



Impact of Ageing on Economy: Macro Perspective

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Economic Growth (macro-level)

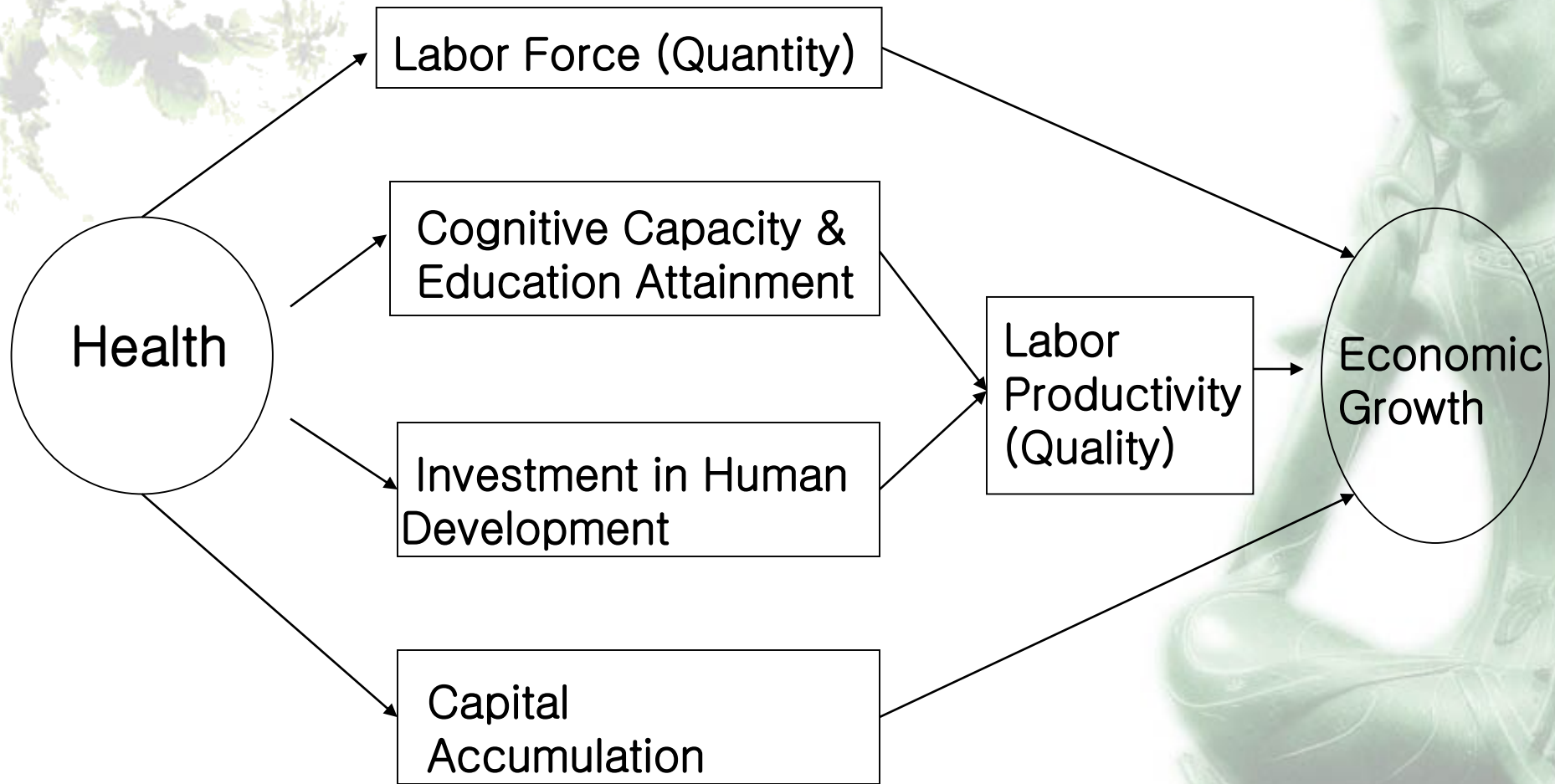
= f (Labor, Capital, ...)

