

Asia's Aging Population

By Masakazu Toyoda

Everybody gets older; we are all aging. It is part of the natural process for societies to eventually face an increase in the number of elderly people. As a result of the decline in birth rates, Japan's population over the age of 65 is now reaching 27%. As such, Japan is now one of the two most aged societies in the world.

Cherry blossom trees flower every spring in Japan. The blooming (or Sakura) can be observed from south to north, when the viewing season arrives. Men and women, young and old, even including their dogs, gather at cherry blossom viewing spots and share food and drinks under the blossoms. It is not rare to see families accompanying their elderlies in wheelchairs, if they have difficulty walking. It is always a happy scene; it is always full of laughter.

How about the rest of Asia? Of course, all Asian people also currently enjoy good family moments, but how long will this last? According to a report by the U.S. Census Bureau, the population of Asia, including India and China, was 4.5 billion in 2020 more than 60% of the world's population. Of this population, the number of people over the age of 65, currently estimated at just over 400 million, will triple reaching over 1.2 billion by 2060. By then, it is said that one out of every 10 people will be considered an elderly person in Asia. Of this population, more than one-third will be elderly in East Asia, compared to less than 19% in South Asia and about 18% in West Asia. This increase is attributed to rising medical standards and services, which lowered the mortality rates, and rapidly declining fertility rates.

An aging society should be happy and stable, as described in Japanese Sakura viewing at the beginning of this paper. For the foreseeable future, there are various challenges that need to be addressed in that regard. Let me list four of them. The first is the challenge of nursing care. The second is the challenge of a declining population which often may lead to the third challenge of immigration. And the fourth is the issue of security.

In this May/June 2025 issue of *Japan SPOTLIGHT*, we will feature a roundtable discussion titled "Challenges Facing Asia's Aging Societies" with experts from Singapore, Thailand, and the United States. Each country has its own unique problems and responses, and we believe there is much to be learned from each other. It will be posted on the website of Japan Economic Foundation in a week or so.

First, the issue of long-term nursing care. Caregiving varies from country to country. In Japan, even though the number of "smaller" families or households is increasing, many elderly people are opting to live in either nursing homes or long-term care facilities. In many Asian countries, however, family members are often expected to take care of their parents. As this is often regarded as part of a culture of filial piety, it often implies that family members must quit their jobs to provide the necessary care. In some countries, personal caregivers from other countries are hired for home service, but the cost is not small. In Japan, while the nursing homes are inviting from abroad an increasing number of qualified caregivers, the use of robots is increasing,

and the measures that are introduced are leading to the development of new industries.

Next is the issue of the overall population decline. In many developed countries, the birth rate is declining while the population of previous generations is aging. It is becoming a vicious circle, and it is not stopping. What about Asia? According to the UN "World Population Projections", between 2023 and 2035, the population of South Asia is expected to increase from approximately 2 billion to 2.3 billion, and that of West Asia from approximately 300 million to 400 million. In East Asia, however, the population is expected to decline from about 1.7 billion to about 1.6 billion, with particularly large declines in Japan, Taiwan, China, and South Korea, which are expected to fall by 7%, 6%, 4%, and 3%, respectively. The problem with population decline is that it would lead to difficulties in maintaining sound finances and in sustaining economic growth. Asia is said to be the world's growth region, but the center of gravity of the growth is clearly shifting from East Asia to South and West Asia.

This may lead to the issue of immigration. Immigrants are helping to halt the decline in population, especially in developed countries. For example, among the G7 countries, Japan's population is declining, Germany and Italy's population is flat, and the population of others is increasing because they are accepting many immigrants. In several countries, the problem of reconciliation between immigrants and locals is arising. Some countries, such as Canada and Australia, have introduced a point system to select immigrants that are sufficiently proficient in the local language and can rapidly fulfil a particular need of the host country. Those countries would give priority to foreigners with experience in the medical and nursing professions, for example. In Japan, the population is decreasing at a rate of almost 1 million per year due to limited immigration. If that rate is assumed to continue, the current population of 120 million could be half of that in 60 years. A change in immigration policy appears essential.

Finally, there is the issue of security. In brief, this means that a country loses its ability to defend itself if the military cannot attract enough people. In the case of Japan, the Self-Defense Forces are seeking about 240,000 personnel, but there are about 10% vacancies. As Japan's security role in Asia is expected to expand in the future, securing sufficient human resources will become a growing concern. However, various new technologies, including robots and drones, have recently been introduced, and it is hoped that their advancement will contribute to an increase in security.

We hope that an Aging Asia will overcome the above four challenges and become a happy and peaceful Asia.

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