Measure of the Burden of Aging," presented at Asian Development Bank Institute (ADBI), Tokyo, on May 11, 2022.

Source: Japanese Ministry of Health, Labour and Welfare, "The New Orange Plan"

3rd DD (Silver Dividend) in Asia Sufficient?

Labor Force Participation Rate (%)

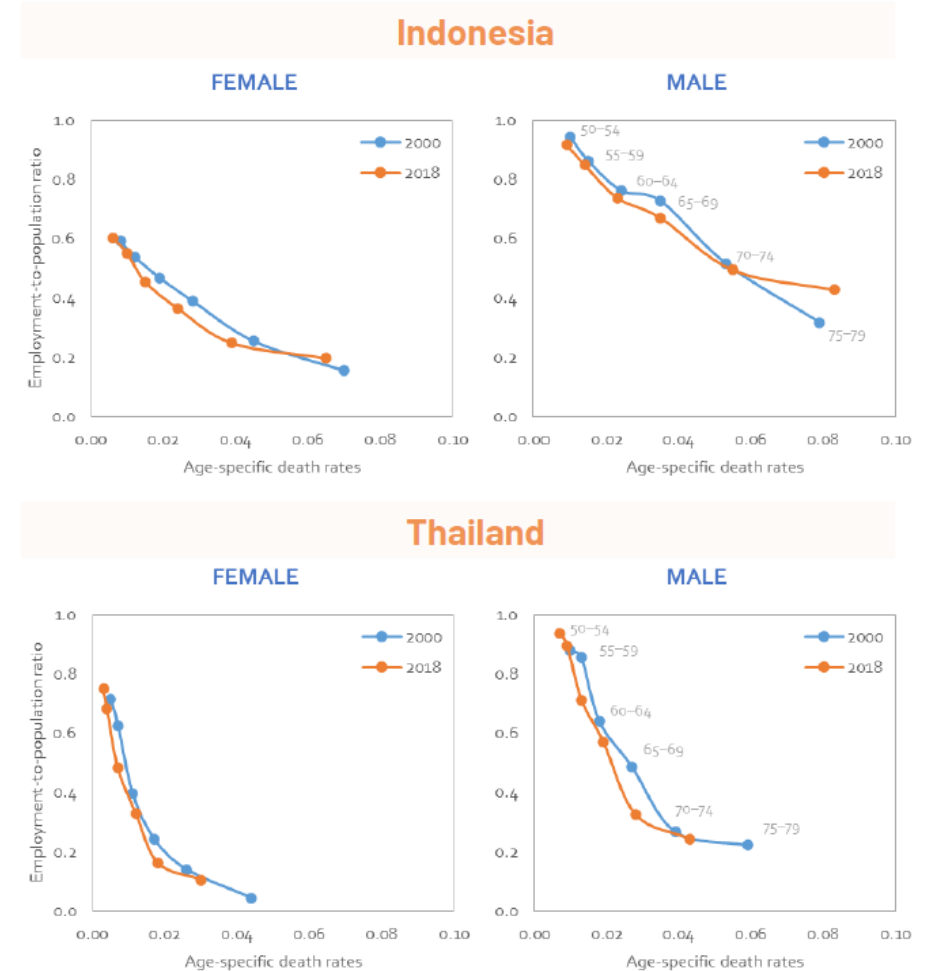


n/a = data not available.

Note: Latest available data for India are 2012, while those for Indonesia are 2017.

Source: ADB calculations using data from Organisation for Economic Co-operation and Development (OECD).
OECD Stat Database. <https://stats.oecd.org/> (accessed June 2019)

