

Rapid Demographic Transition in Belt and Road Countries: *Challenges and Opportunities*

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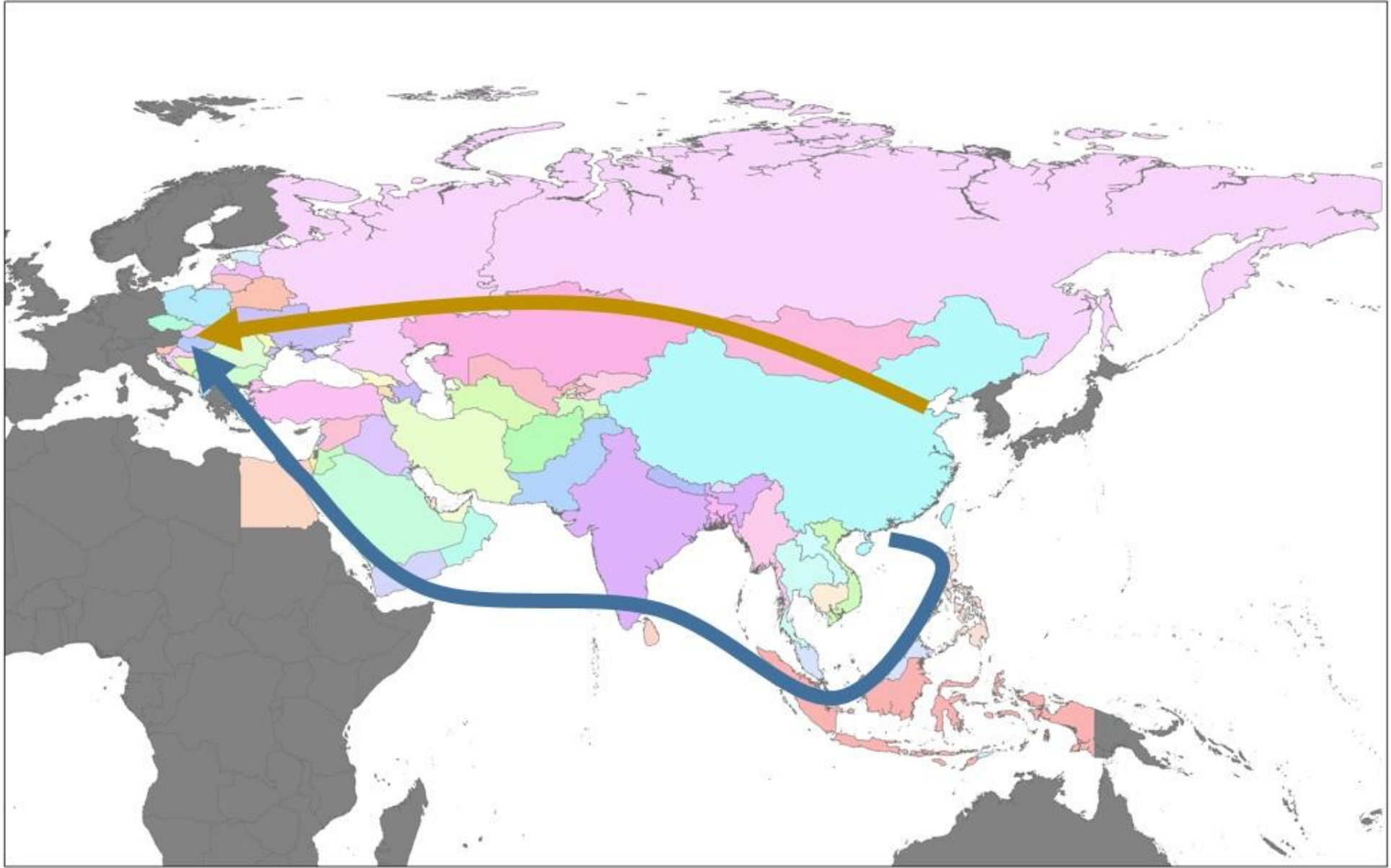
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Belt and Road countries (B&R)

Belt and Road (一帶一路)

- When Chinese leader Xi Jinping visited Central Asia and Southeast Asia in September and October 2013, he raised the initiative of jointly building the Silk Road Economic **Belt** and the 21st-Century Maritime Silk **Road**.
- The Belt and Road Initiative is a development strategy, focusing on connectivity and cooperation among countries between China and Eurasia.



The population size and share of B&R

World population in 2014:

7.261 billion

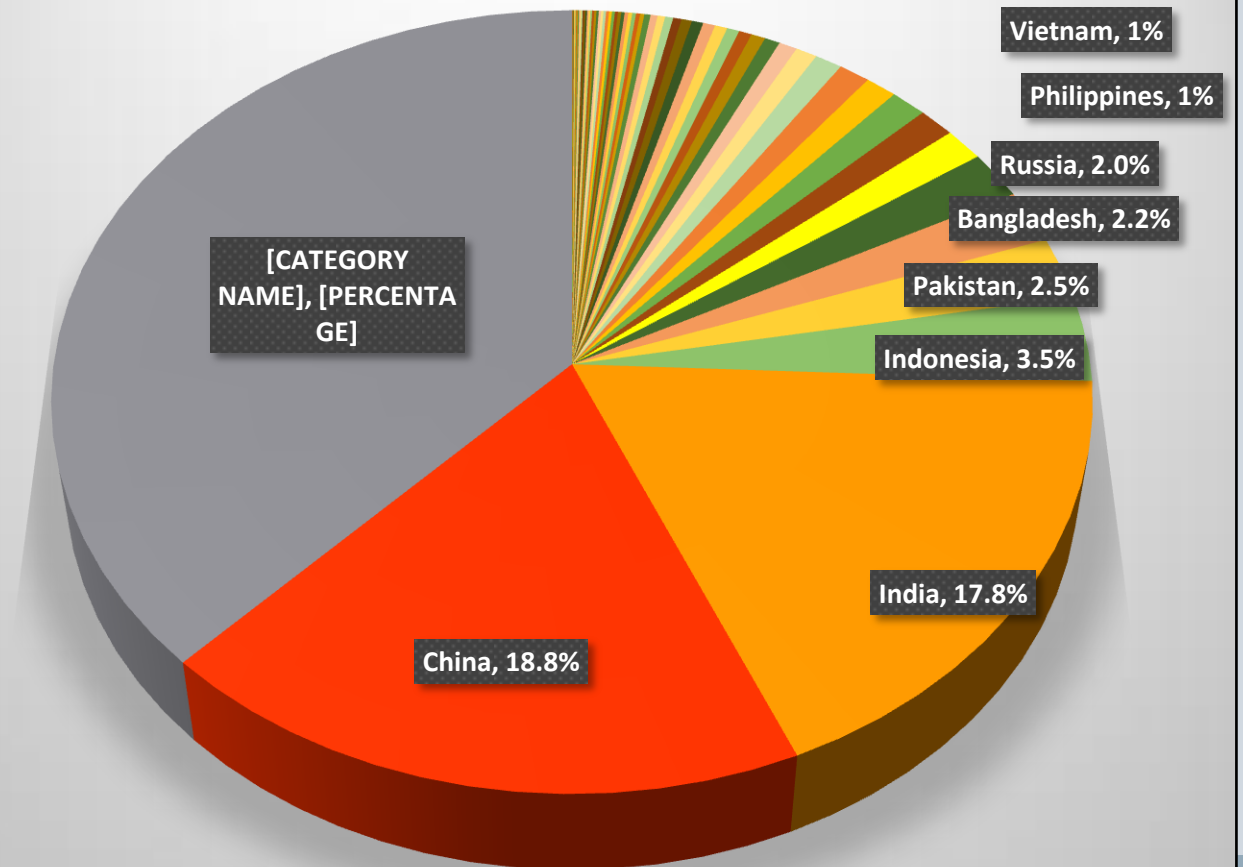
Population of B&R countries in 2014:

