



INSTITUTE OF ECONOMIC GROWTH

KEC POLICY BRIEF



ASIAN DEMOGRAPHIC TRANSITION*

Chair: Suman Bery

Speakers: Yoon Je Cho, Tan Sri Michael Yeoh, Eric Bergl f

Plenary
Session

6

Date: 4th October 2025 | Time: 14:30 – 16.00 hrs

Introduction

Asia stands at a demographic crossroad, which differ country-wise. While some have faced decades of rapid fertility decline and increased longevity which have transformed once-young populations into aging societies, some others like in India and South Asia still have a demographic window but must prepare early for a faster-than-expected aging process. These transitions reflects socioeconomic progress, but they also signals deep structural challenges for health, labour, and social protection systems. Managing these shifts effectively will determine whether Asia's demographic change becomes a drag on growth or an opportunity for renewal.

Main Points

- Asia is aging faster than any other region, with shrinking working-age populations and growing elderly dependency, making health, productivity, and economic security for older persons pressing policy priorities.
- The region's care economy remains fragmented, underfunded, and heavily reliant on informal family support, as institutional set up like pension system long-term care

frameworks, and health coverage are missing.

- Leveraging technology, skills, and active-aging strategies can extend productive lives and reduce fiscal burdens.
- Coordinated, inclusive, and forward-looking policies are essential to ensure healthy, active, and dignified aging.

Context

Asia's demographic transition has been among the most rapid in human history. The region's population grew from 1.7 billion in 1950 to 4.8 billion today, but fertility rates have fallen sharply, even replacement levels in economies such as Japan, Korea, China, and Singapore. While these countries enjoyed the benefits from demographic dividends, Falling fertility, delayed marriage, and changing gender norms have accelerated population aging, bringing new pressures on economic growth. In contrast, South and Southeast Asia, particularly India, Vietnam, and Indonesia remain relatively young but are also aging faster than earlier generations did, and may face the former issues

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going further. As transitions now occur within decades rather than centuries, even younger countries have limited time to adapt. Without timely reforms, the region could experience slower growth, widening inequality, and social strain.

Findings

1. Health and Well-being of Older Persons

Health is central to aging well. Across Asia, the majority of older persons face chronic non-communicable diseases (NCDs) such as hypertension and diabetes. Regional data show that over half of those above 60 suffer from at least one chronic condition, while 60% lack regular health check-ups (see Figure 1). In India, the figures are even higher—three-quarters of older persons have at least one NCD, and nearly nine in ten lack routine check-ups.

Limited health insurance further compounds vulnerability: around 80% of older Indians and large shares in other developing Asian economies remain uninsured. Mental health is also an emerging concern, with elevated depressive symptoms particularly among older women.

2. Productive and Active Aging

Aging need not imply economic inactivity. Studies indicate that a significant share of older Asians remain healthy enough to work but are not engaged in formal employment. In India, roughly one-third of men aged 65–69 and one-fifth of those aged 60–64 could still work productively. Mobilizing this untapped potential could raise GDP by over one percent.

3. Economic Security and Pensions

Economic insecurity remains one of the most urgent concerns for aging populations. Nearly 40% of Asia's older adults lack access to pensions, and where pensions exist, benefits are often too low to ensure a dignified retirement. Informal employment dominates—over 90% of India's workers and large shares in Southeast Asia lack contributory pension coverage.

4. Building a Sustainable Care Economy

Asia's traditional reliance on family-based care is under strain. Smaller households, migration, and women's increased labour participation have weakened informal support systems. Yet institutional or market-based elder care remains limited. In India, almost half of older persons needing assistance for physical limitations receive no help at all.

The care economy offers both a social safety net and a source of employment, especially for women. Building a robust ecosystem requires training, certification, and fair working conditions for caregivers. Governments can begin by supporting informal caregivers through

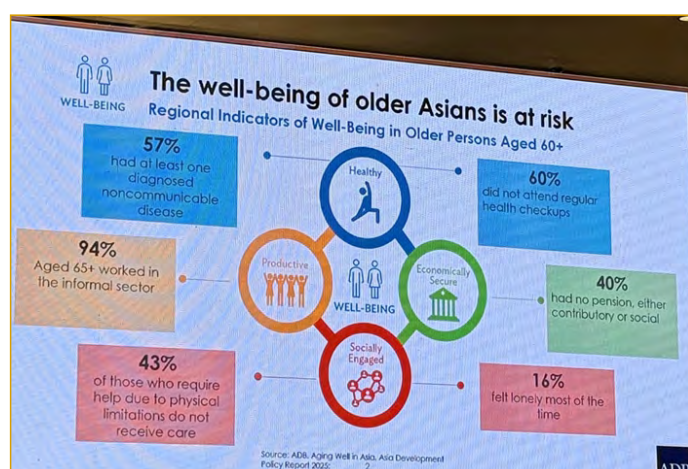


Figure 1: Well-being of older Asians



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community programs, providing respite services, and integrating care into local health networks.

5. Gender, Migration, and Social Change

Demographic transitions intersect closely with gender and migration. As fertility falls, women's roles in education, work, and family are being redefined. Women increasingly delay marriage and childbirth, influenced by career aspirations, urban living costs, and social expectations. In China and Korea, fertility rates have fallen below 1%, reflecting both structural and cultural barriers to balancing work and family. Even in India, where the TFR has fallen to 2.1, it is below the replacement level understood globally, as the country faces a high infant mortality rate. Therefore the concerns of aging need to be dealt with even in India in the coming future. Migration adds another layer. Outbound migration from countries such as India and the Philippines has long supplied labour abroad, while aging societies increasingly depend on migrant caregivers. Well-designed migration and skills recognition policies can balance domestic needs with regional labour mobility, turning migration into a shared demographic solution rather than a source of strain.

Conclusion

Asia's demographic transformation is irreversible but manageable. The region's earlier success in harnessing a demographic dividend shows the power of proactive policy. The same foresight is now needed to navigate population aging. Health, skills, and social protection systems must evolve from youth-centric to life-course-centric

approaches. While East Asia confronts the fiscal and social realities of advanced aging, South Asia still has a narrow window to prepare and must learn from the regions' mistakes, experiences and successful policies.

Policy Recommendations

1. Health and Well-being

- Achieve universal health coverage with a focus on affordable annual check-ups for all older adults.
- Expand community health services and digital solutions such as telemedicine and AI-enabled monitoring.
- Promote preventive health through awareness campaigns and regulation of unhealthy products.

2. Active and Productive Aging

- Align retirement ages with longer healthy life expectancies.
- Reform labour and wage policies to enable flexible, phased, and part-time employment for older workers.
- Invest in lifelong learning systems and combat age discrimination in workplaces.

3. Pension and Social Protection Reform

- Introduce hybrid pension systems combining contributory and social pensions.
- Provide government matching funds to incentivize informal and self-employed workers to save.



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- Strengthen financial literacy and ensure transparent, sustainable pension management.
- Develop balanced migration policies that attract skilled workers and protect migrant caregivers' rights.

4. Care Economy Development

- Build a national framework for long-term care with clear standards and certification for caregivers.
- Support informal caregivers through community programs, respite services, and training.
- Encourage public-private partnerships to expand care infrastructure and dementia services.

5. Gender and Migration Policy

- Narrow the gender pay gap and promote flexible, family-friendly workplaces.
- Invest in childcare and eldercare facilities to ease the care burden on women.

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