Ageing Population

An aging population is one of the biggest problems facing the Asian continent. While some countries are already in the midst of dealing with this problem, many more may face significant challenges with regard to their economic growth in the near future. This essay will contend that an aging population when managed and capitalized on properly, can actually be harnessed for economic prosperity and growth. This paper will first focus on dissecting the issue itself, presenting statistics and evidence of the aging population problem in many Asian countries, and tracking its expected growth in the future. It will then present a number of political strategies which nations can adopt to overcome an aging population, including raising the retirement age and incentivising families to have more children. This essay will then present a number of business opportunities and industries that will thrive due to an ageing population as a means to reiterate the notion that the issue at hand, when harnessed in the correct manner, can become an economic growth area. Ultimately, this essay will aim to steer the reader towards the conclusion that through proper political planning, strategy, and management the problem of the ageing population in Asia can be negated. Furthermore, innovation and entrepreneurship will become a significant opportunities for business in the coming years.

The ageing population is undeniably one of the biggest issues facing Asia. Although the problem is not just an Asian issue, the rate at which the shift is occurring in Asia is truly unique. To illustrate the magnitude of the situation, according to the United Nations Economic and Social Commission for Asia and the Pacific (2015), the proportion of people aged 65 and over in France shifted from 7 percent of the total population to 20 per cent in approximately 150 years, whereas Japan experienced the same shift in 40 years, and China and the Republic of Korea are estimated to undergo the same transition in only 35 and 30 years respectively. In East and North-East Asia, over 65s make up more than 56% of the population (UNESCAP, 2015). In Japan, the world’s oldest nation by statistics, 33.1 percent of the population is over 65, and this is expected to grow to more than 37 per cent by 2030. Furthermore, South Korea has a fast rate of ageing. Currently, 18.5 per cent of its citizens are over 65, and that is projected to increase to 31.4 percent by 2030 (The Jakarta Post, 2018). Essentially, all these statistics point to one clear conclusion – Asia has a unique problem with an ageing population that will only continue to grow. The UNESCAP lists a plethora of challenges that will come with the ageing population issue including, lack of long-term care given to older persons, poverty in old age, and increased pressure on countries to negate the potential economic burden as a result of the issue. However, the Commission also provides a number of solutions and suggestions which form the basis for this essay's contention that an ageing population can be an opportunity for economic growth if managed properly.

Effectively addressing the issue of an ageing population requires multiple, integrated policies and initiatives. Perhaps the most important nation already in the midst of dealing with this crisis in Japan. Therefore, surrounding Asian countries can model their approach to the issue from the Japanese approach. To counter the ageing population, Japan introduced a series of measures over the years that focus on the related challenges. The New Angel Plan (1999) and the Plus One Policy (2009) are designed to make having children easier by allocating funds to new childcare facilities, reducing educational costs, and improving family housing (Centre for Public Impact, 2017). The Angel Plan is a five-year initiative designed to assist couples in

raising children. Its successor, The New Angel Plan, which was then followed by the Plus One Policy in 2009, was designed to make having children an easier and more attractive option.The Plus One Policy aimed to enhance childcare services, strengthen maternal and health facilities, improve the educational environment, improve housing and public facilities and ease the economic costs of raising children. The Plus One Policy was implemented to encourage families to grow by 'plus one'. So far, 'There has been a small increase in the total fertility rate, reaching 1.37 in 2008. Birth rates have risen slightly for all in the childbearing ages, although somewhat faster for women aged 35 to 39' (Centre for Public Impact, 2017).

Another Japanese initiative, led by Prime Minister Abe and his ‘Abenomics’ policies, is to increase the retirement age. The Japanese government is considering raising the mandatory retirement age for civil servants from 60 to 65, and incentivising companies that continue their employment of retiree-age staff. This would help close the gap between life expectancy and the time at which individuals may exit the workforce (CEPR Policy Portal, 2018). This is expected to raise the working age of the total population back to approximately 55 percent by 2025 (2018). At the same time, Japan is seeking to change the pension qualification age. Currently, Japanese citizens who qualify for the pension may choose to start receiving payments from the Employees’ Pension Insurance program at age 60 and may choose to receive further payments from the National Pension Program at any stage between ages 60 and 70 (2018). This initiative aims to ease the financial pressure of the ageing population. However, if Japan plans to raise the age of retirement, then elderly health is of particular importance. Therefore, systems and policies must be put in place to ensure that its older population is healthy enough to continue working. Some possible solutions might include policies focusing on lowering tobacco and alcohol consumption, vaccinations, improving diets, and promoting active lifestyles. Such policies would serve to complement the already existing policies implemented by the Japanese government, and are crucial if Japanese citizens will be expected to work until their mid-60s in the near future. The solutions sought by Japan are a strong example of how dealing with the ageing population problem requires multifaceted social and political changes. However, the ageing population issue does not necessarily have to present as a problem if handled correctly, and many even argue that an ageing population can spell economic prosperity.