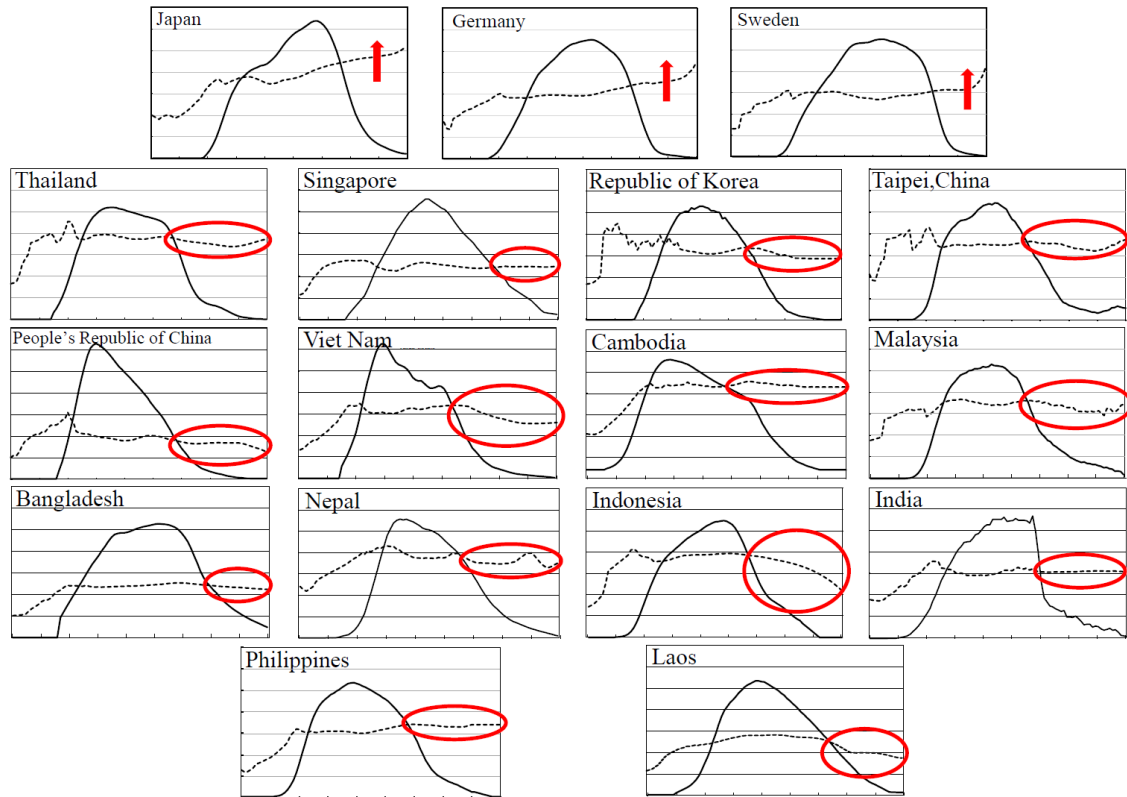
Health Capacity to Work



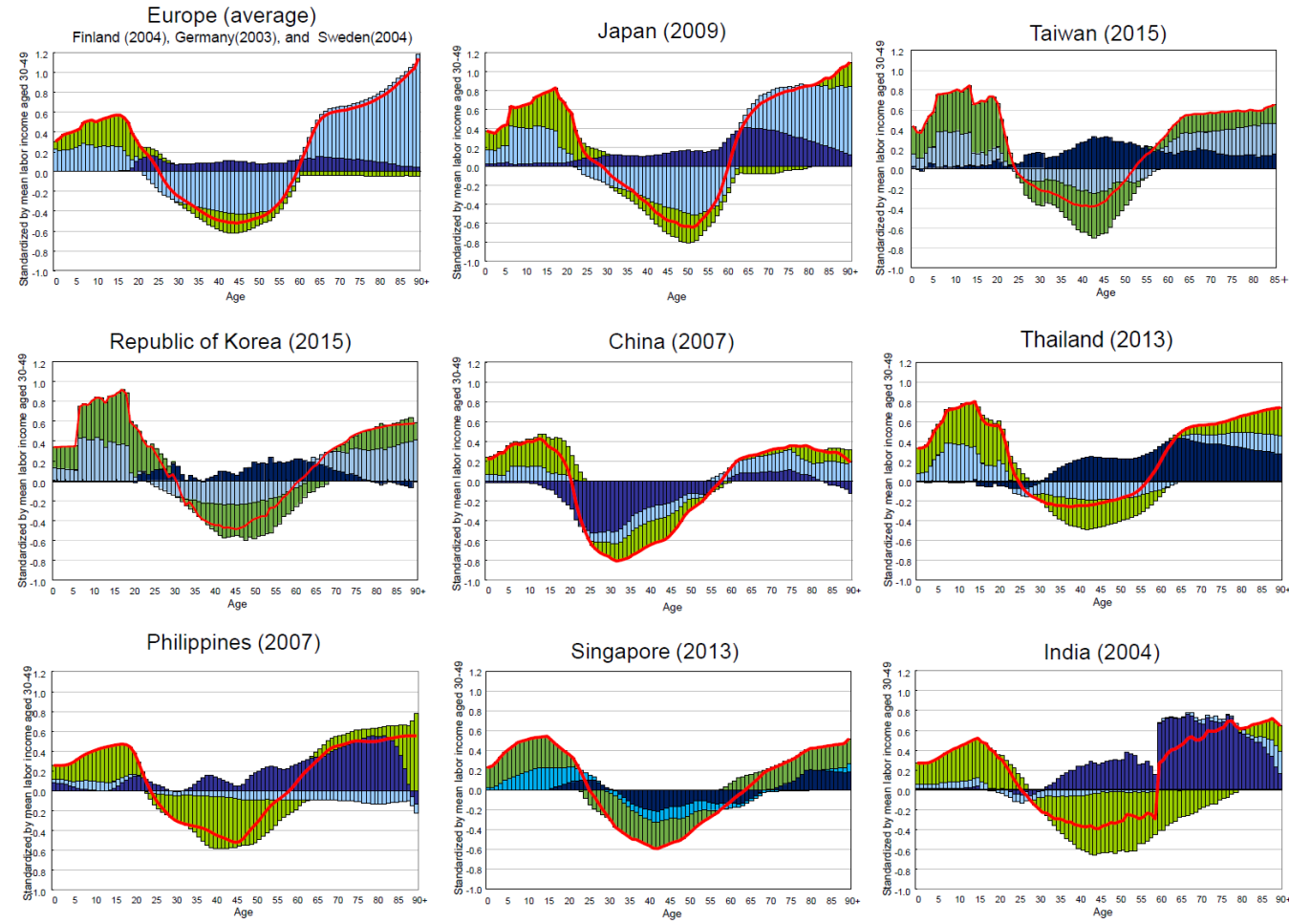
Source: ADB calculations using data on employment from respective country labor force surveys ;