Impact of health on

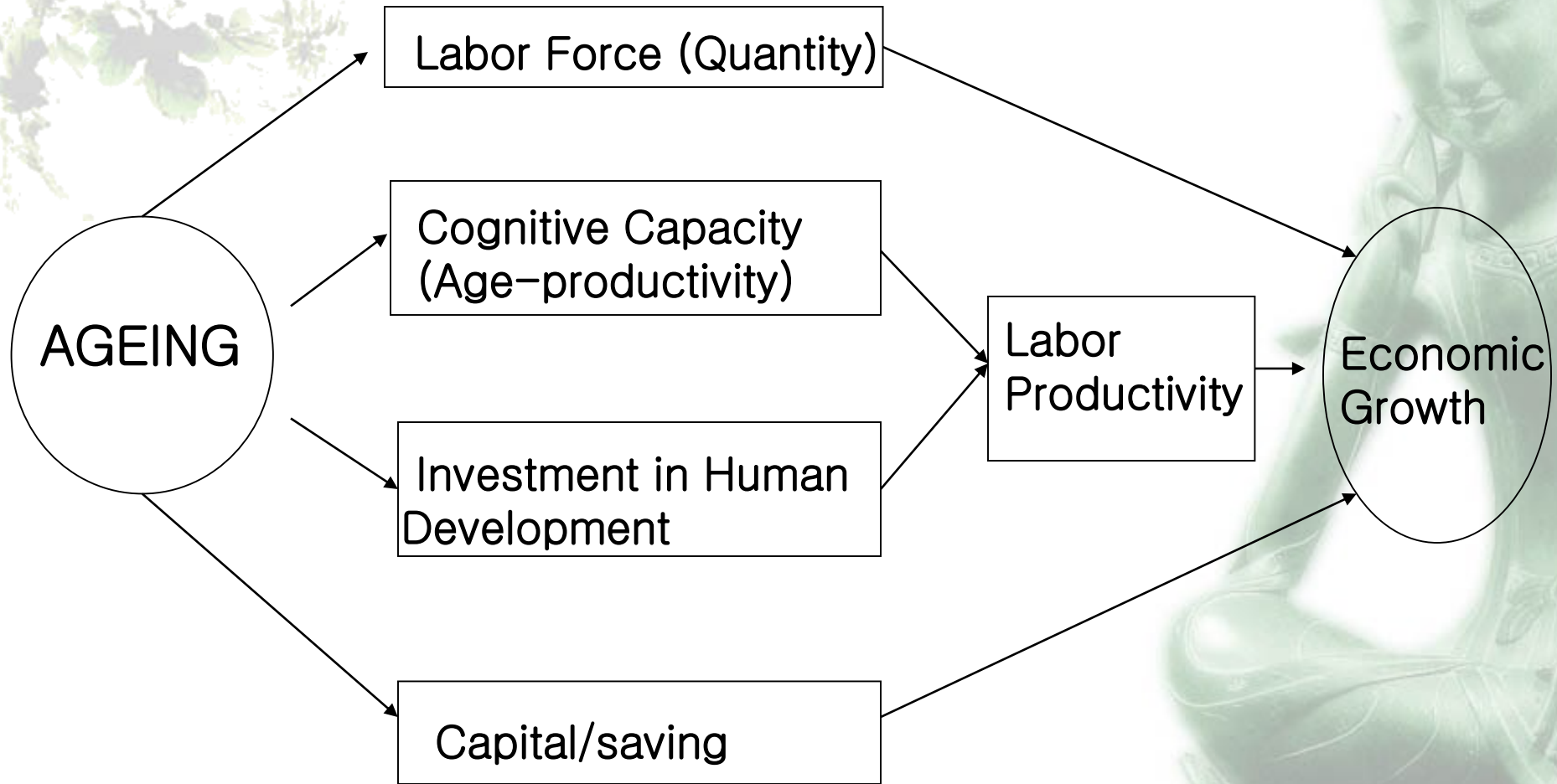
- Quantity of labor (size of labor force)
- Quality of labor (labor productivity)
- Saving/Capital accumulation

