Think Again: Global Aging

A gray tsunami is sweeping the planet -- and not just in the places you expect. How did the world get so old, so fast?

BY PHILLIP LONGMAN | NOVEMBER 2010

View a ***photo essay*** *of The Grayest Generation.*

"The World Faces a Population Bomb."

Yes, but of old people. Not so long ago, we were warned that rising global population would inevitably bring world famine. As Paul Ehrlich wrote apocalyptically in his 1968 worldwide bestseller, *The Population Bomb*, "In the 1970s and 1980s hundreds of millions of people will starve to death in spite of any crash programs embarked upon now. At this late date, nothing can prevent a substantial increase in the world death rate." Obviously, Ehrlich's predicted holocaust, which assumed that the 1960s global baby boom would continue until the world faced mass famine, didn't happen. Instead, the global growth rate dropped from 2 percent in the mid-1960s to roughly half that today, with many countries no longer producing enough babies to avoid falling populations. Having too many people on the planet is no longer demographers' chief worry; now, having too few is.

It's true that the world's population overall will increase by roughly one-third over the next 40 years, from 6.9 to 9.1 billion, according to the U.N. Population Division. But this will be a very different kind of population growth than ever before -- driven not by birth rates, which have plummeted around the world, but primarily by an increase in the number of elderly people. Indeed, the global population of children under 5 is expected to fall by 49 million as of midcentury, while the number of people over 60 will grow by 1.2 billion. How did the world grow so gray, so quickly?

One reason is that more people are living to advanced old age. But just as significant is the enormous bulge of people born in the first few decades after World War II. Both the United States and Western Europe saw particularly dramatic increases in birth rates during the late 1940s and 1950s, as returning veterans made up for lost time. In the 1960s and 1970s, much of the developing world also experienced a baby boom, but for a different reason: striking declines in infant and child mortality. As these global baby boomers age, they will create a population explosion of seniors. Today in the West, we are seeing a sharp uptick in people turning 60; in another 20 years, we'll see an explosion in the numbers turning 80. Most of the rest of the world will follow the same course in the next few decades.

Eventually, the last echoes of the global baby boomers will fade away. Then, because of the continuing fall in birth rates, humans will face the very real prospect that our numbers will fall as fast -- if not faster -- than the rate at which they once grew. Russia's population is already 7 million below what it was in 1991. As for Japan, one expert has calculated that the very last Japanese baby will be born in the year 2959, assuming the country's low fertility rate of 1.25 children per woman continues unchanged. Young Austrian women now tell pollsters their ideal family size is less than two children, enough to replace themselves but not their partners. Worldwide, there is a 50 percent chance that the population will be falling by 2070, according to a recent study published in *Nature*. By 2150, according to one U.N. projection, the global population could be half what it is today.

That might sound like an appealing prospect: less traffic, more room at the beach, easier college admissions. But be careful what you wish for.

"Aging Is a Rich-Country Problem."

NO. Once, demographers believed, following a long line of ancient thinkers from Tacitus and Cicero in late Rome to Ibn Khaldun in the medieval Arab world, that population aging and decline were particular traits of "civilized" countries that had obtained a high degree of luxury. Reflecting on the fate of Rome, Charles Darwin's grandson bemoaned a pattern he saw throughout history: "Must civilization always lead to the limitation of families and consequent decay and then replacement from barbaric sources, which in turn will go through the same experience?"

Today, however, we see that birth rates are dipping below replacement levels even in countries hardly known for luxury. Emerging first in Scandinavia in the 1970s, what the experts call "subreplacement fertility" quickly spread to the rest of Europe, Russia, most of Asia, much of South America, the Caribbean, Southern India, and even Middle Eastern countries like Lebanon, Morocco, and Iran. Of the 59 countries now producing fewer children than needed to sustain their populations, 18 are characterized by the United Nations as "developing," i.e., not rich.