4.524 billion

Share of B&R in the world in 2014:

62.3%

Share of OBOR countries in the world: 2014

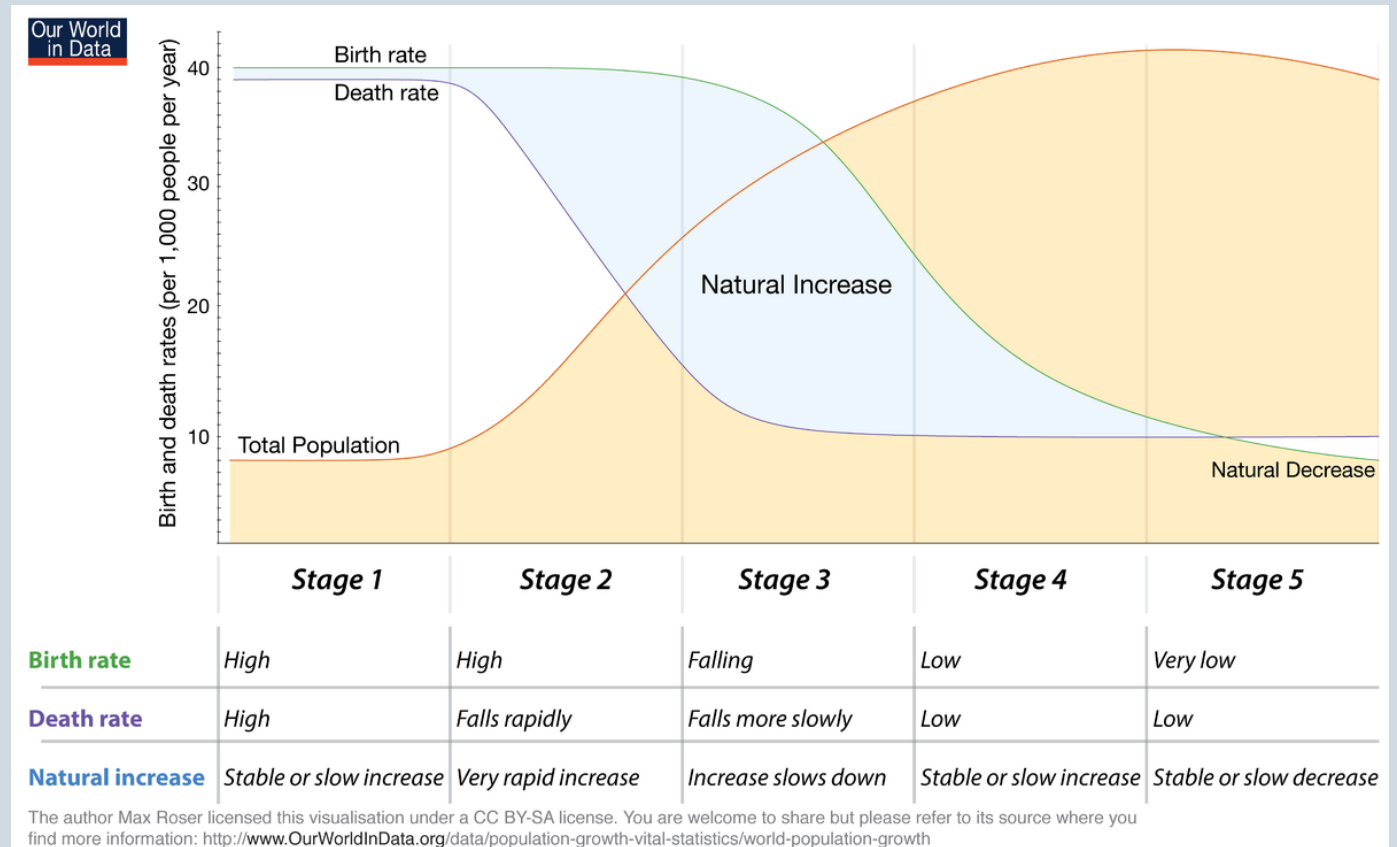


The demographic transition

Demographic transition model

- Starts with mortality decline;
- Followed by fertility decline;
- Ends with population aging.

