

# Low Fertility and Aging Societies

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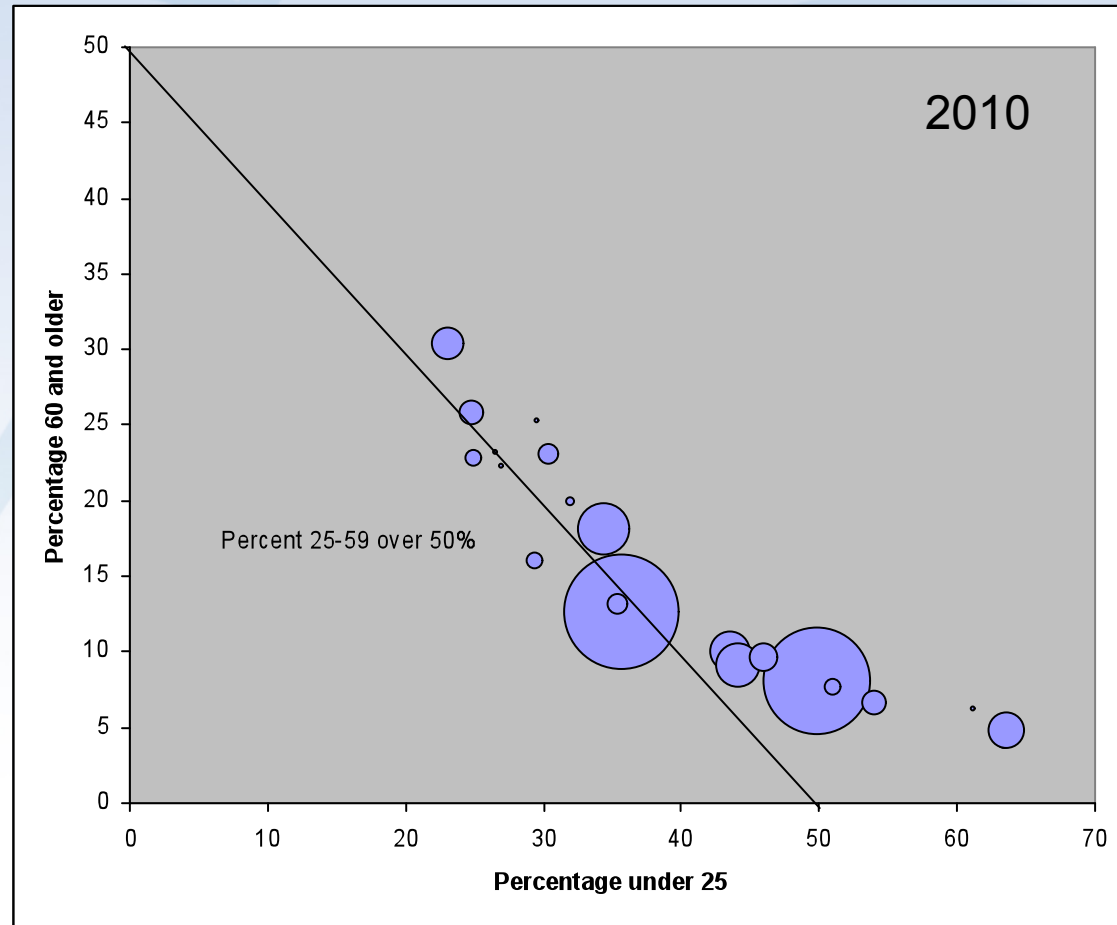
# Acknowledgements

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  - Research teams in 36 high- and low-income economies
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  - International Development Research Centre (IDRC)
  - United Nations Population Fund (UNFPA)
- Draws on Lee and Mason 2011 forthcoming *Population Aging and the Generational Economy*
- Population data from UN *World Population Prospects*.