Indeed, most developing countries are experiencing population aging at unprecedented rates. Consider Iran. As recently as the late 1970s, the average Iranian woman had nearly seven children. Today, for reasons not well understood, she has just 1.74, far below the average 2.1 children needed to sustain a population over time. Accordingly, between 2010 and 2050, the share of Iran's population 60 and older is expected to increase from 7.1 to 28.1 percent. This is well above the share of 60-plus people found in Western Europe today and about the same percentage that is expected for most Northern European countries in 2050. But unlike Western Europe, Iran and many other developing regions experiencing the same hyper-aging -- from Cuba to Croatia, Lebanon to the Wallis and Futuna Islands -- will not necessarily have a chance to get rich before they get old.

One contributing factor is urbanization; more than half the world's population now lives in cities, where children are an expensive economic liability, not another pair of hands to till fields or care for livestock. Two other oft-cited reasons are expanded work opportunities for women and the increasing prevalence of pensions and other old-age financial support that doesn't depend on having large numbers of children to finance retirement.

Surprisingly, this graying of the world is not by any means the exclusive result of programs deliberately aimed at population control. For though there are countries such as India, which embraced population control even to the point of forced sterilization programs during the 1970s and saw dramatic reduction in birth rates, there are also counterexamples such as Brazil, where the government never promoted family planning and yet its birth rate went down even more. Why? In both countries and elsewhere, changing cultural norms appear to be the primary force driving down birth rates -- think TV, not government decrees. In Brazil, television was introduced sequentially province by province, and in each new region the boob tube reached, birth rates plummeted soon after. (Discuss among yourselves whether this was because of what's on Brazilian television -- mostly soap operas depicting rich people living the high life -- or simply because a television was now on at night in many more bedrooms.)

Jeff J. Mitchell/Getty Images

"The West Is Doomed by Demographics."

MAYBE. But the outlook is even worse for Asia. Those who predict a coming Asian Century have not come to terms with the region's approaching era of hyper-aging. Japan, whose "lost decade" began just as its labor force started to shrink in the late 1980s, now appears to be not an exception, but a vanguard of Asian demographics. South Korea and Taiwan, with some of the lowest birth rates of any major country, will be losing population within 15 years. Singapore's government is so worried about its birth dearth that it not only offers new mothers a "**baby bonus**" of up to about $3,000 each for the first or second child and about $4,500 for a third or fourth child, paid maternity leave, and other enticements to have children, it has even started sponsoring speed-dating events.

China, for now, continues to enjoy the economic benefits associated with the early phase of birth-rate decline, when a society has fewer children to support and more available female labor for the workforce. But with its stringent one-child policy and exceptionally low birth rate, China is rapidly evolving into what demographers call a "4-2-1" society, in which one child becomes responsible for supporting two parents and four grandparents.

Asia will also be plagued by a chronic shortage of women in the coming decades, which could leave the most populous region on Earth with the same skewed sex ratios as the early American West. Due to selective abortion, China has about 16 percent more boys than girls, which many predict will lead to instability as tens of millions of "unmarriageable" men find other outlets for their excess libido. India has nearly the same sex-ratio imbalance and also a substantial difference in birth rates between its southern (mostly Hindu) states and its northern (more heavily Muslim) states, which could contribute to ethnic tension.

No society has ever experienced the speed of population aging -- or the gender imbalance -- now seen throughout Asia. So we can't simply look to history to predict Asia's future. But we can say with confidence that no region on Earth is more demographically challenged.

"The U.S. Baby Boom Has Saved It From an Old-Age Crisis."

For now. On its current course, the U.S. population of 310 million will continue to grow relative to that of the rest of the developed world, primarily because its birth rate, while barely at replacement level, is still higher than that of almost any other industrialized country. In purely geopolitical terms, this suggests American influence over Europe, Japan, South Korea, and other allies could grow. Yet the United States has no reason to be smug about its comparatively favorable demographics. As its allies age and even shrink in population, the United States could be forced to assume even more of the burden of policing the world's trouble spots. Like a person in middle age, the United States now has to worry not only about its own aging, but also about how to provide for other family members who are becoming too old to fend for themselves.