- First increased and then decreased population growth

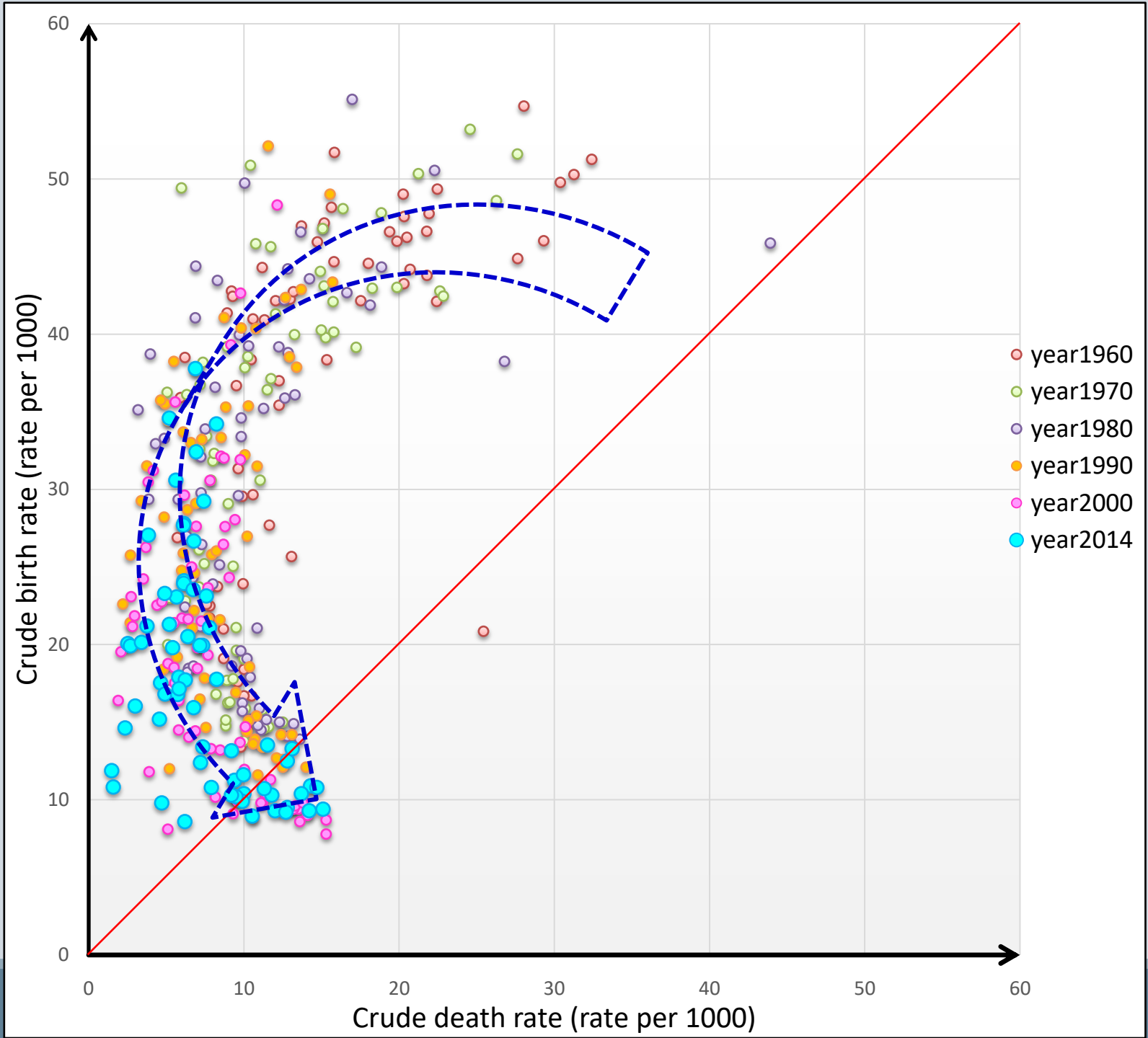


Source: www.OurWorldInData.org

Demographic transition in B&R countries: 1960-2014

- First, decrease in the crude death rate
- Then, decrease in the crude birth rate

- Currently, some B&R countries have low birth and death rate
- while some B&R countries still have high birth rate but low death rate



At current, which stage

- Countries in the middle stage:

Afghanistan
Yemen, Rep.
Tajikistan
Jordan
Pakistan
Egypt, Arab Rep.
Kyrgyz Republic
Lao PDR, etc.

- Countries in the late stage:

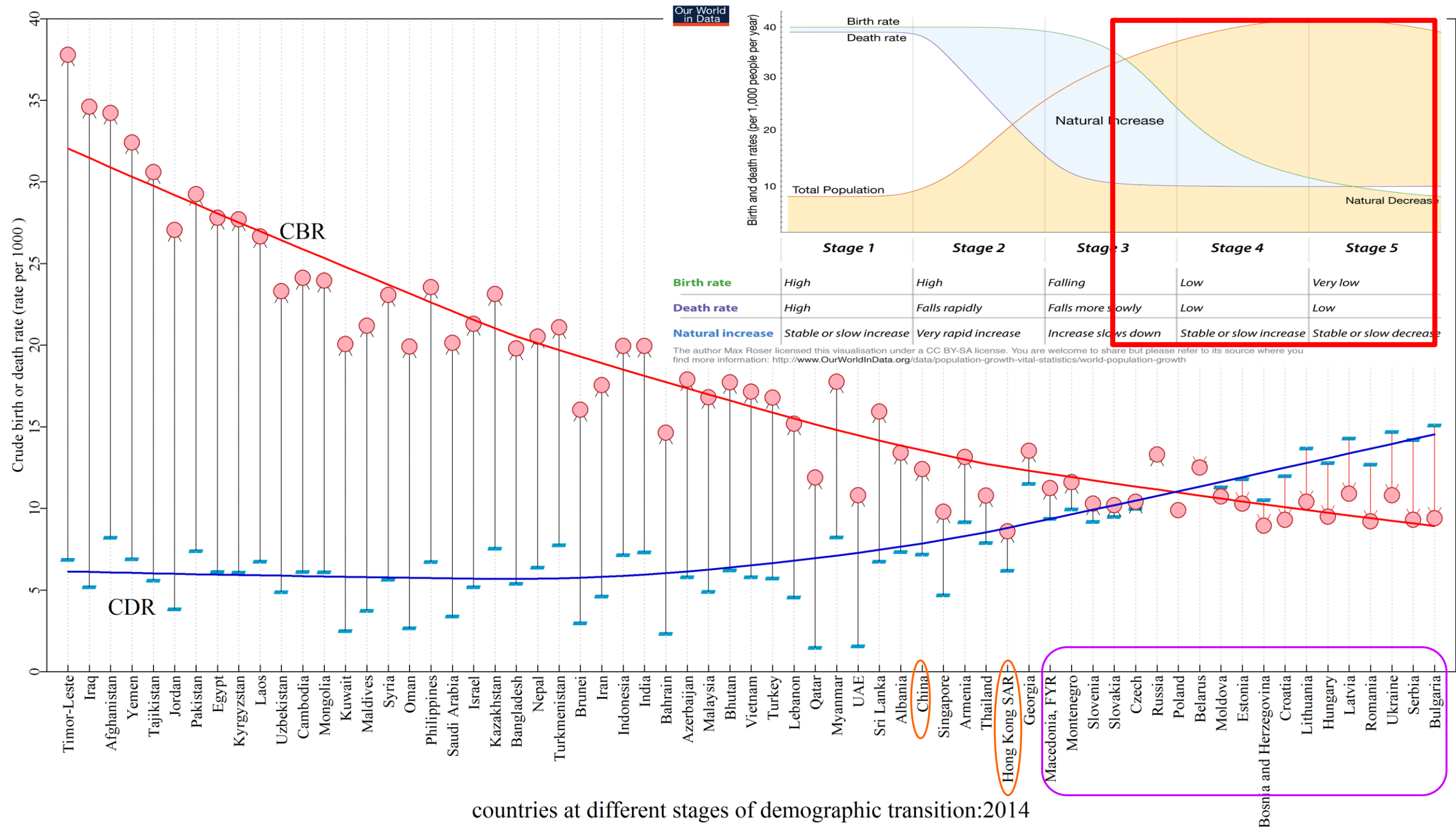
Bangladesh
Nepal
Brunei Darussalam
Indonesia
India
Malaysia
Vietnam
Turkey
Lebanon
Myanmar
China, etc.