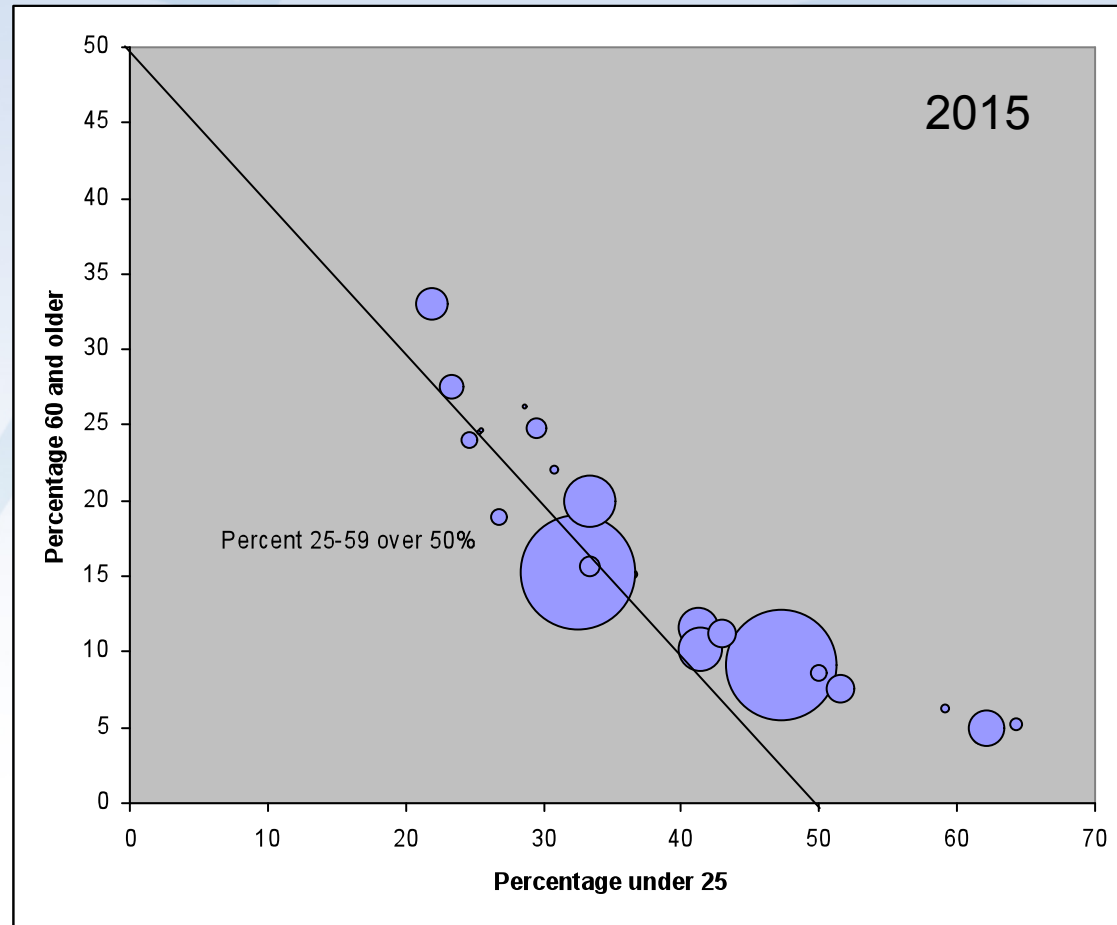
# Global Population Aging

- Aging is a global phenomenon
- Especially severe in Northeast Asia
- Causes of rapid aging
  - Low fertility is most important
  - Higher life expectancy
  - Restrictive immigration policy

