

# The World Aging Population Trend and Policy Practice

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## Abstract

In recent years, with the growth of the world population, the aging of the population has become one of the most important social problems in the world, and also become the core of social problems in many countries. Based on the summary of the current situation of the world's aging population, this paper analyzes the regional differences in the distribution of aging population, gender differences, etc. Exploring the policy practice of aging population in typical countries, the model of aging population can be divided into three parts: national welfare type, capital market type, Individual deposit type. In addition, countries with different pension models can provide reference experience and significance for the current situation of aging population in China, such as fully considering the all-round needs of the elderly, mobilizing market forces and social forces, and cultivating talent teams combining medical care and nursing, etc.

## Keywords

**Aging; Pension Model; Sustainable Development of Society.**

## 1. Introduction

According to the statistics of the United Nations, the world population will reach 9-10 billion by 2050, among which the population over the age of 60 will reach 2 billion and the population over 65 will reach 1.5 billion, which will soon exceed the number of children under the age of 5. On the one hand, with the continuous improvement of the medical level, the average life expectancy of the world population continues to extend; On the other hand, as education levels rise, women are more focused on their careers and reluctant to have children, which resulted in a large decrease in the population base and a large increase in the proportion of the elderly population. In this situation, the state is also gradually implementing the policy of delaying the retirement age to maintain a stable source of income for the elderly.

Currently, the world's aging population deep degree countries such as Japan, Finland, Italy, the aging degree up to 20%, in our country, the elder over the age of 60 constituting more than 10% while the elder over the age of 65 constituting more than 7%. in accordance with international standards, our country has entered the aging, controlling the population ageing problem is imminent.

## 2. The Current Situation of Aging Population around the World

### 2.1. The Elderly Population is Huge and Growing Fast

According to official statistics, the global life expectancy has increased from 64.2 years to 72.6 years from 1990 to 2019, and is expected to rise to 77.1 years by 2050. In addition, the global fertility rate has fallen from 3.2% in 1990 to 2.5% in 2019 and is projected to fall to 2.2% by 2050.

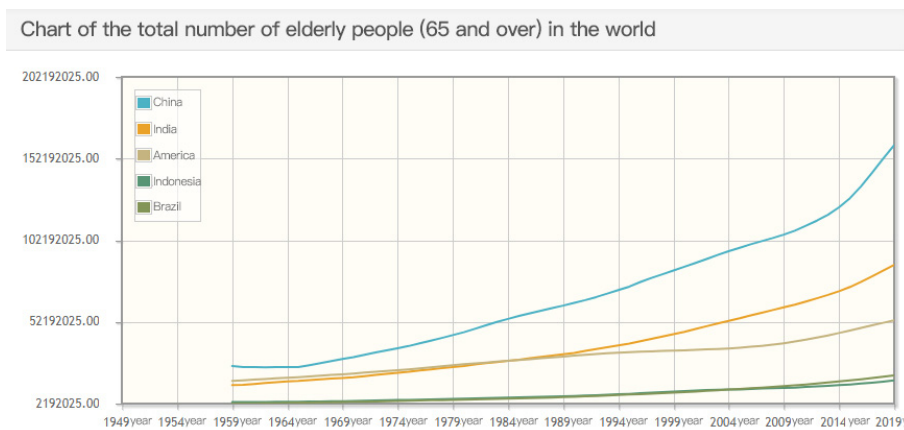


Figure 1. Chart of the total number of elderly people (65 and over)

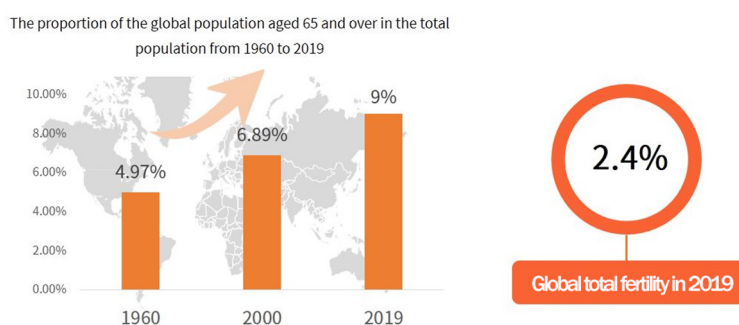


Figure 2. Between 1960 and 2019, the global population aged 65 and above accounted for a proportion of the total population

In some major countries in the world, the number of people aged 65 and above is gradually increasing. Especially in the past five years, the size of the elderly population has expanded rapidly. In 2019, the proportion of people aged 65 and above in the global population is as high as 9%.