- Post-transitional countries :

Singapore
Hong Kong SAR, China
Montenegro
Czech Republic
Poland
Moldova
Estonia
Croatia
Lithuania
Hungary, etc.



Next figure, B&R countries scattered in different stages of the demographic transition



countries at different stages of demographic transition:2014

China
Hong Kong SAR

Bosnia and Herzegovina

Clusters of countries by fertility and aging

Fertility decline and aging

Based on the trends of fertility and aging in the past 1960-2014, we have identified three clusters.

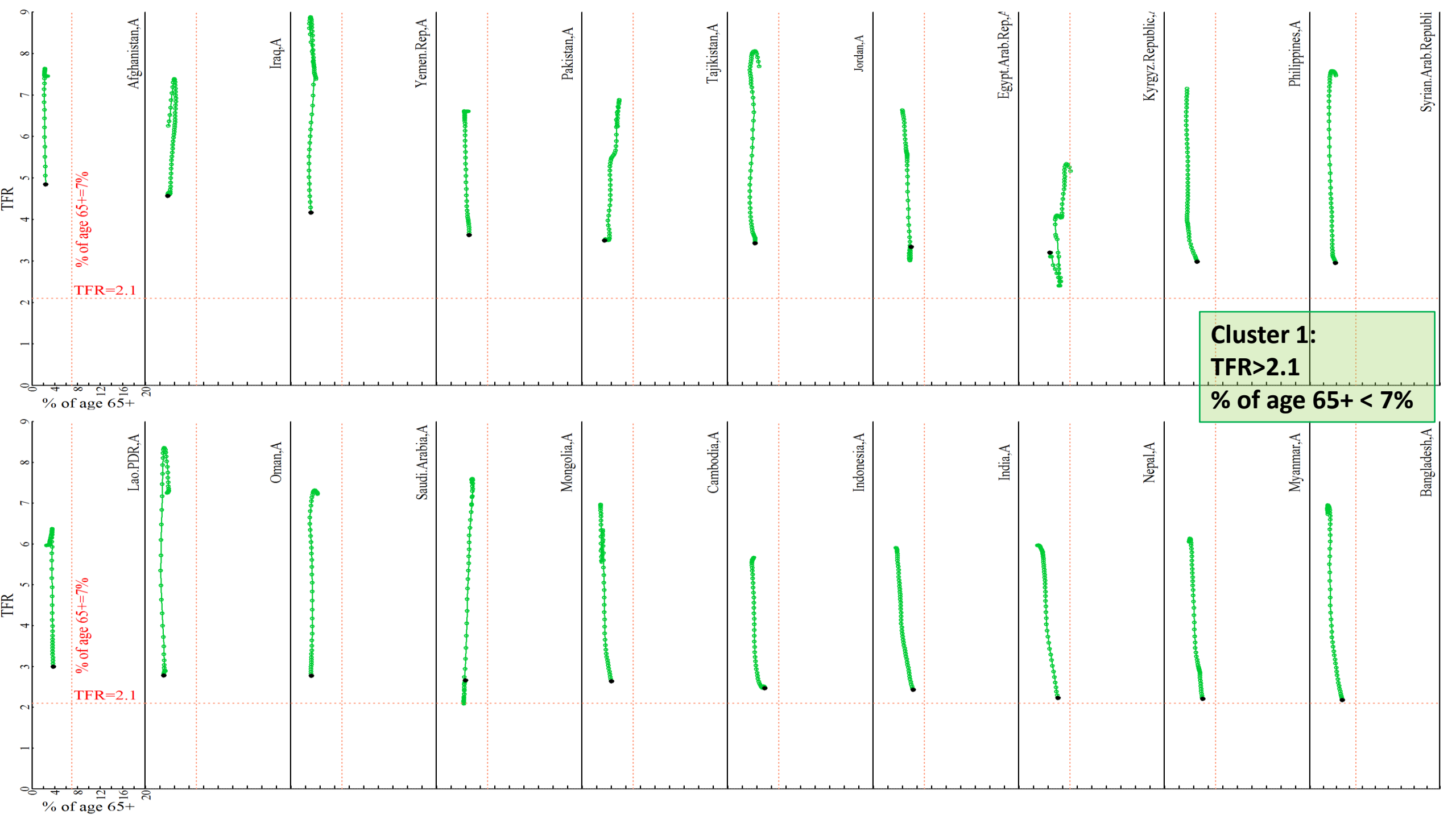
[Cluster 1: TFR above 2.1, young population](#)