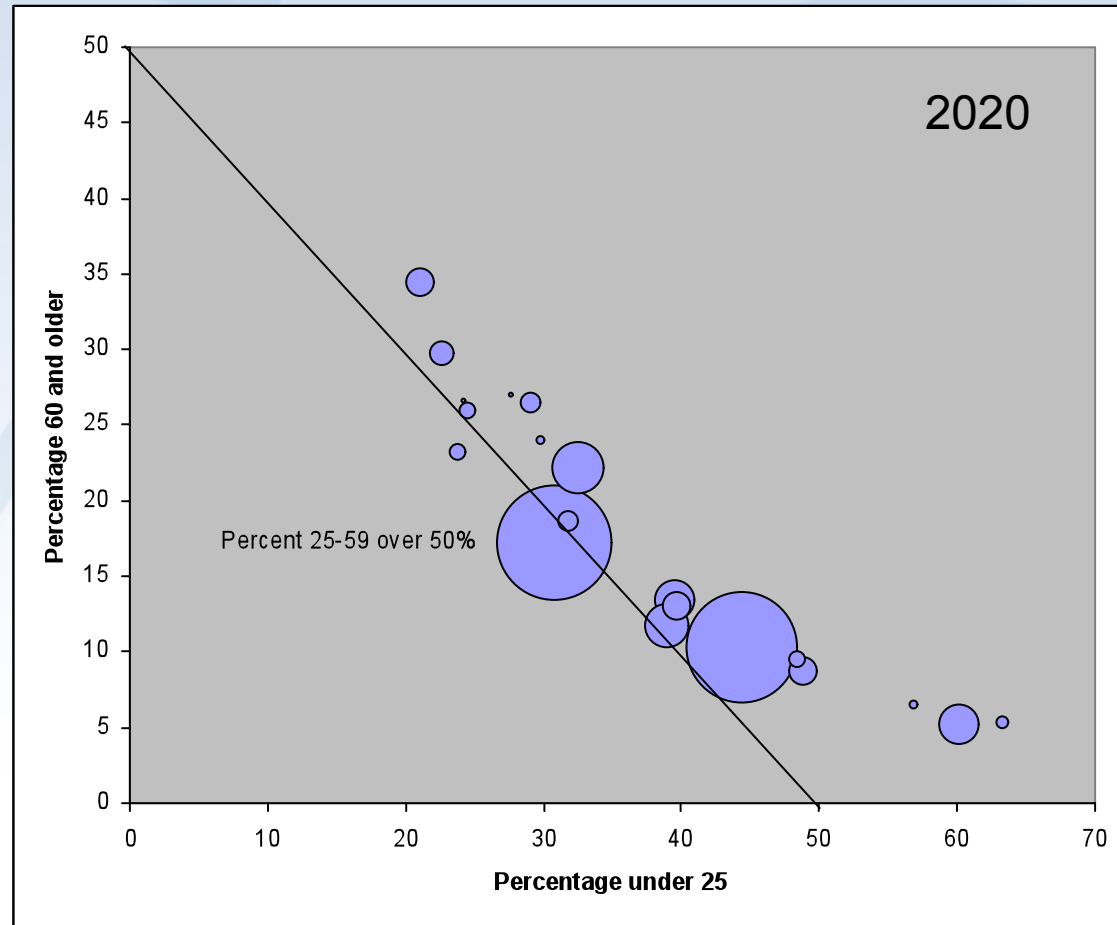
# The Global Age Transition



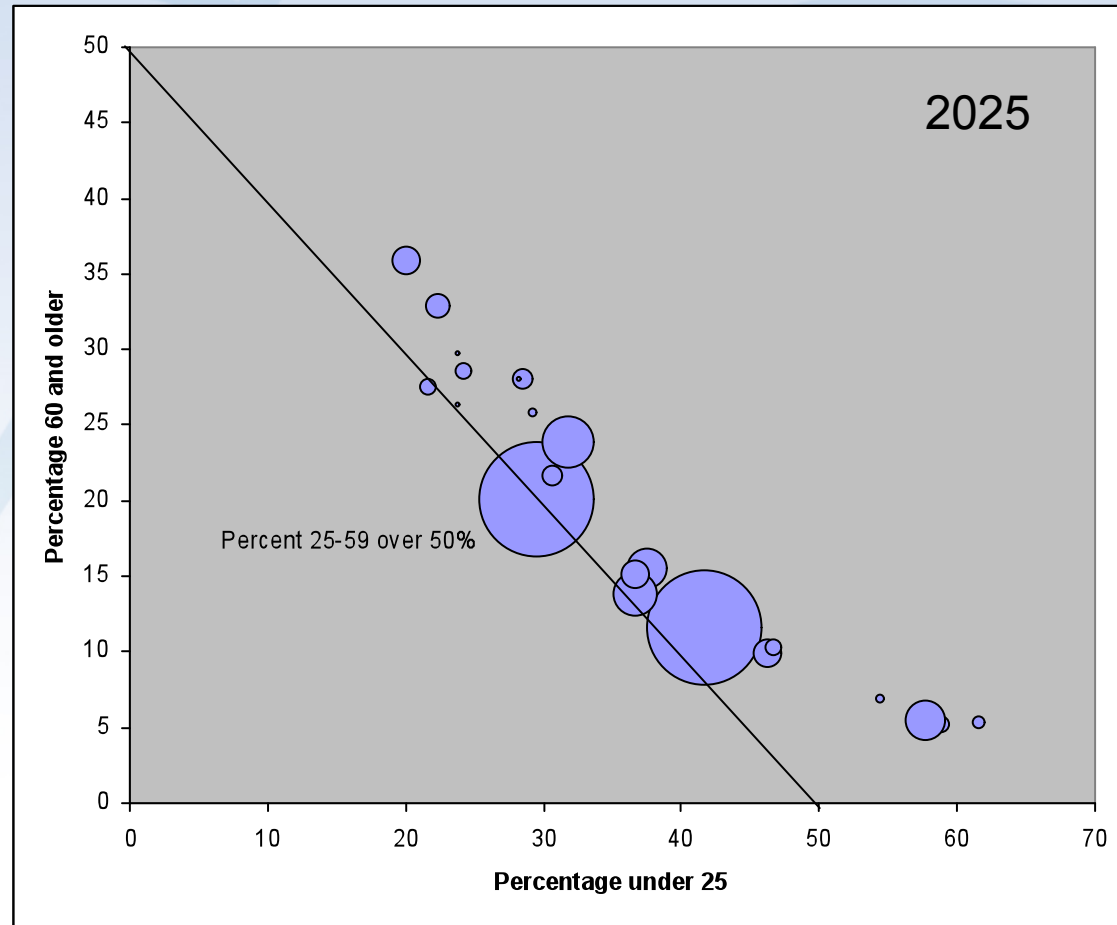
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