Intergenerational Transfers and Wellbeing

Life-Cycle Income and Consumption (Based on NTA)



Life-Cycle Deficits (Based on NTA)

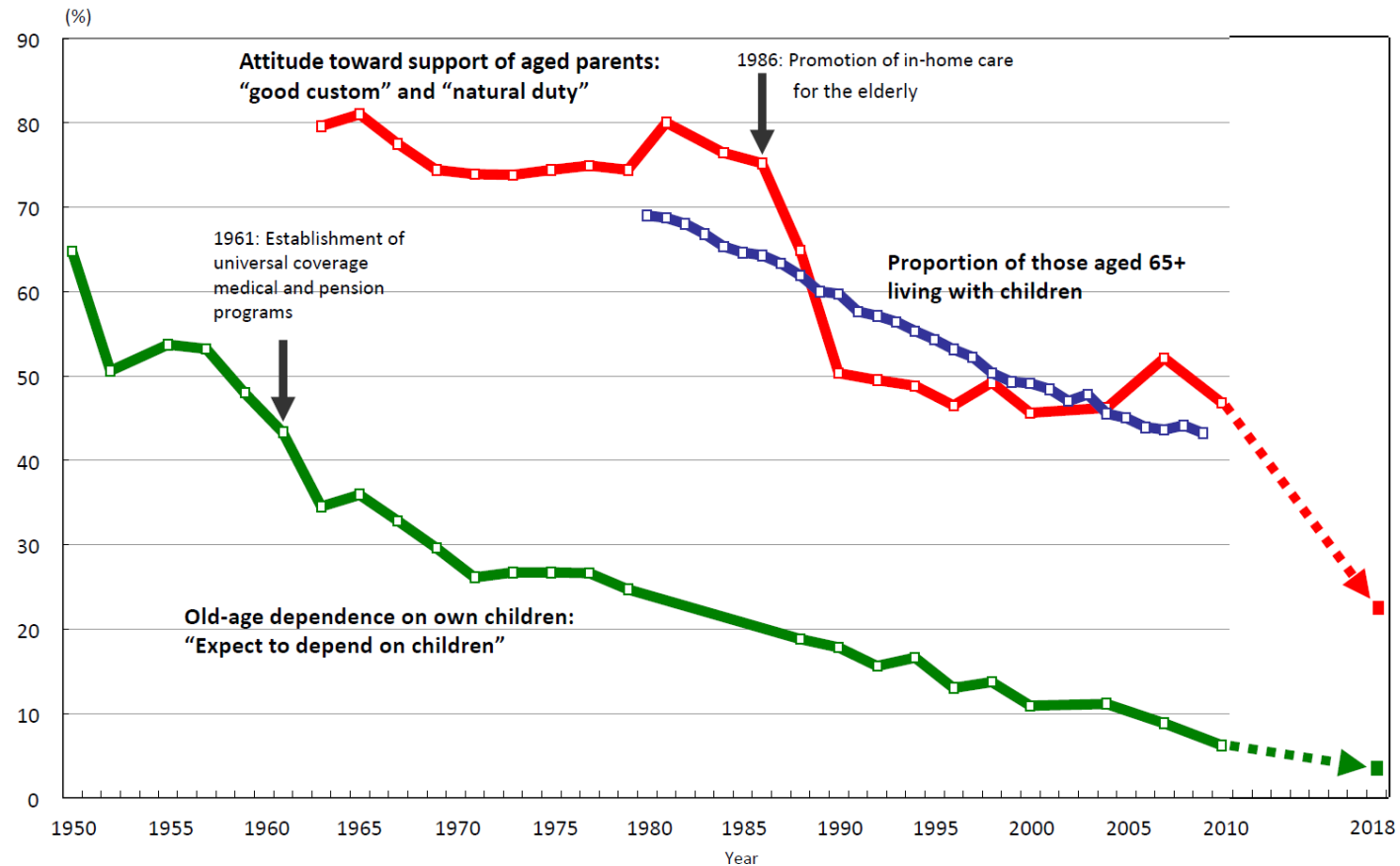


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■ Asset-based reallocations ■ Public transfers ■ Private transfers ■ Lifecycle deficit

Rapidly-Changing Values is another Challenge

Trends in values and expectations about care for the elderly: Japan, 1950-2010



Sources: 1) Mainichi Newspapers of Japan. *Summary of Twenty-fifth National Survey on Family Planning*, 2005. 2) Mainichi Newspapers of Japan, *Summary of the 2004 round of the National Survey on Population, Families and Generations*, 2004. 3) Nihon University Population Research Institute. *National Survey on Work and Family*, 2007 and 2010. 4) The Japanese Ministry of Health, Labour and Welfare (various years). *Basic Survey Report on Health and Welfare*. 5) The Japanese Ministry of Health, Labour and Welfare (various years). *The Basic Survey of Living Conditions of the People*.