As far as China is concerned, according to relevant data research, by 2035, China will have 400 million senior citizens, that is, one of three is senior citizen, and the development is very rapid.

### 2.2. The Regional Distribution of the Elderly Population is Unbalanced

Rank	countries and regions	State	population	World Proportion
	All over the world		(697, 967, 727)	
1	China	Asia	(160, 348, 563)	22. 9736%
	The European region		(91, 576, 481)	13. 1204%
2	India	Asia	(87, 149, 088)	12. 4861%
3	America	America	(53, 206, 334)	7. 6230%
4	Japan	Asia	(35, 356, 768)	5. 0657%
5	Russia	Europe	(21, 791, 922)	3. 1222%
6	Brazil	America	(19, 525, 475)	2. 7975%
7	Germany	Europe	(17, 925, 919)	2. 5683%
8	Indonesia	Asia	(16, 373, 666)	2. 3459%
9	Italy	Europe	(13, 875, 719)	1. 9880%
10	France	Europe	(13, 674, 430)	1. 9592%

Figure 3. The proportion of the world's aging population in 2019

It is estimated that by 2050, more than 65 years old people will be in the list

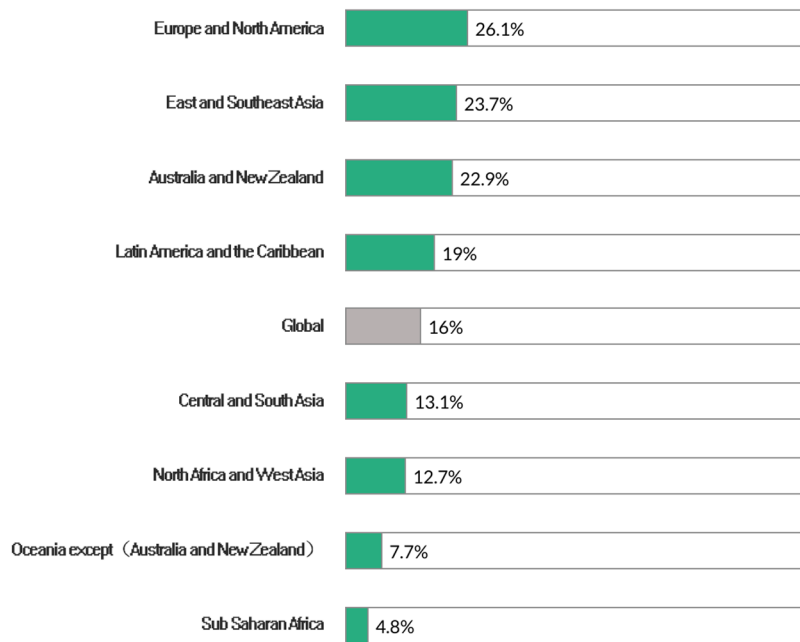


Figure 4. Proportion of people over 65 years of age projected by 2050

About 43 percent of the world's elderly (65 and older) live in Asia, followed by Europe and the Americas at about 10 percent each, among the top 10 countries in the latest statistics on the total number of elderly people in the world. Europe and North America are expected to account for 26.1 per cent of people aged 65 and over by 2050.