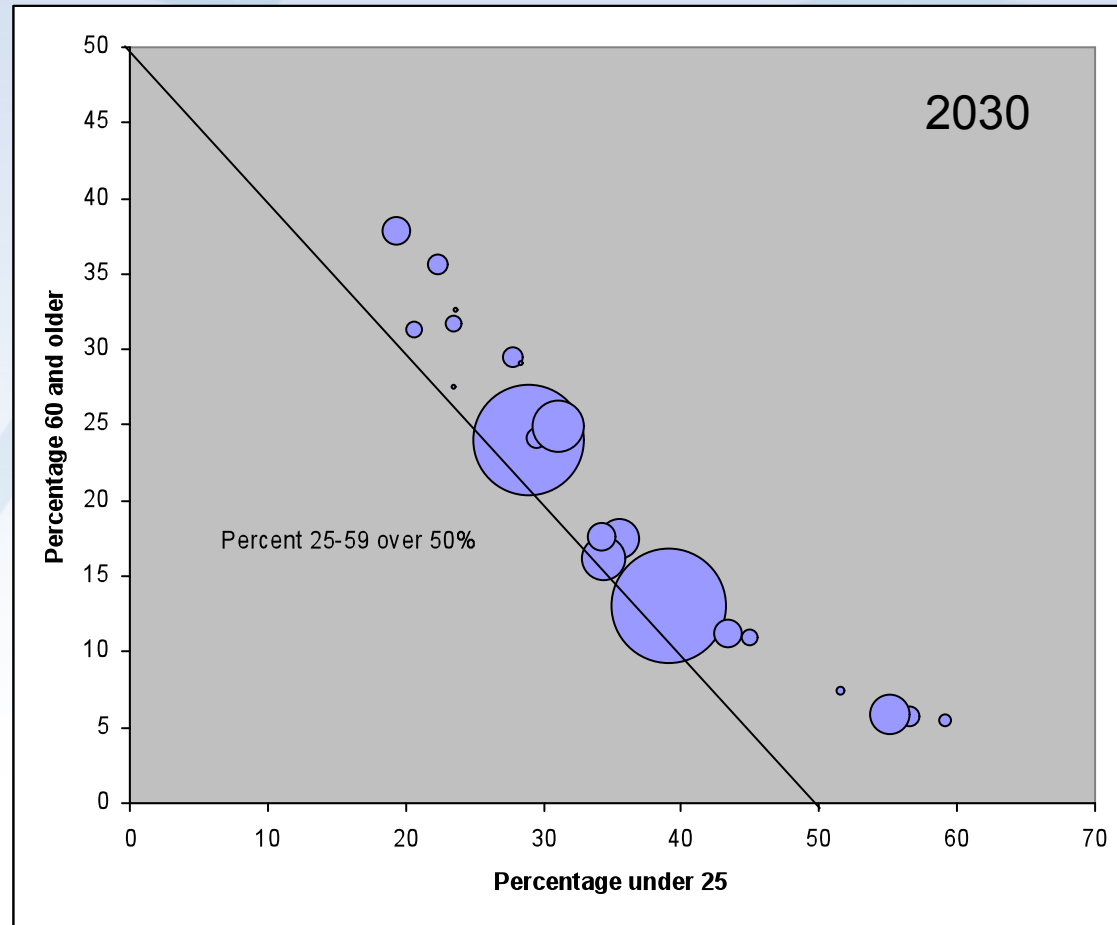
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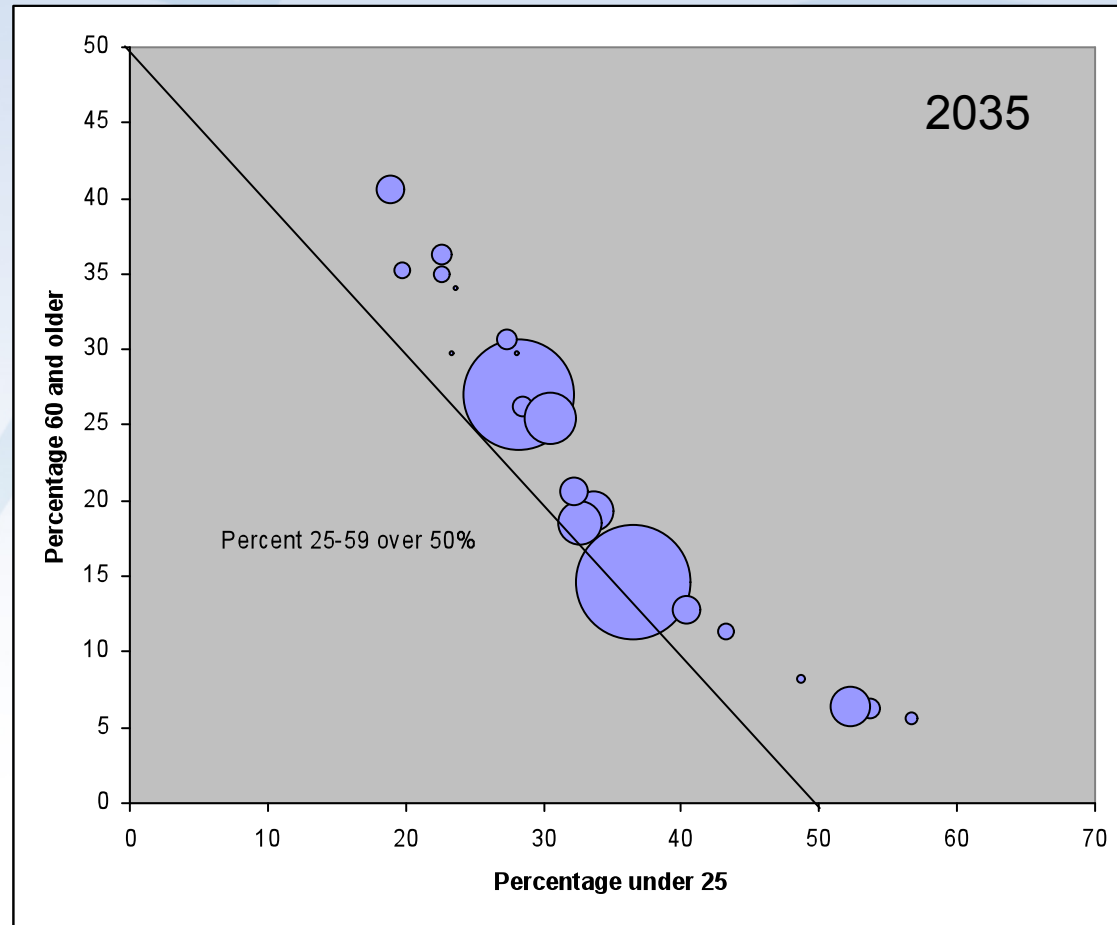


