



A TITLE NO COUNTRY WANTS


What is the world's fastest-aging society?

After 2040 there will be a diverse range among the world's superaged societies

By Brigitte Miksa

If South Korea is the Usain Bolt of aging, then France is clearly Eddie “The Eagle” Edwards. While it will have taken France more than 170 years to become a superaged country, South Korea will achieve the feat in a historic eye blink of three decades.

But when it comes to aging, a society is far better off performing like Eddie, who famously came in last by a wide margin in ski jumping events at the 1988 Calgary Games, than like Bolt, who is considered the fastest sprinter ever. This is because of the drag that an aging population places on economic growth.

When France became an aging country (see breakout box) in 1850, slavery was still an institution in the US, the light globe had not been invented, and Germany not yet unified. Some 130 years later, when France became an aged society, two world wars had been fought, the atomic bomb built and used, and horseless carriages were the main form of transport worldwide. France is finally expected to become superaged in 2023. In comparison, South Korea, which became an 



aging society only in 1999, is expected to become aged in 2018 and superaged a decade later in 2028 (see graph). But although South Korea is the front-runner in terms of rapid aging, it is heading a closely bunched pack of nations that include Bangladesh, Singapore, Thailand and Vietnam all competing for the title of “world’s fastest-aging country”.

The aging of our societies is one of the greatest success stories of the 20th century. It means more than 30 years have been added to the lives of individuals in many part of the world over the last century. This is well worth celebrating, but the title of world’s fastest-aging is not one any country would welcome as societal aging comes with significant long-term economic consequences.

The OECD, a Paris-based club of rich countries promoting sustainable growth, warned last year that the deep-seated, unprecedented rate of population aging could help to slow global annual economic growth from an average of 3.6% this decade to about 2.4% between 2050 and 2060. In particular, OECD countries will be hit by a double demographic shock, as the report *Shifting Gear: Policy Challenges for the Next 50 Years* states bluntly. The aging trend, already observable in advanced and many emerging economies, will be compounded by the second effect of slowing immigration from low-income economies.

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As the global economic balance shifts towards non-OECD areas and the gap between developed and emerging economies harmonizes, there will be less incentive to move, so work-related immigration towards OECD areas will slow. The OECD believes this could result in a labor force in the euro area 20% lower than today, while in the US, a 15% drop is expected.

AGING QUICKER THAN YOU THINK

Currently only Germany, Italy and Japan are considered superaged – where more than one in five of the population is 65 or older. By 2020, Bulgaria, Finland, Greece and Portugal will join them. Europe will continue to age with another 17 countries, including Austria, France, Sweden and the United Kingdom expected to become superaged societies by 2030, along with Canada, Cuba, Hong Kong and South Korea.

Until 2040, rapid societal aging could be considered mainly a developed world problem, but by then it is expected there will be a diverse range among the 55 superaged societies. China, Singapore, Thailand and Puerto Rico will join the US to cross the threshold to superaged. However, in terms of the rapidity of aging, Iran, still considered young, could beat South Korea to the title of world’s fastest-aging country. By



Aging societies: one of the great success stories of the 20th century

2050, Iran could have become superaged in less than three decades, according to projections by Allianz (see graph).

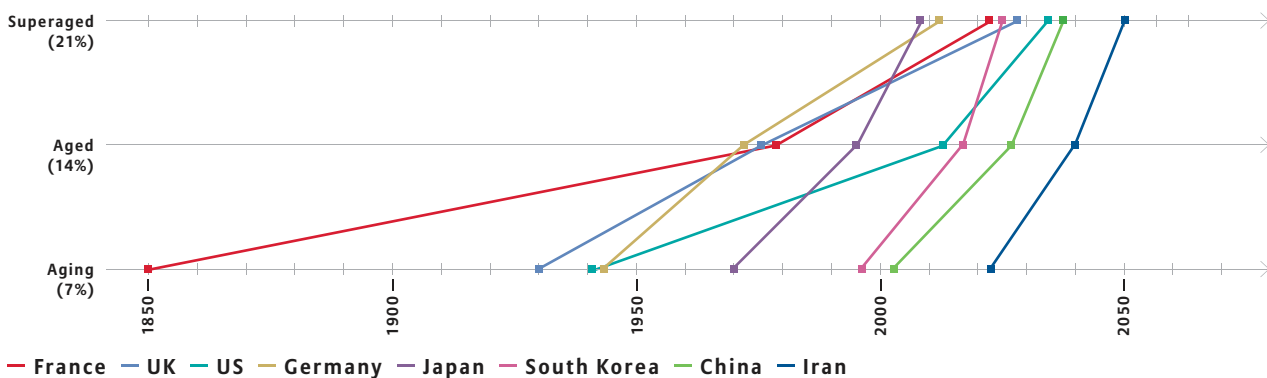
The speed of this transformation is remarkable. For years, Japan was considered to have the most rapidly aging population on earth. The Land of the Rising Sun went from having the youngest population among G7 countries in the early 1960s to become the world’s oldest country in 2008 – a time period of 38 years. If the projections hold true, then Iran will accomplish the transformation a decade quicker.

Aging is due to rising life expectancy coupled with falling fertility rates. While the speed of the decline in the fertility rate has been dramatic around the world, it is astonishing in Iran, where it dropped from seven children per woman in 1984 to 1.9 in 2006. This is about as fast as social change can happen and will certainly have long-term consequences as the working-age population declines and the elderly population soars.

Hidden away in the statistics are a group of countries that never age. As societies, they are not confronted with issues stemming from population aging and decline, yet this is far from the happy state you might imagine. Countries such as Sierra Leone, Lesotho, Central African Republic and Zimbabwe have some of the lowest overall life expectancies at birth on the planet. Famine, corruption, conflict, lack of access to clean water and education, and AIDS mean on average no male or female lives beyond 48 years. For such countries, the problems confronting aging societies are a luxury their people can only dream of. _____

DEMOGRAPHIC CHANGE. YOUNG – AGING – AGED – SUPERAGED. 1850–2050

As a convention, once 7% of a country’s population is 65 years old or over, researchers consider it “aging”. When it exceeds 14%, the country is seen to be “aged”. In this respect, with only 5.7% of its population aged 65 or over, Malaysia, for example, is considered a young country, whereas Turkey lies just over the 7% threshold. France and the UK (both 18%) belong to the aged countries, because they lie over the next threshold of 14%. Germany (21%), Italy (22%) and Japan (26%) are already being referred to as “superaged” as they have reached the next threshold of 21%.



Source: United Nations Population Division, US Census Bureau, Statistisches Reichsamt, Kisella and Gist, Mirkin and Weinberger, Allianz, International Pensions