### 2.3. The Development Speed of the Elderly Population has Obvious Regional Differences

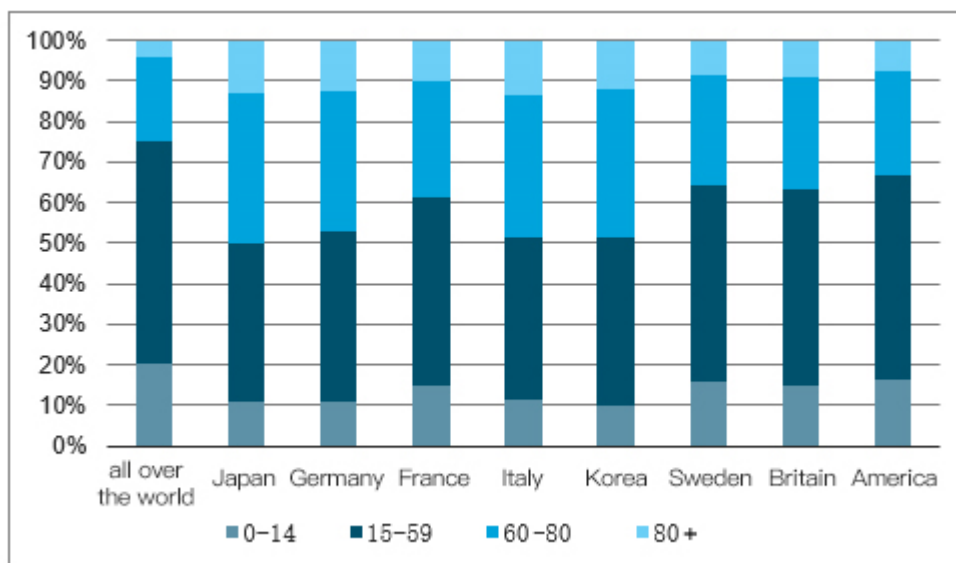


Figure 5. Forecast of population age distribution in developed countries in 2050

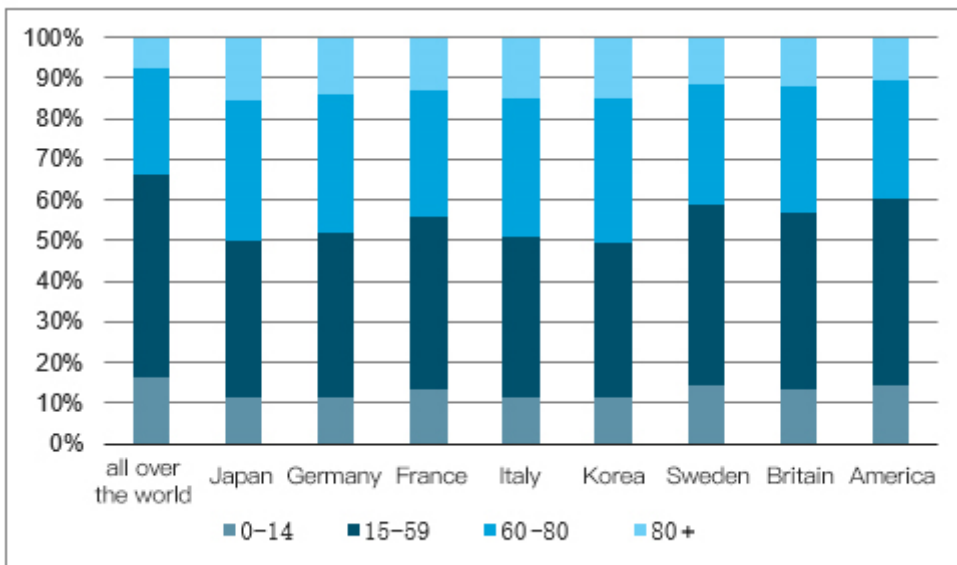


Figure 6. Forecast of population age distribution in developed countries in 2100

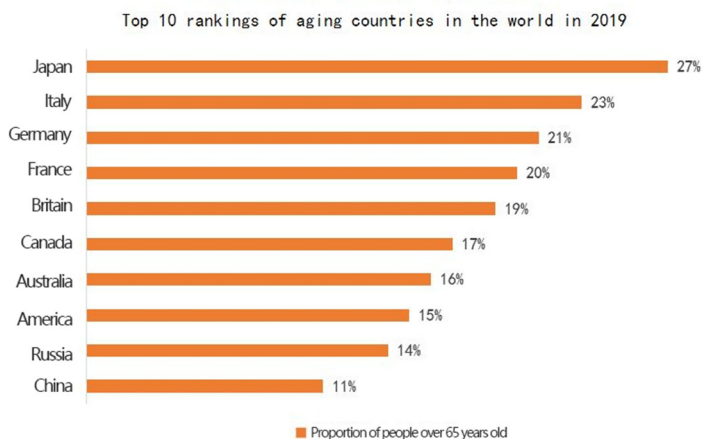


Figure 7. Global ranking of countries ageing in 2019

### 2.4. The Gender Imbalance in the Elderly Population

Women live longer than men on average all over the world. in 2020, women made up 55 percent of the world's population over 65 years of age, and it increases significantly with age, nowadays, women have made up 62 percent of the world's population over 80 years of age.