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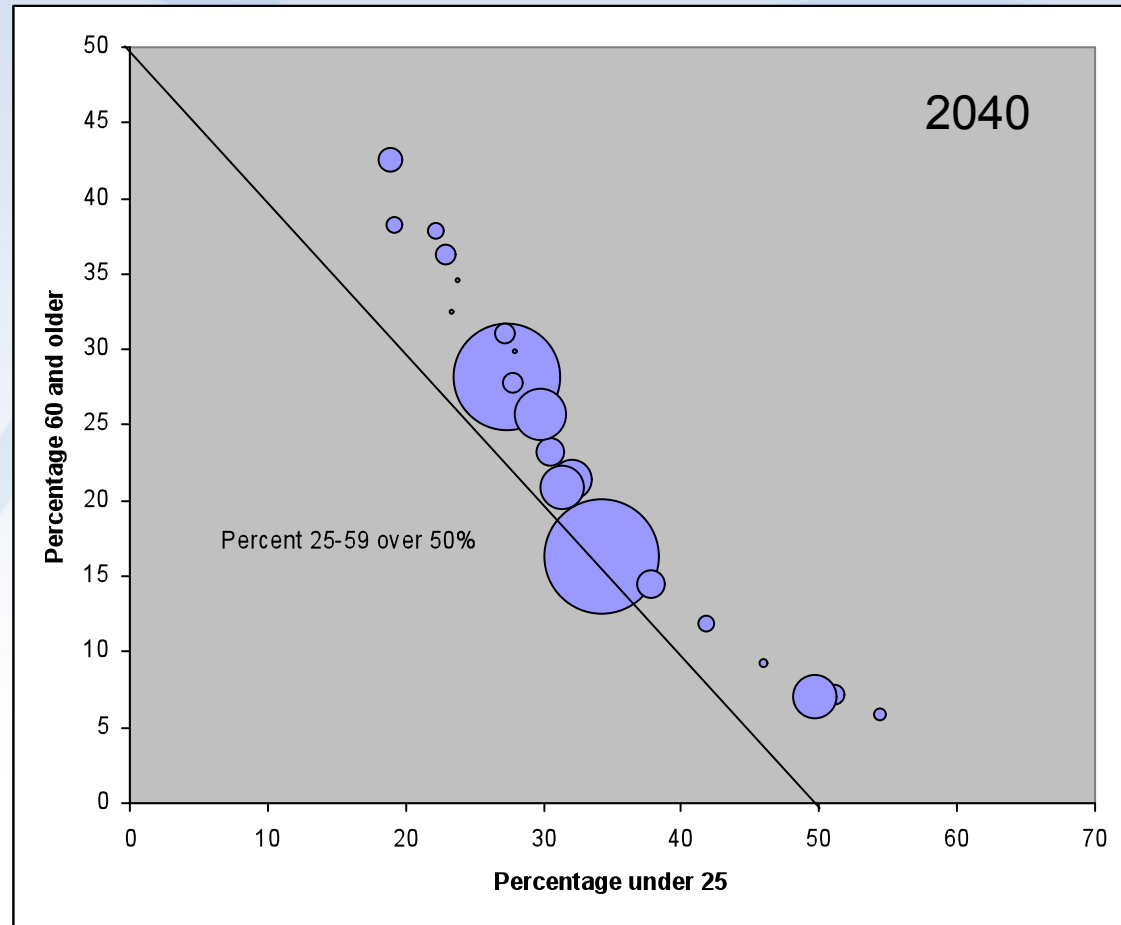




