

Navigating the Demographic Shift in Aging East Asian Societies

By: Daria Kurushina

Introduction

On August 22, 2024, alongside the webinar “What Is the Demographic Emergency in East Asia?,” the Asia Society Policy Institute convened a private roundtable of experts and scholars to discuss the causes and implications of demographic shifts in leading East Asian economies. The discussion highlighted several aspects of East Asia’s fertility crisis and aging populations, focusing on cultural, economic, and policy drivers. A recurring theme was the significant role of ingrained cultural norms around family and work that dissuade young people from having children. The role of immigration was also cited as a crucial, though often unacknowledged, factor in managing demographic challenges in places like Japan, South Korea, and Taiwan. Specifically, the panel presented views on policy solutions to effectively address population aging and shrinkage, especially in the context of economic security and prosperity.

The roundtable was conducted under the Chatham House rule. The key takeaways and a summary of the discussion follow.

Key Takeaways

1. **Changing perspectives on marriage and family are affecting East Asia’s social structure and exacerbating the fertility slump.** In East Asia, particularly South Korea, marriage is seen as the basis for the ideal family structure. However, significant challenges, such as economic pressures and societal expectations, prevent young people from committing to marriage. Moreover, a strong cultural norm against single parenting persists. Hence, a delay or decline in marriage rates has a direct impact on fertility – in contrast with many Western countries, where childbirth outside marriage has become more common. The region has seen a significant increase in single-person households, which, in turn, has an adverse effect on fertility rates. The discussants also shared their views on multicultural marriages, especially in rural areas. New societal dynamics in East Asia raise issues connected to race, identity, and integration in traditionally homogeneous societies that need to be addressed by effective policies.
2. **Youth unemployment and economic volatility are critical factors exacerbating the decline in marriage and fertility.** The discussion highlighted the connection between declining fertility, economic growth, and youth unemployment. Amid forecasts of slower economic growth, businesses are less likely to hire younger people, favoring more experienced workers instead. This trend is exacerbated by labor shortages, which have led older workers to remain in the workforce longer, further delaying employment

and advancement opportunities for younger workers in East Asian countries like Japan and South Korea. A mismatch between educational attainment and the availability of well-paid jobs has created frustration among young people, contributing to social discontent and causing many youth to delay marriage until they have secured their desired career.

- 3. Inadequate gender policies in East Asia have led to social polarization among men and women and negative perceptions of marriage and family among women.** Traditional gender roles and unfair division of domestic labor and caregiving responsibilities are fueling confrontational online discourse among young people on topics like marriage, feminism, and family formation in China and South Korea. Young men and women are withdrawing from dating, devaluing marriage and contributing to animosity and frustration. Despite generous paternity leave, cultural and workplace pressures often prevent men from taking time off for caregiving, further complicating family dynamics.
- 4. Generational inequity and marginalization of the elderly will worsen unless future-oriented policies are introduced.** Aging is a universal trend that will not be reversed anytime soon. Rapidly aging societies should address the stigma associated with assisted care and retirement homes, which would help the elderly with social inclusion and economic needs.

Discussion Summary

A speaker opened the discussion by observing that population decline and low fertility rates in East Asian societies are not caused by an unwillingness to marry. Young people still see marriage as the ideal option for a long-term relationship, but there are significant challenges associated with committing to marriage and starting a family. Lower-income men and highly educated women are most affected by this trend, contributing to a record-high share of single-person households in South Korea. Another participant echoed this analysis, noting that South Korea's demographic trends are expected to be repeated in China. Childbirth is closely associated with marriage in Asia, as in European countries. To support traditional marriages and families, homogeneous societies such as South Korea and China are encouraging "marriage migration" to boost fertility rates, despite the identity and racial challenges associated with multicultural families.

Another challenge raised by the participants is inadequate gender policies that contribute to social polarization, which is fueled by confrontational sentiment online, particularly in China and South Korea. This gender dynamic, coupled with the inability to find jobs that meet the expectations of highly educated young people, creates an artificial divide between men and women and devalues the idea of family and marriage. One participant emphasized that economic instability is another factor contributing to youth unemployment and, consequently, negative population growth. Many businesses are considering stabilizing or downsizing their workforces to respond to market shrinkage. They prefer to preserve current, experienced employees who are close to retirement instead of hiring people straight out of college.