Source) This chart is constructed by Professor Naohiro Ogawa. For the database and methodology, see the following article: Naohiro Ogawa and Robert D. Retherford (1993). "Care of the Elderly in Japan: Changing Norms and Expectations." *Journal of Marriage and Family*, Vol. 55, No. 3 (Aug., 1993), pp. 585-597

Aging in Asia

• Achievements

- Healthier and longer life
- 1st and 2nd Demographic Dividends (DD)

• Challenges

- Dramatic demographic change
- Deterioration of wellbeing
 - Insufficient private and public insurance
- 3rd DD, cognitive function and dementia

Moving Ahead: Issues for Potential Research

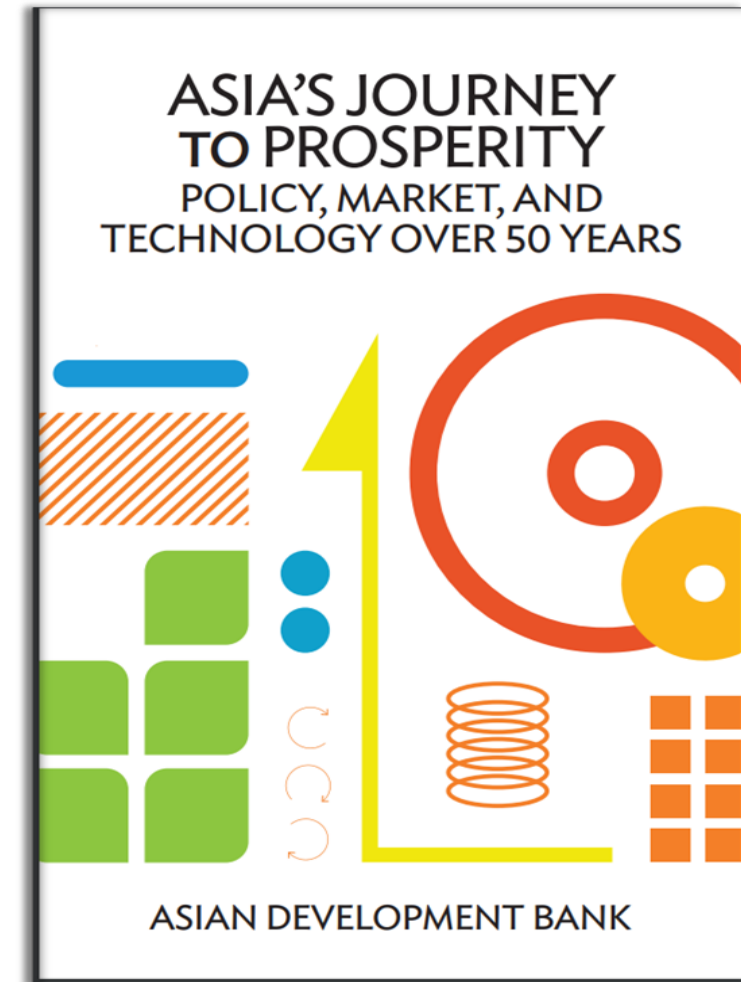
- **Room for tapping 3rd DD**
 - Facilitate labor participation
 - Making (old) people healthier and more educated
 - Prevention of deterioration of cognitive functions
 - Use of technologies & innovation
- **High downside risk of the elderly's wellbeing**
 - Affordable, adequate, and sustainable health systems, pensions, and care for the elderly
- **Different phases of demographic change**
 - Countries with young populations
 - Countries with aging population
 - More advanced countries, which have already aged,
- Potential benefit from **cross-border labor and capital mobility**

