

Short report on the International Conference on the

Demographic Window and Healthy Ageing: Socioeconomic Challenges and Opportunities

Peking University, Beijing, China, 10-11 May 2004

Organized by the IUSSP Scientific Committee on Longevity and Health and the Asian MetaCentre for Population and Sustainable Development Analysis.

Local institution sponsoring the seminar: Center for Healthy Aging and Family Studies at Peking University (CHAFA) and China Center for Economic Research at Peking University (CCER)

Participants: 36 demographers and population economists from Europe, American and Asian countries

Goal of the conference: to exchange the latest scientific knowledge on population dynamics, in developing countries, change in population age structure and its impact on economic and social development in the context of the rapid decline of fertility and extension of longevity since 1970s.

In many developing countries, the rapid ageing of the population is viewed as an obstacle to the implementation of significant social policies and social security benefits (retirement pension plans, sickness insurance or medicare). A commonly held view is that developing countries age faster than developed countries and the faster the ageing, the heavier the burden to the society. Although this statement is true, the forecasted population ageing in developing countries will remain modest for the next two or three decades in comparison with the ageing level already reached in developed countries. In many developing countries, ageing, paradoxically, is accompanied by a substantial decrease in the dependency ratio. This ratio--the ratio of dependent young and elderly to the adult population--first declines with the fall in fertility before later increasing as the population ages. The rapid and significant fall in fertility together with the still modest increase in the number of old people modifies the age structure of the population in favour of young adults: producing the demographic window. As a result, working-age adults will support a relatively low social burden for the next two or three decades.

Vigorous debates occurred during the conference, in particular the one which opposed Paul Demeny and Rolland Sigg about the opportunities created by the demographic window. According to Paul Demeny, from the Population Council, whose paper explores the negative lessons of the Western experience in old age support policies: "This very advantage represents a potential danger: that of yielding to the temptation of creating institutional structures for old age support that take advantage of currently still favourable demographic conditions, without regard to the long-term sustainability of commitments inherent in such institutions. If they yield to that temptation—essentially by adopting pay-as-you-go arrangements for pensions

and old-age health systems—Asian states would in fact replicate mistakes committed by European countries and by the US in the years between the two World Wars”.

On the other hand, Rolland Sigg, Head of Research Department at International Association of Social Security, International Labour Organization, “argues that pension programmes, based on non-contributory universal benefit or contributory pay-as-you-go schemes, were a powerful tool to bring the elderly out of poverty and give them dignity. The ability with which industrialized countries have adapted to population ageing over the past 50 years suggests that those faced with ageing populations should be able to do so in the future as well.”

Both agreed that ageing has been one of the key issues on the agenda of industrialized countries for over twenty years, and is now moving into the list of top priorities for the rest of the world.