

"The shrinking share of young people will more than offset the ageing of the population."

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Population ageing in developing countries: burden or opportunity?

FAMILY PLANNING DELIVERS

Securing contraceptives for economic development

Key action points

- Empower women and girls to access education and participate in the formal labour market.
- Implement labour and economic policies that create decent work and support those who are unemployed and under-employed.
- Ensure universal access to family planning and sexual and reproductive health services.
- Adopt family-friendly policies that support women to be mothers and also achieve their career aspirations.

Population dynamics – social and economic challenges

The social and economic challenges that population ageing is inflicting on industrialized, developed countries – including reduced labour supply and reduced productivity, consumption and savings² – are widely recognized. However, population ageing in developing countries is vastly different, and is accompanied by opportunities to enhance future growth and development, as well as challenges.

While the number of older people is increasing rapidly in developing countries, it is mirrored by declines in fertility. As a result, populations in these regions will in future be dominated by working-age people. In order to realize a demographic dividend, governments in low-income countries must act quickly to increase women’s economic participation and increase access to sexual and reproductive health and rights.

Less developed countries are ageing quickly

Population ageing is a natural, largely irreversible consequence of the demographic transitions that all countries are going through or have completed. As fertility falls, the proportion of children in a population declines, and older, healthier adults assume an increasingly greater proportion of the population.³

Populations in developing countries are ageing at three times the speed of populations in developed countries.⁴ By mid-century, the less developed regions as a whole will achieve an age structure similar to that of today’s more developed regions.⁵

- Currently, fewer than one in 10 people is over 60 years old in developing countries. By 2050, older people will account for one in five.⁶
- Population ageing will have the greatest future impact in Asia.⁷
- From 2025, growth rates of people over 60 years old will slow.

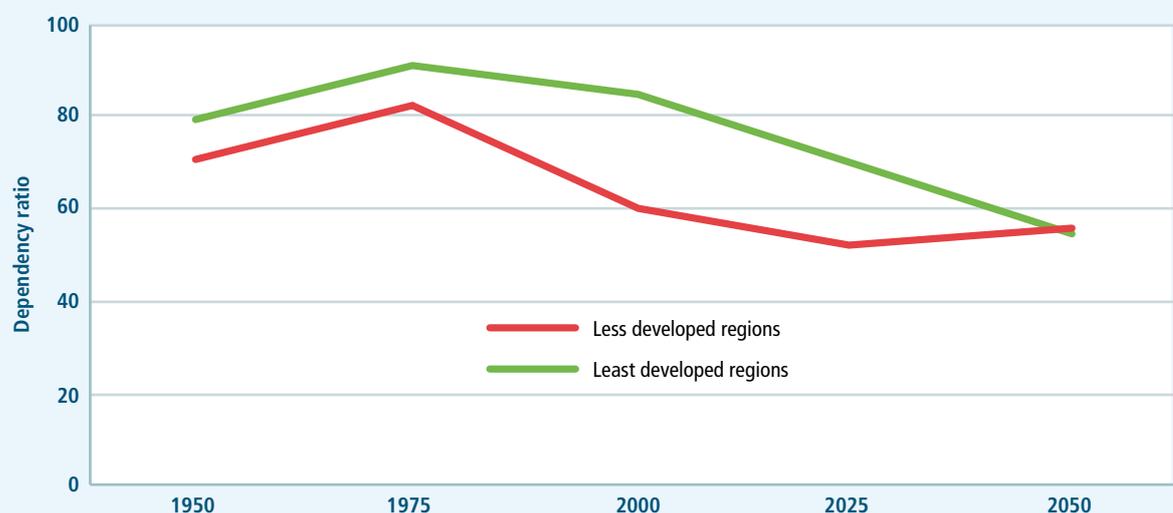
Simultaneously, youth populations are declining. In developing countries, the proportion of children and young people (under 15 years) will drop from nearly 42 per cent in 2005 to 29 per cent in 2050.⁸ In the same period, the proportion of children and young people in developed countries will drop less than 2 per cent.

Because of the rapid ageing process, developing countries will be old before they will be rich, and before they have strong social protection systems to support a large elderly population. These countries must therefore act swiftly – typically, they have less than 50 years to capture the opportunities offered by their population age structures.