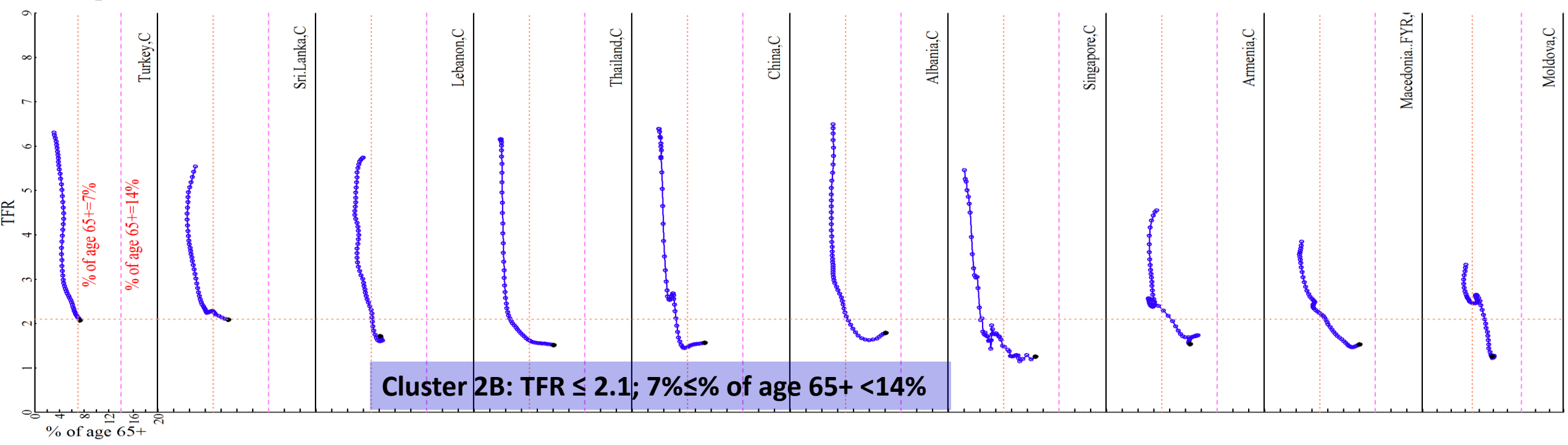
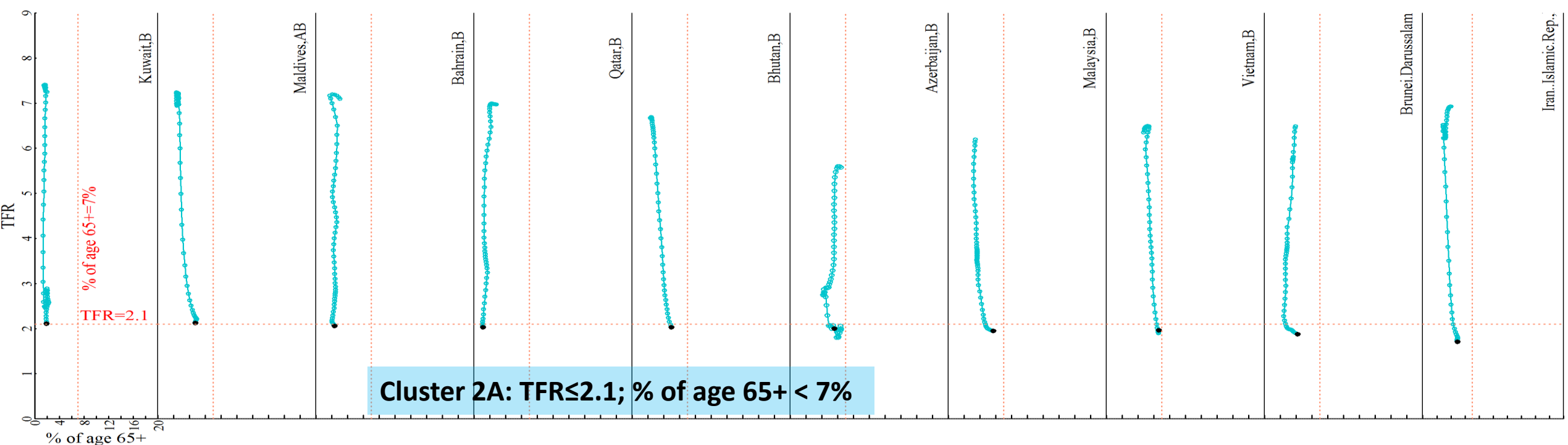
[Cluster 2:](#)

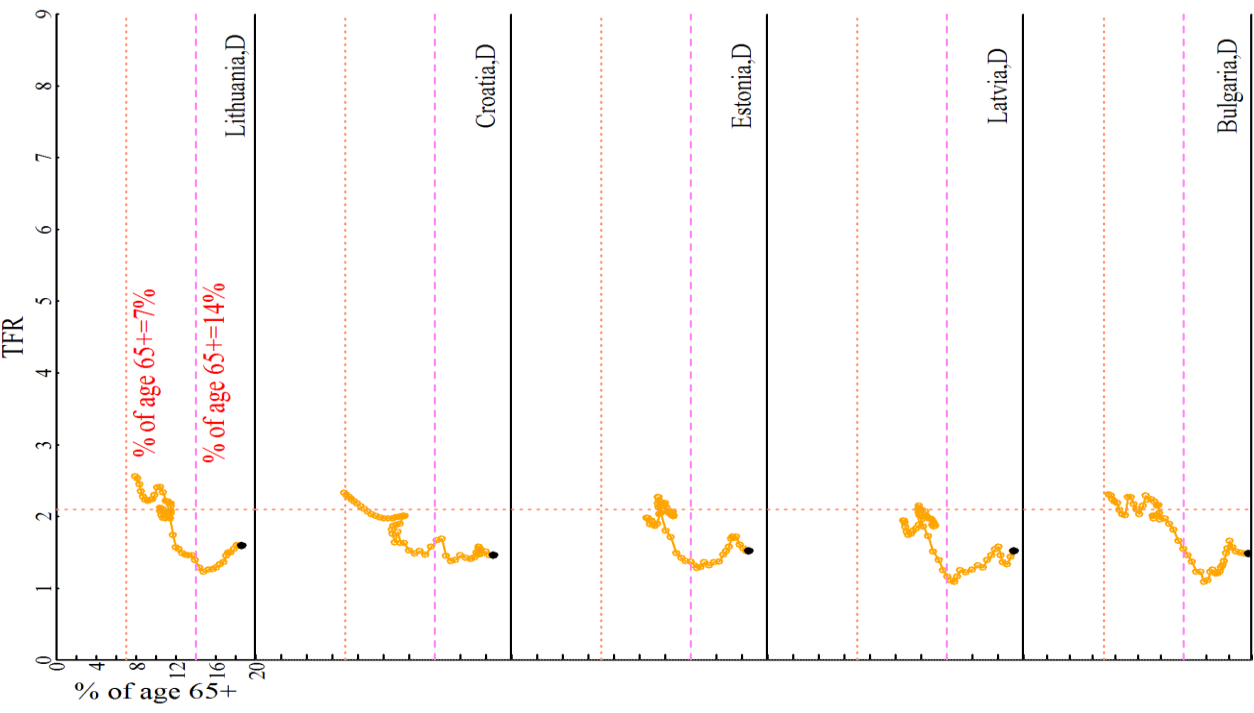