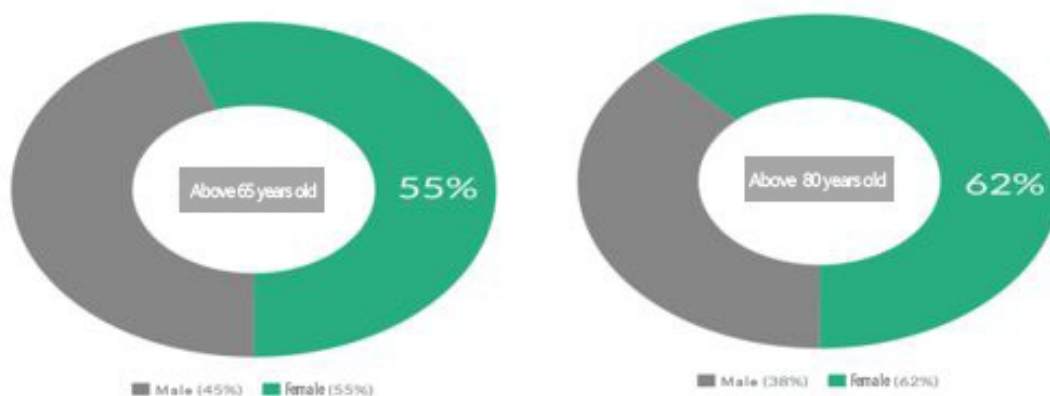


Figure 8. The proportion of women in the elderly

### 3. Policy Practices and Pension Models of Various Countries to Cope with Aging

China has a long history of culture, Chinese people advocate be filial to the old, love the old, "Expand the respect of the aged in one's family to that of other families; Expand the love of the young ones in one's family to that of other families", but in terms of pension mode, in the initial stage in our country, and the developed countries have a wealth of experience in this aspect, the world's pension model can be divided into national welfare, capital markets, individual deposit.[1]

#### 3.1. National Welfare Type

This pension model is mainly implemented in high welfare countries such as Northern Europe, Australia and Canada. It is characterized by the national pension security as the main body, and the pension fund is mainly from the national tax revenue. The national "cradle-to-grave" welfare system ensures that the pension service can cover all the elderly citizens in the country. This pension mode needs the support of a large number of national budget funds to continue. However, with the aging situation of the welfare state becoming increasingly severe, the national pension financial funds are also becoming strained. Part of the former state welfare pension model of countries in recent years are also constantly reform to adapt to the development of today's society.[1]

Take Sweden as an example, the country has invested a huge amount of financial funds to build a national welfare pension service system, covering home-based pension, institutional pension, community pension and other classes, so the pension expenditure of the elderly is almost entirely borne by the national pension financial funds, and most elderly people adopt home-based pension. However, the nursing expenses necessary for the life of the elderly are provided by pension institutions or medical departments, or they are purchased by the government and provided by specialized private institutions. The cost of the budget is covered by the local government through local taxes. In Finland, social welfare centers provide completely free pension services to all elderly people 24 hours a day. Not only these two countries, but also many countries with national welfare pension model have established complete pension service quality evaluation systems to guarantee the quality of pension services and the effectiveness and timeliness of management policies.

In a word, the dominant players and providers of the state welfare pension model are mainly the state and local governments, and the funds mainly come from the state tax and fiscal budget funds. The shortcoming is the heavy financial burden of the state.

#### 3.2. Capital Market Type

This pension model mainly exists in the United States, Japan and other market-oriented countries, and the main providers of pension services come from the market. the pension expenditure of the elderly mainly comes from the pension insurance jointly paid by workers and enterprises. The biggest characteristic of the pension insurance is that it is market-led and meets the differentiated needs of different groups through market competition. The government mainly plays the administrative function.