Chapter 6: Human Capital Development and Demographic Change

Thank you!

The soft copy of the book can be
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<https://www.adb.org/publications/asias-journey-to-prosperity>



Appendix



ASIAN DEVELOPMENT OUTLOOK

UPDATE 2020

Wellness in Worrying Times

#ADO2020

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ADOU 2020 theme: Wellness in Worrying Times



- Wellness is the active pursuit of activities, choices, and lifestyles that lead to a state of *holistic health*
- It is part of the UN SDGs (*SDG 3: Ensuring healthy lives and promoting the well-being for all, at all ages*)
- Physical and mental health has taken a battering during COVID-19
- *Wellness economy is a large and growing part of the regional economy*
- Policymakers can promote wellness to support post-pandemic recovery

Asia's rich wellness traditions can contribute to mental and physical wellness.

Traditional Chinese Medicine and Indian Ayurveda



Source: Bodeker (2020)

Wellness policies benefit Asia's individuals, the economy, and society.

- Wellness policies to promote physical and mental well-being in four cross-cutting policy domains:
 - A healthy built environment
 - Public infrastructure
 - Nutrition/healthy eating
 - Safe and healthy working environment
- Lifespan approaches to wellness can complement cross-cutting wellness policies to safeguard mental and physical health over a lifetime.
 - For example, Japan's *One Hundred Year Life Policy*

The ADB logo is a dark blue square with the letters 'ADB' in white serif font. The background of the entire page is a light blue gradient with white line-art illustrations of various futuristic and technological concepts, including an autonomous bus at the top, silhouettes of people in business attire, a person wearing a VR headset labeled 'MEDICAL VR', a person with a prosthetic arm, and a person with a 'PROS' badge. There are also icons of a globe, a hand holding a device, and a person sitting on the ground.

ASIAN ECONOMIC INTEGRATION REPORT 2019/2020

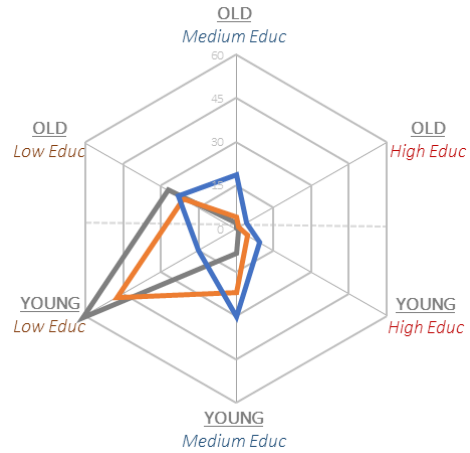
DEMOGRAPHIC CHANGE, PRODUCTIVITY,
AND THE ROLE OF TECHNOLOGY

Download the AEIR 2019/2020
<https://www.adb.org/aeir-2019>

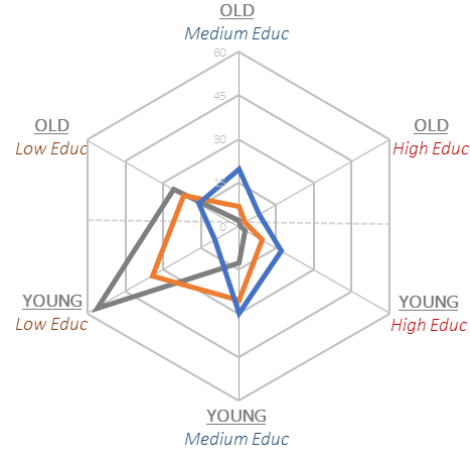


Countries follow different age and education demographic pattern.