Various (*facilitating/mitigating*) factors affecting the impact of population ageing on economic growth

Health and Economy



AGEING and Economy



1. Impact of Ageing on Quantity of Labor

Role of female labor participation

Post-retirement workforce participation depends on generosity of social security system

Higher education level of older people

- Better health and can work more
- Higher income and more or less incentive to work?

Immigrant workers?

2. Impact of Ageing on Quality of Labor

High quality of labor

- Higher education level of older people
- Improved health of older people

Age and productivity

- Mental vs. physical productivity?
- Complementarity of skills of the young and older people (working together)

3. Impact of Ageing on Capital Accumulation

Asian culture of high saving

Aggregate saving will decline with ageing
- if smaller number of people in labor

Higher incentive to save?: precautionary saving

Role of social security system and financial markets

4. Impact of Ageing on Pension and Health and LTC System

Big effect of ageing on pension

- Role of policy on benefits and pension age

Effect of ageing on health care system

- Proximity of death
- Healthy ageing

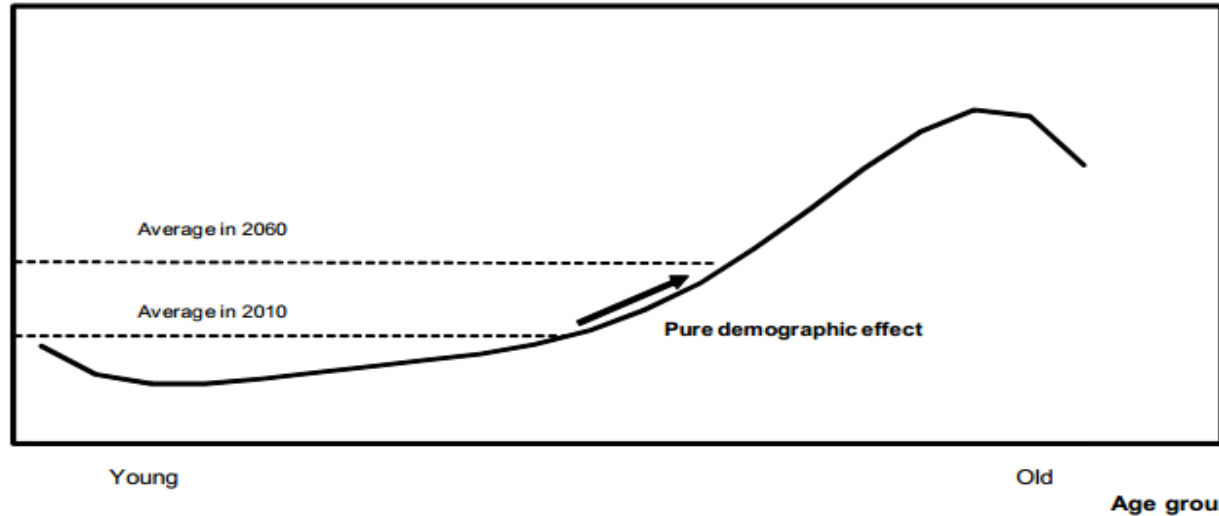
Effect of ageing on long-term care system

- Role of care provided by spouse/informal care givers
- Impact of policy on care giving:
e.g., community vs. institutions

Healthy Ageing and Health Expenditure

(1) Pure ageing effect

Health expenditure per capita



(2) Ageing effect adjusted for death-related costs and healthy longevity

Health expenditure per capita