The pension facilities and services of the capital market pension model are complete. in the United States, there are many types of pension facilities, such as residential areas for the elderly, apartments for the elderly, nursing homes, community for the elderly, etc. Each type of pension facilities is participated by capital investment institutions, implemented by the corresponding professional pension institutions, and managed by the corresponding government regulation act. In addition, the United States and Japan have relatively perfect policies on the combination of medical care and nursing care, which provide comprehensive and continuous services for

disabled or semi-disabled elderly people through the integration of medical resources and pension resources.[2] The main financing channels of PACE come from medical insurance and medical assistance. In addition, social financing is also one of the main financing methods. The United States advocates providing personalized old-age care services for the elderly, in which the elderly take the lead by themselves and choose the corresponding level of services instead of passively accepting old-age care services. It respects the personality and dignity of the elderly from the humanitarian spirit and makes their lives more quality. Finally, this mode provides one-stop service. The elderly can go to the center for treatment during the day and come back home at night, and they can be picked up by special car. Doctors can be contacted for consultation within 24 hours a day, which effectively reduces the frequency of hospitalization.

### **3.3. Individual Deposit Type**

The biggest characteristic of this pension mode is that the main source of pension expenditure comes from the elderly's personal forced savings. the pension quality of the elderly varies from person to person, depending on the savings principal and interest of the individual. Family pension is the main mode, the government bears a small financial burden, and the elderly themselves and their families bear a heavy economic burden. Typical countries of this mode including Singapore.

For example, Singapore, completely rely on personal accumulation of mandatory retirement savings system, compulsory retirement savings plan must be added to all citizens, the government will be to the disability elderly community endowment service, but the proportion and expenses have strict restrictions, in addition, the government formulated relevant laws and policies to encourage the pension that occupy the home, Allowances and welfare benefits are provided to families of "three generations living under one roof".

## **4. Experience and Enlightenment Brought to China by Pension Model**

### **4.1. From the Perspective of the State Welfare Pension Model**

At the specific policy level, timely promote the reform of the welfare state system, stimulate the enthusiasm of production, restrain the behavior of excessive use of welfare to realize the balance between welfare demand and economic growth, implement reforms such as the localization of social welfare system, employment policy, medical service and pension reform. Implementing fair education policy to narrow the gap between education regions; Employment should be fully guaranteed, and a variety of household chores, such as caring for the young and the elderly, and caring for the sick, should be turned into social services, so that the value of these unemployed people can be brought into full play.

### **4.2. From the Perspective of Capital Market Pension Model**

To broaden the financing channels, the PACE of financing channels including medical insurance, medical treatment and social fund-raising, draw lessons from this experience, our country should increase government revenues, provide out services to low income disability, the elderly, through policy support at the same time, the introduction of market forces, ease market access threshold to form the government-led, social participation of financing mode; The second is to realize the combination of "medical treatment" and "care", maximize the utilization of resources to meet the needs of the elderly for medical services, and improve the quality of life of the elderly in their later years; Three is to cultivate the medical combination of personnel, training and the establishment of professional, high level of medical combination of talent is the problem to be solved, suggested the government encourage medical colleges and universities to establish the relevant professional and curriculum, cultivate professional talents, and improve the welfare benefits and social status, provide institutional guarantee for training professional personnel.[2]

### 4.3. From the Perspective of Individual Deposit Pension Model

Conceptually, we should encourage the elderly to recognize and affirm their own self-worth, and help each old person's psychological state from "fear" to "enjoyment". In terms of work, it fully investigates the working status of the elderly, actively creates jobs, and provides convenient and efficient intelligent services for the elderly. In practice, we should increase investment in hardware and software of old-age care to provide more exclusive activity space for the elderly.[3]

## 5. Conclusion

The increasing aging of the population will profoundly affect all individuals, families, communities and nations. Through the analysis and research of policies and practices of various countries to deal with aging population, we can have a deeper understanding of the development trend of aging population in the world and reasonable and effective countermeasures, which has important reference value and significance for China to deal with aging population and the establishment and development of the pension system.

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