One participant suggested that governments should acclimate to population decline and aging, rather than try to reverse these trends. Over the next 20 to 30 years, the age structure in East Asian countries will not be fixed by encouraging childbirth. We should anticipate a drop in military personnel, an economic slowdown because of the shrinking workforce, and additional stress on the healthcare system as a result of the rapid aging and growth of the senior population. This participant suggested that one solution would be for governments to

encourage early retirement so that seniors can vacate their job opportunities for younger generations. By ensuring comfortable retirement for seniors and investing in young professionals, governments could at least reverse the workforce age structure, facilitating young couples' economic stability and improving conditions for long-term family commitments. In contrast, another participant highlighted that population aging and decline are inevitable, so policymakers should develop a comprehensive strategy for coping with generational inequity, allowing seniors to remain in the workforce longer.

One speaker responded that another relevant factor is whether countries are fully utilizing foreign workers. East Asian societies should address the societal contradictions of immigration and encourage foreign workers to participate in the labor market. For example, many Japanese are aware that their population will shrink to about 100 million by 2050; thus, they favor political measures and discussions to stabilize the population at this threshold, including the acceptance of foreigners into their society.

Returning to the topic of marriage, one speaker pointed to the division of household labor in Japanese households: men spend less than an hour per day on child-rearing and cleaning the home, while women dedicate hours. The inequality of household burden sharing decreases women's willingness to marry. Younger generations express a desire to even out this gender inequality, advocating for more remote work opportunities, coupled with a supportive atmosphere in enterprises to encourage work-life balance. Currently, many employees feel that if they take paternity leave, they will be penalized or passed over for promotion. This employment culture in East Asia leads to social and marital challenges, delaying decisions to start families.

Other participants echoed the idea that demographic shifts in East Asia are associated with cultural constraints, including those embodied in the work culture. Japan and South Korea ranked lowest in the gender pay gap among OECD countries, highlighting the urgency to integrate social issues into demographic policy priorities. In addition, the current South Korean administration has proposed to remove the Ministry of Gender Equality and Family, exacerbating the existing gender gap and further diminishing the desire to have families. However, after realizing the importance of feminism in the childbirth trajectory, the government changed its message in favor of creating another ministry to address the low fertility issue. This emphasis on fertility and the swings in messaging not only put pressure on women to solve society's cultural problems but also diminishes the credibility of national authorities to elaborate a consistent long-term policy.

One participant wondered how societies could change course to avoid negative demographic projections. On a macroeconomic level, measures include an increase in labor force participation among the elderly, but with reasonable age limits, and increased immigration—although as fertility rates decline, immigrant workers become more visible, raising social and cultural concerns. In the homogeneous societies of East Asia, immigration is a more limited solution than in traditionally pro-immigration countries like the United States, Canada, and Australia. Cash bonuses were seen as particularly unhelpful in motivating women to have more children, as the amount of money offered cannot match the long-term costs of child-rearing and the associated decrease in women's career progression. Another speaker mentioned corporate culture and the promotion of reasonable work hours as a solution to changing societal expectations. Likewise, this speaker noted that cultural change should be the main priority in future policies: the traditional Confucian family culture should be altered to allow for a less traditional division of household labor to promote female empowerment at work and at home.

Policy Recommendations

There was a strong consensus on the need for innovative policy approaches to address East Asia's demographic challenges. Suggestions included providing job opportunities for younger workers; creating more supportive environments for foreign workers to help stabilize the population; expanding remote work options to enable better work-life balance; and encouraging more equitable participation in household responsibilities, potentially improving marriage and fertility rates. The following specific measures were suggested:

- **Sequenced parental leave:** Inspired by practices in some Northern European countries, a suggestion was made to implement sequenced parental leave, whereby additional leave is granted only if both partners take time off. This could encourage more equitable participation in child-rearing.
- **Preferential mortgage rates for young families:** Drawing from a policy in the Russian Far East, it was suggested that offering significantly reduced mortgage rates to young, recently married couples could incentivize earlier marriages.
- **Expansion of immigration to meet labor needs:** East Asian economies like South Korea, Japan, and Taiwan already rely on migrant labor to meet the needs of their aging populations. It was suggested that these places could further expand and formalize immigration policies to support their economies and care systems, recognizing the essential role that migrant workers play in these societies.
- **Reduction of workplace discrimination:** There was a strong call for policies that provide legal protections and actively reduce discrimination against women in the workplace. This would necessitate addressing issues such as biased hiring practices, stigma around maternity leave, and the economic penalties that women face when they choose to have children.
- **Election of more women and young people:** Increasing the representation of women and young people in government could help ensure that policies reflect their needs and perspectives, potentially leading to more effective solutions for demographic challenges. As a starting point, encouraging more women and young people to run for elective office at the local level was seen as a proposal likely to succeed and to impact many policies related to the challenges of younger workers and families.
- **Remote work and flexible employment:** Encouraging remote work and other flexible working arrangements could help younger generations better balance work and family life, making family formation more feasible and appealing.
- **Pension and social security expansion:** Especially in rapidly aging societies like South Korea and the emerging economies of Southeast Asia, there is a need to extend pension coverage and support for the elderly, who are often economically marginalized as traditional family structures break down.

Looking Forward

Wrapping up the discussion, participants agreed that conversations among global demographic experts, East Asian population analysts, and young scholars need to continue. They noted the multifaceted nature of the issue spanning East Asia, the United States, and the world, highlighting the urgency of delivering the message to policymakers and government. These demographic challenges are just starting to gain attention amid historically low fertility rates in East Asian societies and the demographic national emergency declared by South

Korea in June 2024. Although population shifts are still a low priority for most governments, it is imperative to adopt forward-looking measures in anticipation of a downward fertility trend as it gains momentum in East Asia. Population aging and shrinking will require government and society to respond with a comprehensive action plan that considers all aspects of population transitions, such as gender, health care, advanced technology application and automation, labor conditions, immigration, social security, marginalization of the elderly, and business culture.

Asia Society Policy Institute is uniquely positioned to synthesize these policy conversations. It plans to use its convening power to raise awareness of the causes of demographic decline and to pursue innovative and crosscutting recommendations for governments and societies to manage this transition successfully. The initial convening included a webinar and a roundtable, raising the main aspects of the demographic issue and creating a network of prominent experts who joined the discussion online and in person. This convening served as a first attempt at identifying the priorities and value-add of such a conversation. The next step will be solidifying the results of the demographic event by extending knowledge-sharing and networking opportunities to support greater policy impact.

Participants

- 1. Kyung-wha Kang**, President and Chief Executive Officer of the Asia Society
- 2. Andrew L. Oros**, Professor of Political Science and International Studies at Washington College in Chestertown, Maryland
- 3. Jennifer D. Sciubba**, President and CEO of the Population Reference Bureau
- 4. Jack A. Goldstone**, the Virginia E. and John T. Hazel, Jr., Chair Professor of Public Policy at George Mason University, a Senior Fellow of the Mercatus Center, and a Global Policy Fellow at the Woodrow Wilson Center
- 5. Troy Stangarone**, Director of the Hyundai Motors-Korea Foundation Center for Korean History and Public Policy and the Deputy Director of the Indo-Pacific Program at the Wilson Center
- 6. Carl Minzner**, Senior Fellow for China Studies at the Council on Foreign Relations and a Professor at Fordham Law School, specializing in Chinese politics and law
- 7. Weixun Hu**, Associate Social Affairs Officer, United Nations Department of Economic and Social Affairs
- 8. Richard Jackson**, President and Founder of the Global Aging Institute
- 9. Rorry Daniels**, Managing Director of Asia Society Policy Institute and Senior Fellow in ASPI's Center for China Analysis
- 10. Daria Kurushina**, Schwarzman Fellow at Asia Society Policy Institute

Some participants chose to remain anonymous and are not listed here.