



Demographic Change : Aging Societies

Global Population Aging: Growing Old

Europe is bracing for the social and economic impacts of a retiring "baby boom" generation. But aging population is a long-term and global trend – one that will continue for generations to come.



A pensioner sits on a bench in Germany, a country with one of the biggest percentages of elderly citizens in the world (Photo: Reuters)

Some claim it is a sign of our success: as medicine, sanitation, and agricultural production have improved, life expectancy around the world has risen. This, combined with falling birth rates, is causing what experts call the "demographic transition" - the gradual change from high to low levels of fertility and mortality.

One of the biggest impacts of this transition is population aging. Europe has seen both mortality and fertility fall since the 19th century. Since the 1960s, however, fertility has declined even more dramatically. Europe now has so many elderly people and so few newborns that mortality rates have started to climb again, now reaching levels similar to some developing countries.

Today, 19 of the world's 20 "oldest" countries - those with the largest percentage of elderly people (65 or older) - are in Europe. In Italy, the world's oldest country by these standards, over 19 percent of the population is elderly. This figure is expected to reach 28 percent by 2030.

While the most striking examples of aging populations are in Europe and Japan, it is a global trend. Average ages elsewhere in the world - particularly in Asia and Latin America - are slowly creeping up. In China, declining birth rates will cause its elderly population rise from 88 million to 349 million by 2050.

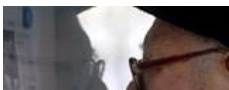
"The West has been gradually aging over the past 150 years," says David Phillips of the Asia-Pacific Institute of Ageing Studies (APIAS) at Lingnan University in Hong Kong. "The changes in Asia-Pacific, particularly in East Asian countries, have basically occurred in the last 30-40 years."

The demographic transition will be much slower in the Middle East and Africa, particularly in sub-Saharan Africa, where high birth rates will help keep the percentage of elderly people under 4 percent for decades to come. But even with Africa in the equation, the UN expects that by 2050, the vast majority of people 65 and older will live in what are today considered to be "developing countries."

Aging a "pervasive" influence

Aging populations will create a number of challenges for current and future governments. One is how to sustain public pension/social security systems as a bigger percentage of people reach retirement and live longer to enjoy it.

"In coming decades, many forces will shape our economy and our society," says U.S. Federal Reserve Board Chairman Ben Bernanke, "but in all likelihood no single factor will have as pervasive an effect as the aging of our population." Like other countries, the United States is looking down the barrel of a "baby boom" generation ready to retire and collect their first social security checks.



An elderly man in China reads the newspaper. China could see its elderly population grow to 349 million people by 2050 (Photo: Reuters)



"The 'pig in a python' image often used to describe the effects of that generation on U.S. demographics is misleading," says Bernanke. "Instead, over the next few decades the U.S. population is expected to become progressively older and remain so, even as the baby-boom generation passes from the scene."

The situation is more urgent in Japan, where one in four people will be elderly by 2015. This demographic shift will force Japanese policymakers and companies to rethink conventional pensions, health care schemes, and mandatory retirement ages. Falling birth rates are also expected to shrink Japan's population to around 95 million people (from the current 128 million) by mid-century, which will impact the labor market, housing sector, and markets for most consumer goods.

Changing life plans

"Longer life is not a problem: it is a crowning achievement of modern civilization," writes James Vaupel, founding director of the Max Planck Institute for Demographic Research. "Longer life will, however, require radical changes in retirement policies and social programs. And longer life will require individuals to re-think how they would like to spend their lives."

For one thing, retirement ages will probably increase, as already planned in Italy and Germany. Longer life expectancy could mean a more substantial restructuring of society and life planning. In Germany, where life expectancy could reach 90 by 2050, Vaupel suggests that people should be able to spread out their careers longer - even into their late 70s - through part-time work, providing more time for childrearing, education, and leisure earlier in life.

A sensitive, but central political issue for the growing number of elderly voters is how government pension and medical care schemes will adapt in the face of a growing elderly population. Many people reaching old age have little confidence that without reform, the state systems will be viable for much longer.

But as people have fewer children, demographers expect there to be fewer potential caregivers, particularly from family members. In Europe, North America, as well as Asia, the number of elderly people who live alone is increasing, particularly among women.

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And with elderly people continuing to live in their homes and communities into old age, medical and social support must be available for a growing number of elderly. Billions of dollars will need to be invested to equip or renovate [private homes](#) and public spaces to [accommodate independent older people](#). Once again, Europe could become the avant-garde of global change. If the old continent meets the challenges posed by its aging population, longevity could indeed be its crowning achievement. If not, it may be the harbinger of decline.

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