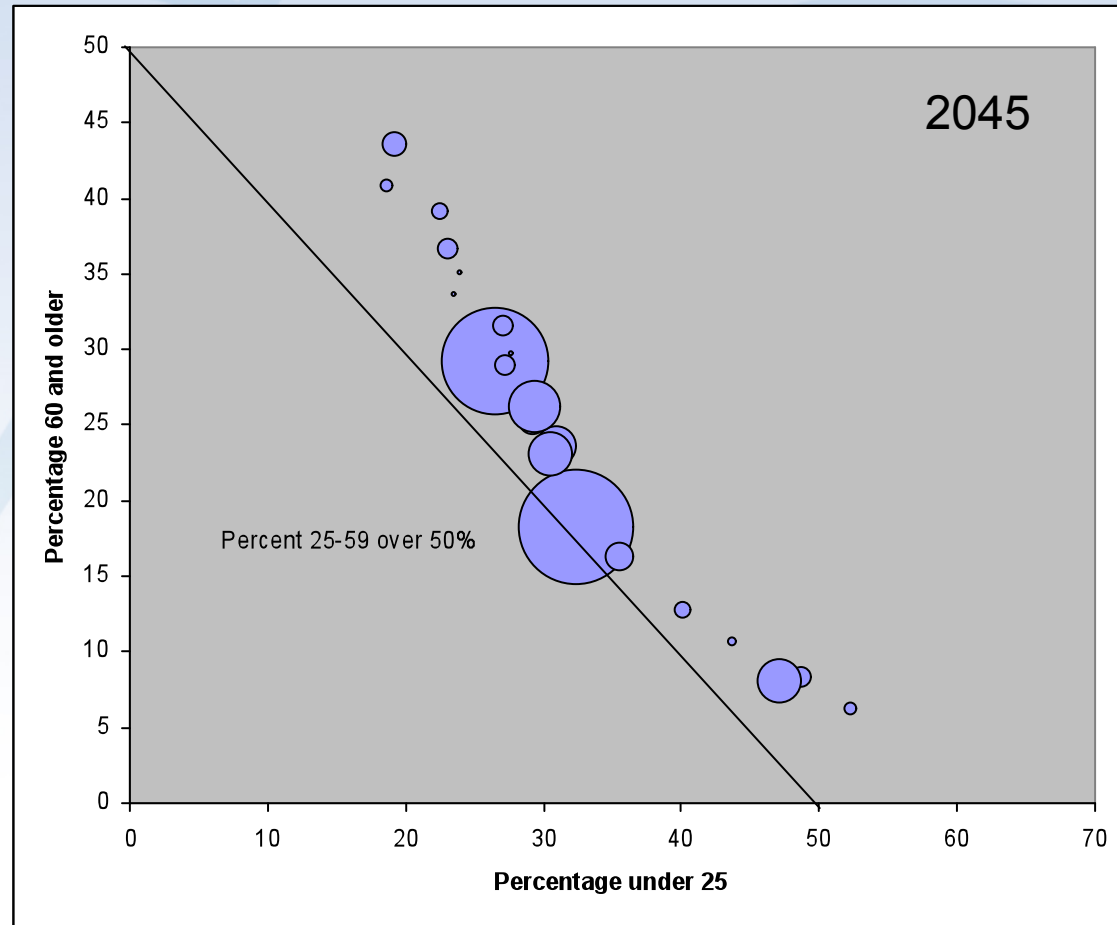
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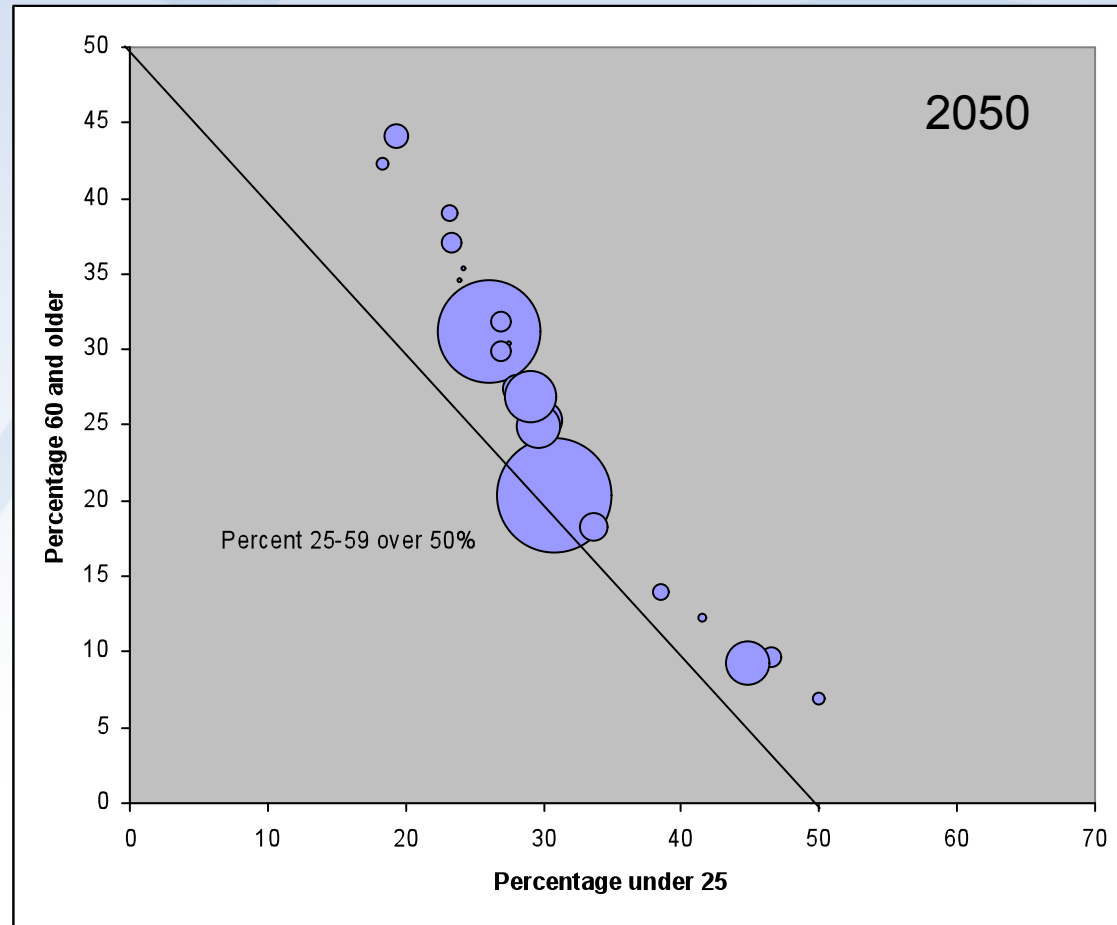