And age America will. The main reason for its comparative youthfulness so far has been immigration, both legal and illegal. But according to a recent study by the Pew Hispanic Center, the number of illegal immigrants thought to be entering the United States has plunged to just 300,000 people annually -- down from 850,000 in the early 2000s. More than a million immigrants from Mexico and elsewhere in Latin America have returned home in the last two years. These falling numbers are largely driven by the soaring U.S. unemployment rate, which has at least temporarily reduced the economic rewards of moving to El Norte, but they could herald a permanent shift.

Demographics explain why. Birth rates are falling dramatically across Latin America, especially in Mexico, suggesting a tidal shift in migration patterns. Consider what happened with Puerto Rico, where birth rates have also plunged: Immigration to the mainland United States has all but stopped despite an open border and the lure of a considerably higher standard of living on the continent. In the not-so-distant future, the United States may well find itself competing for immigrants rather than building walls to keep them out.

"Old People Will Just Work Longer."

But only if older workers are healthy. And that's a big if. You might have noticed a lot more middle-age Americans using canes, walkers, and wheelchairs these days. So many of Walmart's customers are now physically impaired that the giant retailer has replaced many of its shopping carts with electric scooters that allow shoppers to remain seated as they cruise the aisles. Such sights are reflected in statistics showing that, for the first time since such record-keeping began, disability rates are no longer improving among middle-age Americans, but getting worse.

According to a recent **Rand Corp. study** published in *Health Affairs*, more than 40 percent of Americans ages 50 to 64 already have difficulties performing ordinary activities of daily life, such as walking a quarter mile or climbing 10 steps without resting -- a substantial rise from just 10 years ago. Because of this declining physical fitness among the middle-aged, we can expect the next generation of senior citizens to be much more impaired than the current one.

It isn't just Americans. Obesity and sedentary lifestyles are spreading globally. Between 1995 and 2000, the number of obese adults increased worldwide from 200 million to 300 million -- with 115 million of these living in developing countries. From Chile to China, McDonald's and KFC are opening franchises every day, even as people everywhere spend more and more of their time in automobiles and in front of flat-screen TVs and computer monitors. More than a billion people worldwide are now estimated to be overweight, creating a global pandemic of chronic conditions from heart disease to diabetes.

Sure, countries can and will do much more to help people age gracefully and to encourage older citizens to remain in the workforce. A recent report from the European Commission has pointed out, for example, that providing for more part-time jobs would not only encourage delayed retirement, but could also help boost birth rates by smoothing the tensions between work and family life for parents. Encouraging healthier diets would enormously lengthen productive life spans, as would building or preserving more walkable communities. But there are clear limits to how many seniors will be fit enough, mentally or physically, to compete in the global economy of the next 20 years.

These trends undermine the argument, now common around the world, that standard retirement ages must go up. Not only are improvements in life expectancy at older ages very modest and now trending toward zero, but disability rates are exploding to the point that it would be difficult for many older workers to perform in the workplace even if they had the job skills that a modern economy demands. This explains such paradoxes as the fact that U.S. employers report it is nearly impossible to find the engineering talent they need, while the unemployment rate among U.S. engineers remains extraordinarily high. The faster-evolving and more technologically sophisticated a society becomes, the more rapidly job skills -- and elderly workers, sadly -- become obsolete.

"An Elderly World Will Be More Peaceful."

Not necessarily. Some strategists, such as scholar Mark L. Haas, speak of a coming "**geriatric peace**." Here's the argument: In a world of single-child families, popular resistance to military conscription should grow, as tolerance of military casualties falls. The rising cost of pensions and health care should also make sustaining military buildups increasingly difficult. Societies dominated by middle-age and older citizens may also become more risk-averse, more preoccupied with practical, domestic concerns like crime and retirement security, and less driven by adherence to violent ideologies. Japan is often held up as an example of a country that has grown more stable and peaceful as it has aged. Western Europe was wracked by domestic unrest when its vaunted "Generation of '68" was still young, but as these postwar baby boomers aged and produced few children, the political and social agendas of Europe became far less radical.