Labour forces are expanding, not contracting, in developing countries

As a result of population ageing, labour-force-to-population ratios will increase in most developing countries.⁹ By 2050, working-age people will account for 65 per cent of the population,¹⁰ which means that population ageing will not hinder the pace of economic growth.¹¹ Figure 1 shows how dependency ratios – segments of the population that depend on working-age adults – are changing.

Figure 1: Dependency ratios in less developed countries, 1950–2050¹²



To promote lower dependency ratios, governments must support fertility decline by making voluntary family planning universally available; by encouraging women's economic participation; and by adopting labour policies that enable women and other unemployed and under-employed individuals to combine work and family.

In turn, governments and households will have more money to put into savings and be able to make more investments in human and physical capital, which will all be critical when the bulk of the population is not just ageing, but elderly.

South Korea's economic miracle and family planning: case study

A significant part of South Korea's economic miracle can be attributed to government policies that capitalized on population dynamics. Korea implemented a national family planning programme, which lowered fertility and enabled women's economic participation.

Experts at the Harvard School of Public Health found that from 1960 to 1990, fertility decline produced a 36 per cent increase in per capita income, and increased female labour force participation generated an additional 21 per cent increase. Together, fertility decline and women's economic empowerment created a 57 per cent increase in per capita income.¹³

While its achievements are significant, Korea's failure to effectively support women to be both mothers and to have fulfilling careers caused fertility to fall too rapidly. Korea will now struggle to care for a disproportionately old population in just a few years.¹⁴

Governments that support families, that promote male involvement in caring for children and parents, and that support older people through public social protection systems, are more likely to reap the benefits of population ageing and maintain sustainable population growth.

The Planned Parenthood Federation of Korea, an IPPF Member Association, is supporting women to combine motherhood with work. Korean women return to work after taking maternity leave for three months; however, most workplaces did not provide space for breastfeeding. As a result of the Association's advocacy, the government enacted a law requiring employers to provide adequate private space for breastfeeding. Laws like this support sustainable population growth and women's economic empowerment.

Policy responses to capitalize on population ageing

To date, policies and programmes in low-income countries lag behind the realities of their population age structures. In addition to increasing access to voluntary family planning, the following are the most critical areas of policy intervention.

Women's education and economic empowerment

Gender equality is perhaps the most powerful force for improving dependency ratios and bringing about substantial growth. Girls' education and women's labour force participation are under-utilized in many contexts, and women's capabilities are often not matched by job opportunities.¹⁵

Labour policies to create decent work

Large numbers of people are unemployed and under-employed due to lack of job opportunities and barriers to skilled employment.¹⁶ Statistical evidence from Korea and the Philippines suggests that the ability of industries to absorb the workforce was the most critical factor for a developing country to take advantage of the demographic dividend and achieve sustainable growth.¹⁷

Governments in low-income countries should implement labour policies that support the private sector to create decent work for working-age people, including older people.

Strengthen family ties between daughters and parents

In parts of Asia, where population ageing will have the greatest future impact, it is traditional for women to support their husband's parents, rather than their own. As a result, many elderly people do not have strong family support. This tradition also contributes to son preference, and a lack of investment in girls and women.

Governments should consider incentives to strengthen daughters' obligations to their own parents. Doing so will help share the burden of caring for the elderly across government, civil society and families, but also enhance the status of women and girls across whole societies.

Strengthen social and health care systems for older people

Governments and societies in developing countries are not well equipped currently to support and care for large numbers of older and elderly people. Globally, 80 per cent of older people do not have any pension coverage;¹⁸ policies to reduce risk factors to non-communicable diseases are inadequate; and health systems are not equipped to care for older people.

Given the speed of population ageing, governments must act quickly to strengthen social and health policies and systems to support older people of all age groups.

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Glossary

Dependency ratio is the ratio of the economically dependent part of the population to the productive part. Total dependency ratio: persons under age 15 plus persons aged 65 or older per 100 persons aged 15 to 64. Youth dependency ratio: persons aged 0 to 14 years per 100 persons aged 15 to 64. Old-age dependency ratio: persons aged 65 years and over per 100 persons aged 15 to 64.

Labour force participation rate refers to the economically active population in a particular age group as a percentage of the total population of that same age group.

Population ageing occurs when the median age of a country or region rises. It is a consequence of lasting decreases in fertility and increases in life expectancy.¹⁹

Populations in developing countries are ageing at three times the speed of populations in developed countries.²⁰