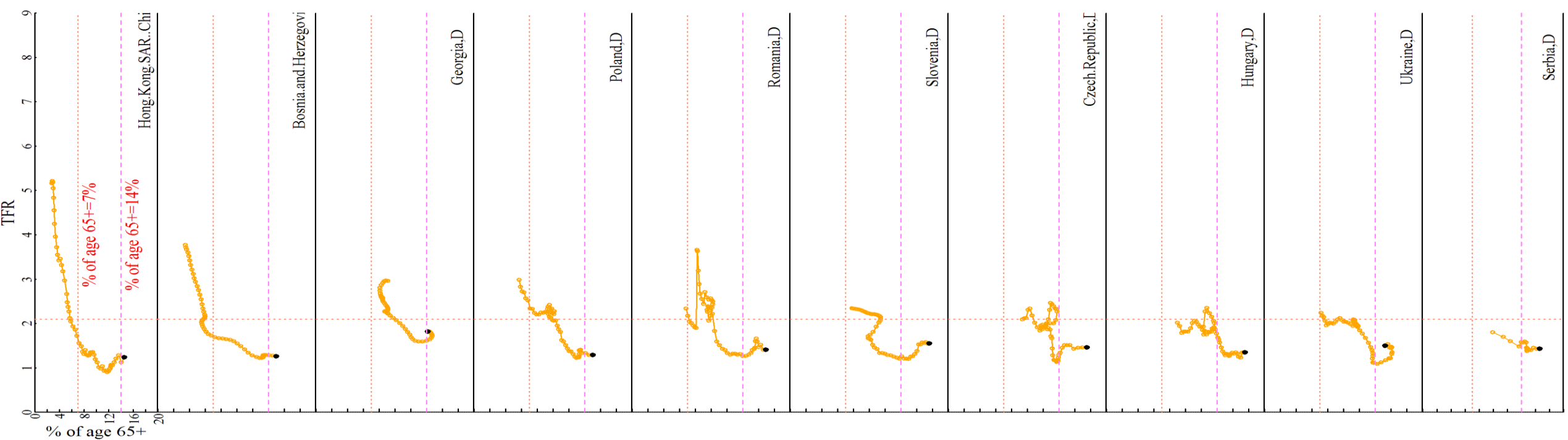
[2A: TFR is close to 2.1, and population is about to age;](#)