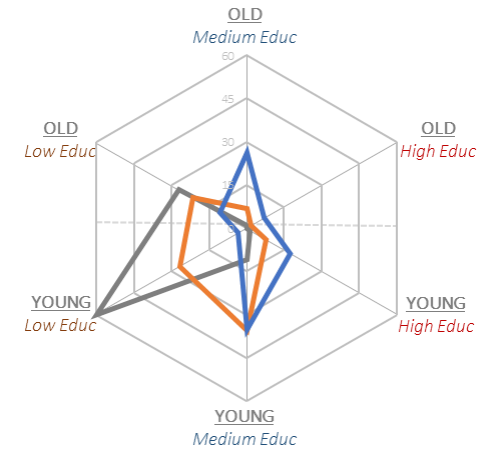
Bangladesh



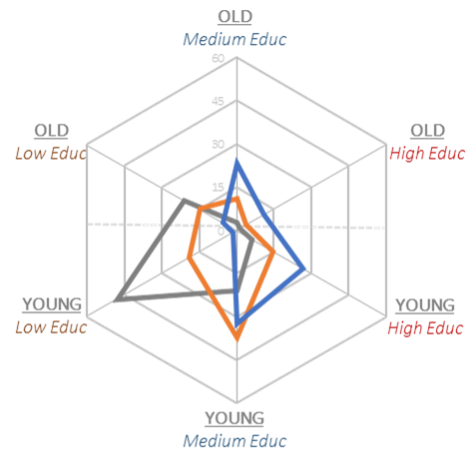
India



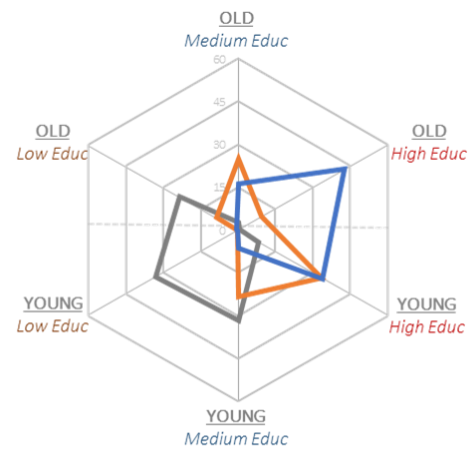
Indonesia



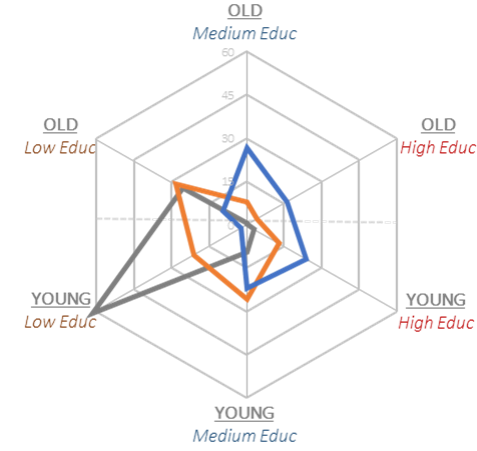
Philippines



Republic of Korea



Thailand



■ 1980 ■ 2015 ■ 2050

■ 1980 ■ 2015 ■ 2050

■ 1980 ■ 2015 ■ 2050

Key Messages

- The Asia and Pacific region faces rapid demographic change, with several countries aging dramatically; yet tomorrow's elderly will be healthier and more educated than today's.
- Labor market opportunities and challenges are specific to each country's aging and education profile; but various technologies are available to help the economies deal with workforce aging.
- While the aging trend may be irreversible, its economic impact would depend on policy and behavioral responses, including how countries adopt and apply technologies.
- The region can also take advantage of heterogeneous demographic trends by strengthening cooperation through foreign direct investment, technology transfer, and migration.