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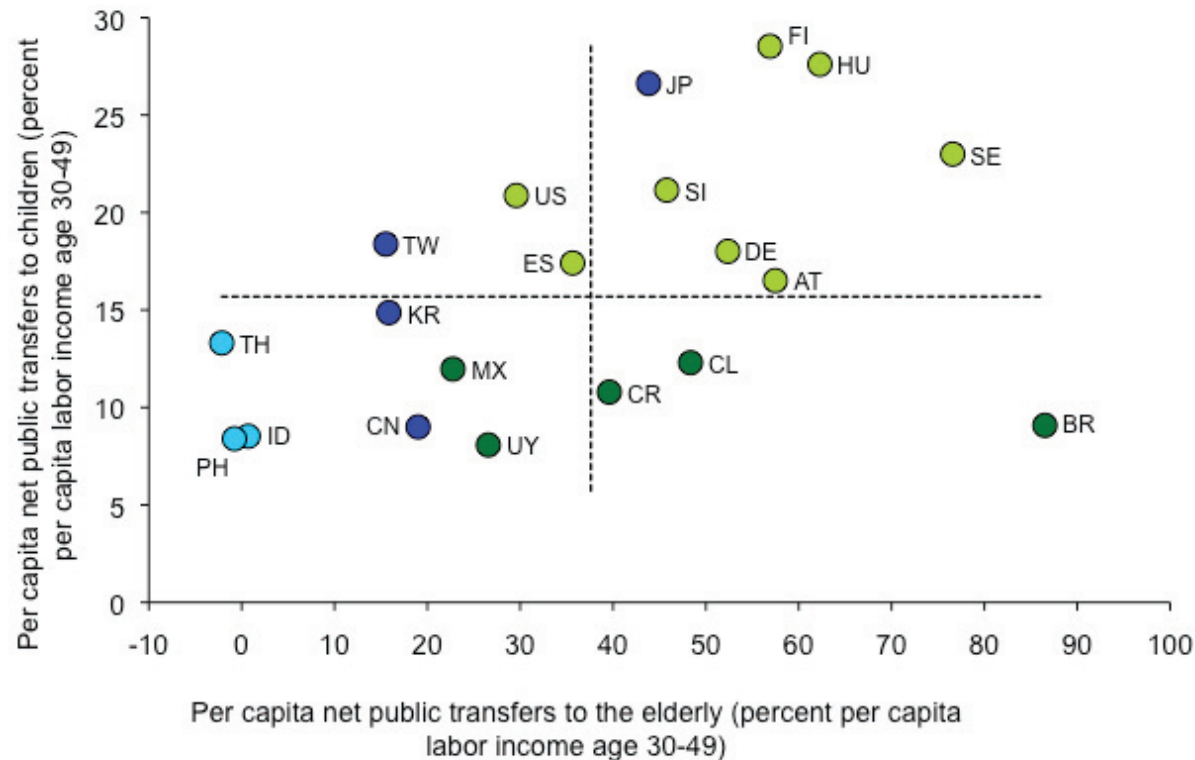