[2B: TFR is below 2.1 and the population is aging](#)

[Cluster 3: prolonged low fertility, an aged population](#)



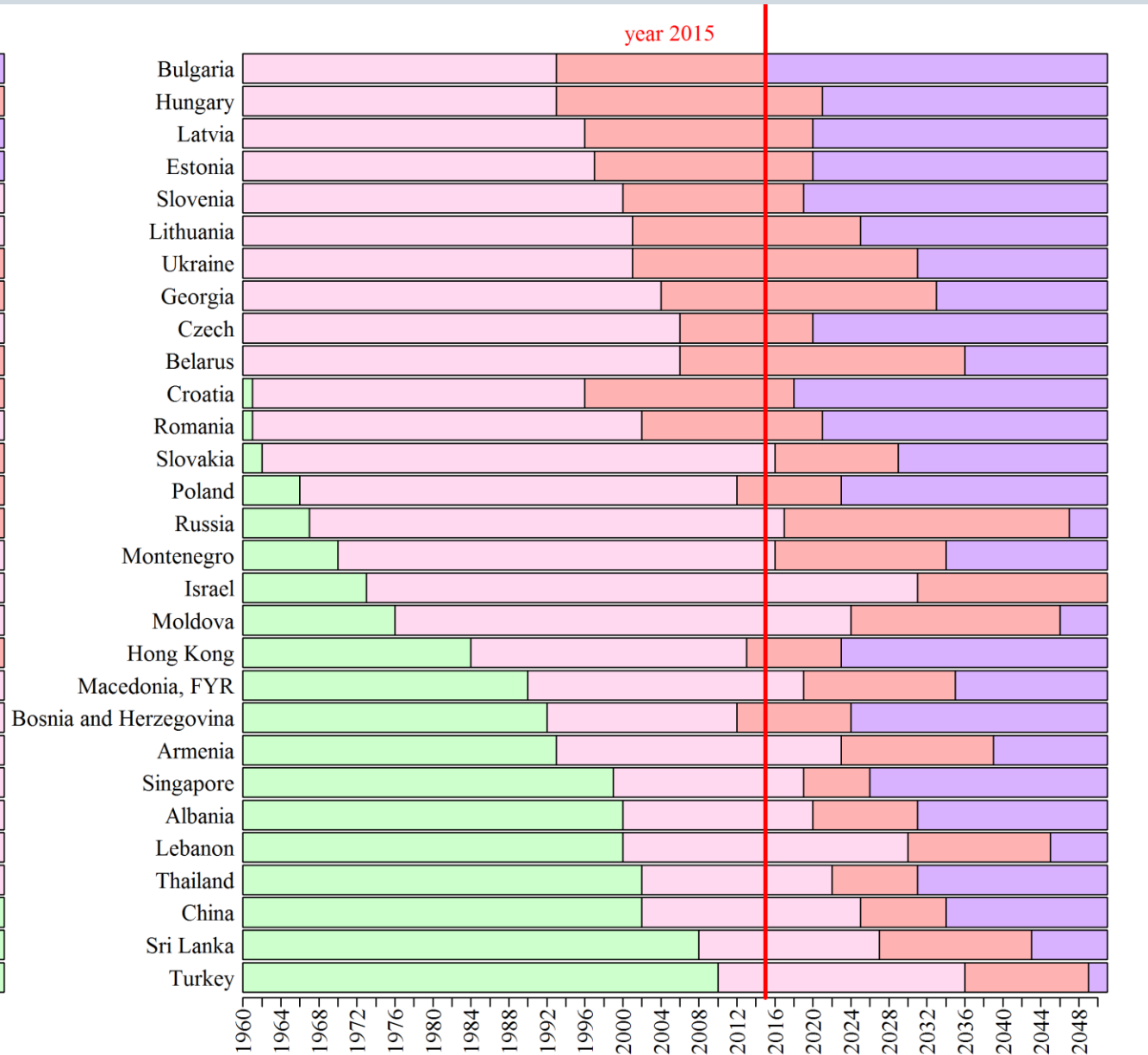
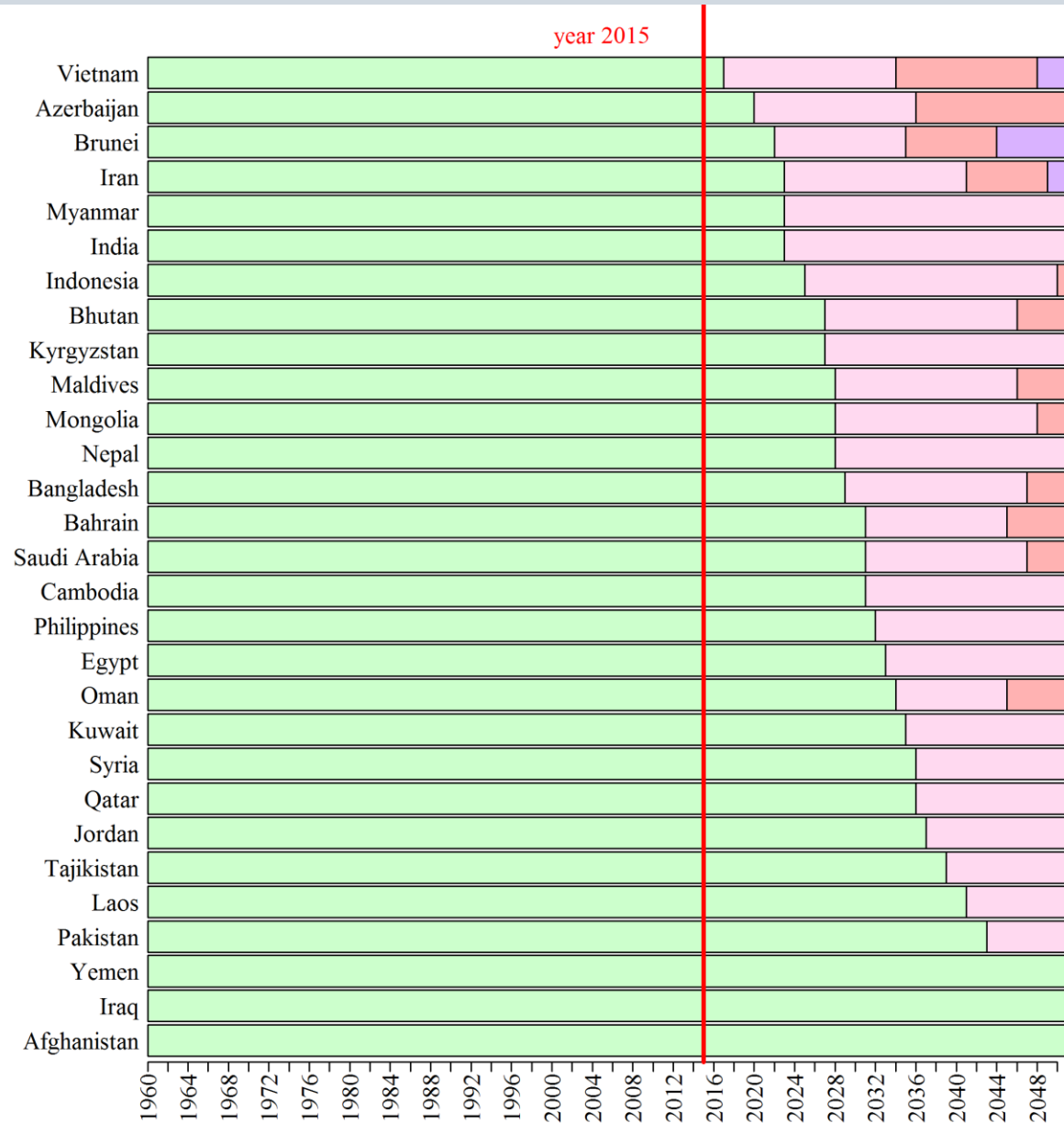




