

AARP INTERNATIONAL *THE JOURNAL*

VOLUME 11 — 2018 EDITION



Foresight in an Aging World

By Claire Casey and Bradley Schurman

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Resource available online at arc.aarpinternational.org



Foresight into the pace and shape of this transformation allows for a much needed rethink of the role of adults in our communities and economies, with the recognition that a healthier, more productive and engaged population is essential to building a prosperous and sustainable future.

In 2006, Japan became the first “super-aged” country, when the share of 65+ hit 21 percent of the country’s population. Today, there are four super-aged countries — Japan, Italy, Greece, and Germany, and 35 aged

Countries around the world are experiencing one of the greatest demographic disruptions in history — the rapid aging of their populations. With few exceptions, in large and small, industrialized and developing countries alike, longer lifespans and reduced birthrates will drive an unprecedented growth in the proportion of the population aged 65+.

(14 percent of a country’s population) — which are all developed economies. In less than one decade, these numbers will rise rapidly to reach 24 super-aged in 2025, drawing in most of Europe, and 32 aged, including the major developing economies of China and Russia.

This rapid shift in population reflects a dramatic acceleration in the pace of aging. It took France 115 years to transition from “aging” to “aged,” 40 years for the UK, and 25 years for Japan. And, developing countries are moving at an even faster pace — Brazil and China are projected to complete the transition in just over 20 years. In Mexico, which today does not even qualify as an aging society, the share of the population over 65 is expected to grow by more than 250 percent by 2050 — from 6.5 percent today to 19 percent. All this underscores the need to proactively consider and prepare for the impacts these massive shifts will have on our societies and how the public and private sector can anticipate and make the most of this transition.

WHAT OLD AGE LOOKS LIKE

Countries can't influence their pace of aging in the coming decades, but they can shape what old age looks like in their societies. And by looking across countries and outcomes, one can begin to understand what choices can be made today to shape that future. Is there a supportive infrastructure for active living and social engagement? What factors enable older adults to continue to contribute to economic prosperity? How are countries shifting from a focus on lifespan to extending the span of healthy living? How can technology be employed to facilitate all of this — from social connection, to economic engagement, to the provision of healthcare services?

Take prosperity — today, high rates of employment among older adults mirror poverty rates in a country as low income seniors are forced to continue working. This stands to change, given improvements in healthcare and education and a desire to remain active and productive. In China, volunteerism has proven both appealing and valuable — its Silver Age Action Initiative taps the knowledge and expertise of the country's older urban middle class to advance social and economic development in rural areas. Five million retired professionals participated in the first decade of the program (ending in 2014), serving more than 300 million people, with contributions valued at USD 1.2 billion. And in the UK, older adults are prolonging or re-entering the formal economy in new fields; there, older adults account for about a quarter of the beneficiaries of the New Enterprise Allowance, a novel program to support entrepreneurship through loans and mentorship. In the US, employers site a “skills gap” as a primary business risk in the coming years and are testing new approaches to allow for a more phased and flexible approach to retirement to retain older workers.

READINESS AND COMPETITIVENESS

While every country faces unique pressures and must operate within (sometimes shifting) cultural norms, the challenge is the same: ensuring that a rapidly aging population remains an engaged and vital part of society. Looking to the future, governments around the world are beginning to experiment with new policies to address the challenges and harness the opportunities associated with these monumental population shifts. But work has just begun. For countries that navigate this transition well, rather than merely viewing aging populations as a fiscal burden, these aging populations can, in fact, help drive greater prosperity and competitiveness.

AARP and FP Analytics partnered in 2016 to conduct an in-depth study of aging policy in 12 countries to produce the *Aging Readiness and Competitiveness (ARC) Report*. The *ARC Report* examines the pressures and opportunities each country faces, as well as their policy responses in four pillars: Community Social Infrastructure, Productive Opportunity, Technological Engagement, and Healthcare and Wellness. A particular eye is given to policy innovations aimed at engaging a healthier, more independent older population and unleashing the productive and economic potential resident among them.

The 12 countries selected for the debut report — Brazil, Canada, China, Germany, Israel, Japan, Korea, Mexico, South Africa, Turkey, the United Kingdom, and the United States — are the

largest economies by region, with the exception of Africa, where the largest upper middle-income economy was chosen. Together, they represent 61 percent of the global economy and nearly half of people aged 65 or older, and include a diversity of economic, social, and cultural contexts. The report was released on the occasion of the annual OECD Forum in 2017 and can be found online at arc.aarpinternational.org.

AARP and FP agreed in 2017 to extend ARC research to include 10 additional countries — Australia, Chile, Costa Rica, Lebanon, Mauritius, Netherlands, New Zealand, Norway, Singapore, and Taiwan. These countries are smaller — under 25 million people — and have proven to be more nimble and willing to innovate to adjust their economies and societies to find solutions for the realities of aging and the opportunities of longevity. ARC 2.0 will be released in mid 2018. ♦



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AARP International engages global stakeholders to spark solutions that strengthen communities, protect the vulnerable and enable people around the world to pursue their goals and dreams. Working with governments, civil society and the private sector, we are focused on enhancing the quality of life for people as they age. We serve as the global voice for AARP, a social change organization with a membership of more than 37 million.

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January 2018
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