# The Global Age Transition



Will resources available to children  
be squeezed out as the needs of  
the elderly rise?

# Net public transfers: Children versus the elderly.



- In older countries, governments are providing more support to both children and elderly
- Points to a growing and unsustainable burden for taxpayers
- Major problem in Japan, less so in other NE Asian countries.

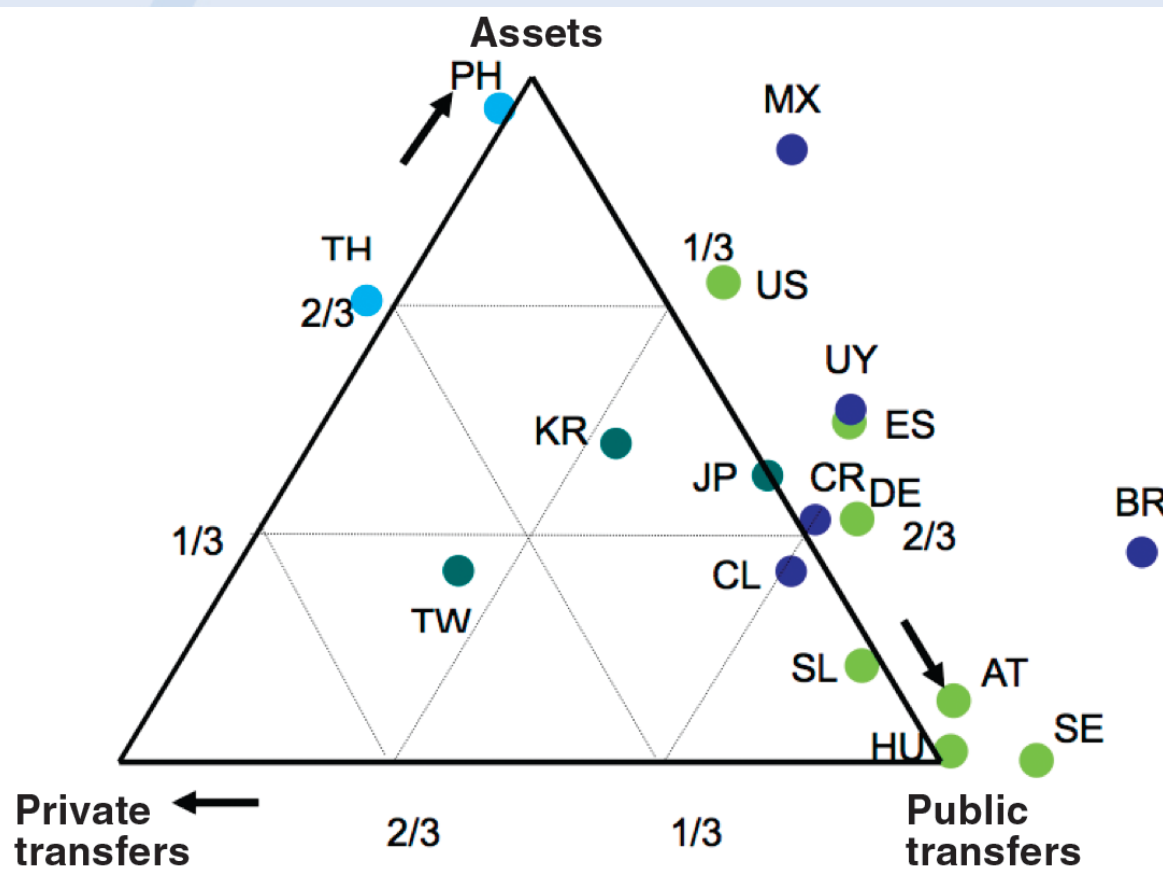
# Two important strategies for coping with aging

- Labor market initiatives
  - Reduce or eliminate barriers to continued employment at older ages
  - Address the low productivity of older workers
  - Not just jobs for the elderly, but GOOD jobs
- Old-age support system
  - Balance in the emphasis on social insurance and economic self-sufficiency.



# Support system for the elderly

Funding the gap between consumption and labor income: portion met by relying on assets, private familial transfers, and public transfers. Persons 65 and older.



# Prospects in NE Asia

- Low fertility is a very serious issue
- Old-age support system is in transition
  - Economic support from the family in decline
  - Future of Social Insurance systems is unclear
  - Asia has largely avoided large scale programs that are unsustainable
- Increasing employment and productivity among the elderly faces major obstacles