



Dealing with Asia's Aging Challenges

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Re-measuring Age and ageing

1. There should be new ways of measuring ageing that more accurately represent the real world.

First, life expectancy has increased significantly and 65-year-olds today generally have higher remaining life expectancies and are healthier than their counterparts in previous generations.

Secondly, most studies of population ageing focus on only one characteristic of people: their chronological age. But other characteristics relevant to population ageing will change over time and place.

2. Future ageing trends look also much less gloomy when new indicators of ageing are used compared to a traditional approach.

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University
in St. Louis

The Family's Multifaceted Role in Long-Term Care

1. The key population trends: increased life expectancy; decreased fertility rates; delay in timing of family creation; shifts in morbidity and mortality; changing family structure and membership.

2. The social implications: older adults make up larger proportion of the population; more generations alive at same time; overall family size is smaller; more years between generations; potential for differences in experience and values; older adults have different support needs and they have these needs longer; norms of responsibility are less clear.

3. Families should provide direct care: plan, coordination, and supervise care provided by others; make decisions about care.

Jinill Kim
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University

Impact of Demographic Changes on Inflation and the Macro-economy

1. Demographic Impact on the Macro-economy will be grave.

First, saving declines with population aging and there should be more incentive to save with greater life expectancy.

Secondly, investment declines with elderly share while investment increases with the extension of working-age.

Lastly, population ageing aggravates fiscal position.

2. Existing studies on inflation impact is limited and empirical evidence is scant.

3. Policy implication on macroeconomic policy framework reflected in three aspects: monetary policy; fiscal policy; structural reforms.

**He Wenjong
Zhejiang
University**

Population Ageing and the Improvement of China's Pension System

1. Starting in mainland China from the mid-1980s, the pension system reform has not paid enough attention to the factor of population aging.

It resulted in a series of biases from the institutional design to the actual operation, which needs to be improved as soon as possible.

2.Improving the institutional design: (1)going back to “ensure the basic demand”: insisting on the equity of the baseline, emphasizing on the equilibrium over generations, realizing the actuarial balance in the long run; (2)improving the structure of institution: implement of the separation between personal accounts and social pool, establishing the fund-balanced mechanism respectively in long term; (3) changes on the methods of calculation and issue: taking the rising longevity into account when determining the pension mechanism, the higher age of collecting a pension step by step, encouraging people to delay taking the pension; (4) improving the mechanism of payment adjustment: focusing on CPI with sharing the achievements of social development in consideration.

**Naohiro Ogawa
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Rapid Population Aging and Changing Intergenerational Transfers in Japan and Selected Asian Countries

1. National Transfer Accounts (NTA) is an innovative approach to analyze some of the aging-related problems. The basic features of the NTA project: union of macro-level (public) and micro-level (familial) data; interplay among various age groups (age-specific); consistent with the system of national income.

2. Both the first and second demographic dividends are highly policy-sensitive.

**Bryce Hool
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Research on Ageing in Singapore: the Singapore Life Panel

- 1. Population ageing in Singapore:** rising longevity (72-82); low fertility (1.2); rapidly ageing population.
- 2. Health and health care system in Singapore:** optional supplemental insurance provides incomplete protection; High rate of OOP expenditure for health care (patient pays 2 out of 3 dollars on average).
- 3. Pensions in Singapore:** mandatory, fully funded, defined contribution system; high saving rate (combined 35%), but savings allowed to be diverted into housing, health care, education; low pension balances for some (many) individuals.

**Yong Cai
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What's Behind the Shifting Labor Income Age Profiles in China?

1. The change of China's labor income age profile is real and transitional.
2. Labor force participation and education are two major factors that could shape labor income age profile.
3. Relative higher income is beneficial for the transition to social welfare.
4. Expansion and consolidation of higher education will bring longer-term benefits.
5. Raising retirement age will bring a cushion to the transition to an aging society.

**Hu Zhan
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China's Family Changes and Elderly Support System

- 1. Chinese families remain the most important source of old-age support.** We need to support the present elderly people for financial assistance and health care and support the sustainable development of aging society in the future.
- 2. Family changes have many impacts on China's family support for elderly people.**
- 3. The suggestions for supporting family in old-age support mainly reflected in three aspects:** Re-strengthening family's functions and responsibilities; Directly institutional support to family (household-based tax policy, put family member's LTC into social insurance, education investment incentive mechanism for the parents); Promoting the cooperation of family and other social system.

(Editor: Xu Wanwan, Bao Cong)