But there are some problems with this rosy scenario. To start, even countries that are rapidly aging can, paradoxically, produce youth bulges with all the attendant social consequences, from more violence to economic dislocation. Consider Iran. By 2020, the number of 15- to 24-year-old Iranians will have shrunk by 34 percent since 2005, according to the U.N. Population Division. This largely reflects the sharp downturn in the Iranian economy that occurred after its 1979 revolution, as well as the clerical regime's embrace of contraception. But from 2020 to 2035, the number will again swell by 34 percent, even if birth rates continue to decline. Why? A very high proportion of Iranian women are now of childbearing age, which means that even though young Iranian women are having far fewer children than their mothers did -- indeed, not enough to sustain the population over time -- their numbers are still sufficient to create a temporary "echo boom."

Many other Muslim countries, from Libya to Pakistan, will experience similarly huge oscillations in their youth populations. Most of the Central Asian republics, too, will face large echo booms in the 2020s. Long a battlefield for larger powers from the Mongols and Persians to the Russians and British, these newly independent states are once again the object of geopolitical competition due to their natural gas and oil reserves. The same is true of two of Latin America's most volatile countries, Peru and Venezuela.

This isn't just a numbers game. As the darkest recent chapters of European history suggest, the point of transition from growth to demographic decline can be an unsettling and dangerous one. Fascist ideology in Europe was deeply informed by Oswald Spengler's *The Decline of the West*, Lothrop Stoddard's *The Rising Tide of Color Against White World-Supremacy*, and the writings of other eugenicists obsessed with the demographic decline of "Aryans."

Now, just as the horrors of fascism are passing from living memory, a new generation of Europeans is again feeling demographically besieged, this time by the arrival of Muslim immigrants. Fear of demographic decline also fuels the resurgence of Hindu nationalism in India, and it contributes to the backlash in the United States against immigrants and the controversy around the building of the "Ground Zero mosque" near the site of the 9/11 tragedy.

Over the next few decades, not only will echo booms be producing youth bulges in many of the world's trouble spots, but much of the developed world's population will be passing into advanced old age. It's a recipe for maximum demographic danger, Neil Howe and Richard Jackson of the Center for Strategic and International Studies warn. If you think the teenies are looking ugly, watch out for the 2020s.

"A Gray World Will Be a Poorer World."

Only if we do nothing. The connection between a society's wealth and its demographics is cyclical. At first, with fertility declining and the workforce aging, there are proportionately fewer children to raise and educate. This is good: It frees up female labor to join the formal economy and allows for greater investment in the education of each remaining child. All else being equal, both factors stimulate economic development. Japan went through this phase in the 1960s and 1970s, with the other Asian countries following close behind. China is benefiting from it now.

Then, however, the outlook turns bleak. Over time, low birth rates lead not only to fewer children, but also to fewer working-age people just as the percentage of dependent elders explodes. This means that as population aging runs its course, it might well go from stimulating the economy to depressing it. Fewer young adults means fewer people needing to purchase new homes, new furniture, and the like, as well as fewer people likely to take entrepreneurial risks. Aging workers become more interested in protecting existing jobs than in creating new businesses. Last-ditch efforts to prop up consumption and home values may result in more and more capital flowing into expanded consumer credit, creating financial bubbles that inevitably burst (sound familiar?).

In other words, a planet that grays indefinitely is clearly asking for trouble. But birth rates don't have to plummet forever. One path forward might be characterized as the Swedish road: It involves massive state intervention designed to smooth the tensions between work and family life to enable women to have more children without steep financial setbacks. But so far, countries that have followed this approach have achieved only very modest success. At the other extreme is what might be called the Taliban road: This would mean a return to "traditional values," in which women have few economic and social options beyond the role of motherhood. This mindset may well maintain high birth rates, but with consequences that today are unacceptable to all but the most rigid fundamentalists.

So is there a third way? Yes, though we aren't quite sure how to get there. The trick will be restoring what, in the days of family-owned farms and small businesses, was once true: that babies are an **asset rather than a burden**. Imagine a society in which parents get to keep more of the human capital they form by investing in their children. Imagine a society in which the family is no longer just a consumer unit, but a productive enterprise. The society that figures out how to restore the economic foundation of the family will own the future. The alternative is poor and gray indeed.