Cluster 3: TFR <2.1; % of age 65+ >14%

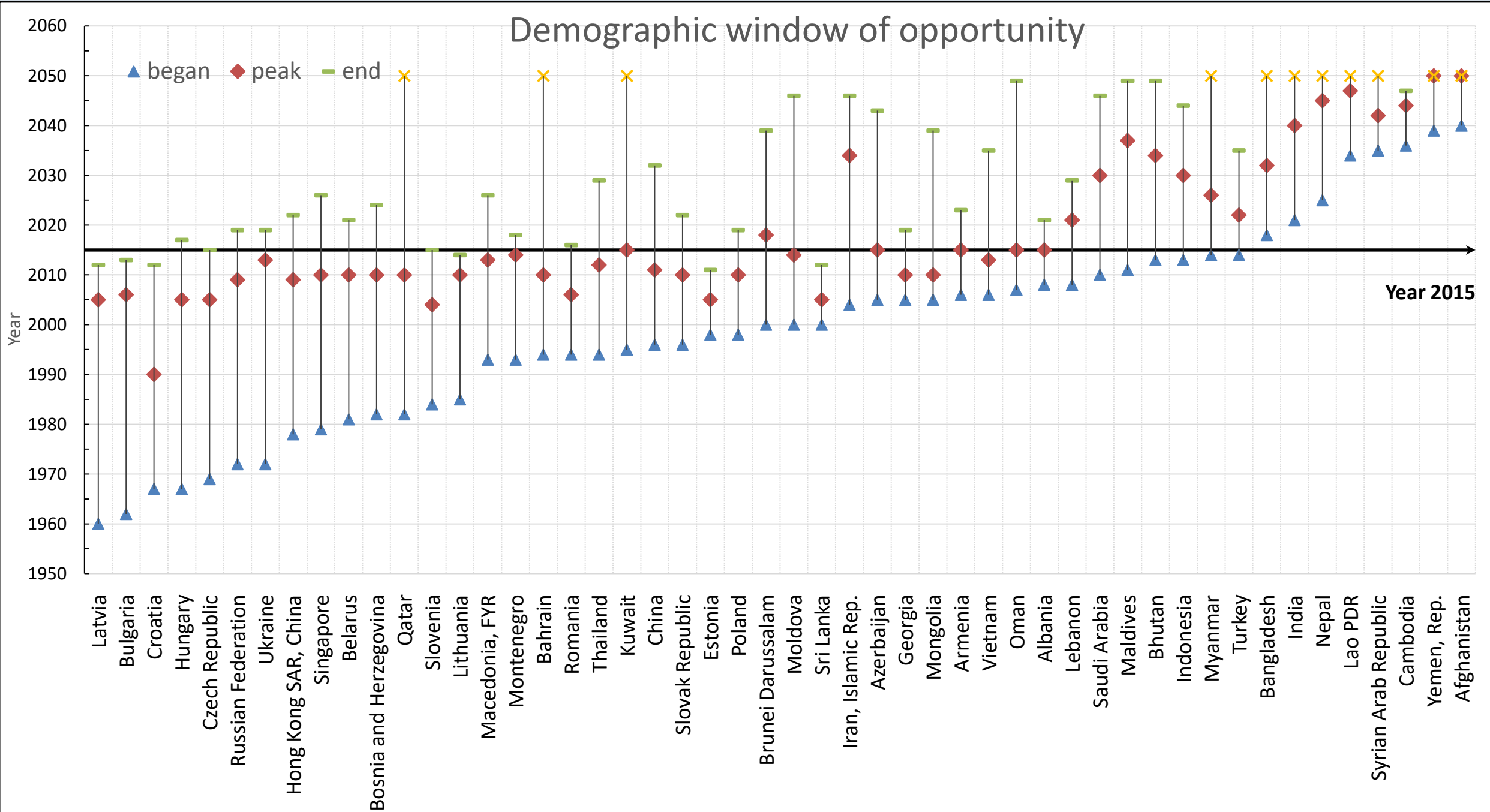
Aging & Demographic window

The tornados of population aging: 1960-2050



■ pre-aging society (% of age 65+ < 7%)
 ■ aging society (7% ≤ % of age 65+ < 14%)
 ■ aged society (14% ≤ % of age 65+ < 20%)
 ■ super aged society (% of age 65+ ≥ 20%)

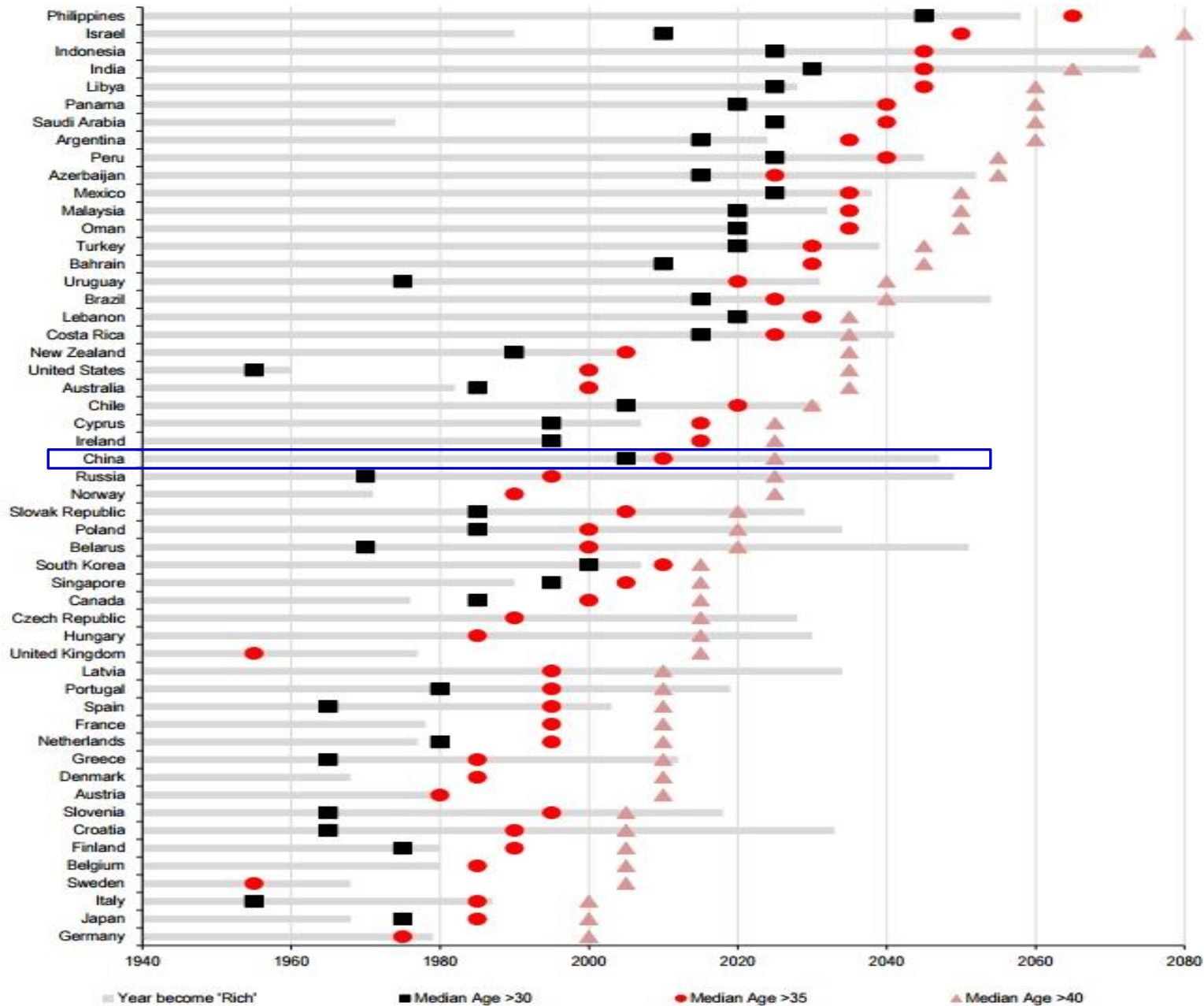
Demographic window of opportunity



Challenges & Opportunities

- Rapid and widespread population aging in all the B&R countries in the decades to come
 - whether the less developed countries get old before they get rich?
 - how can those more developed countries sustain its population growth?
 - how to meet the shrinkage of labor force?

1. The race is on: Who will grow old before they get rich?



The race is on: who will grow old before they get rich? Population median age reach 40 before the GDP per capita reach USD 15,000 (constant USD 2000)

Aged before wealth

“This means that most people will be aged over 40 before their countries average incomes reach USD15,000.”

Source: <http://www.hsbc.com/news-and-insight/insight-archive/2016/age-before-wealth>

“Age before wealth” by James Pomeroy

Source: HSBC estimates, UN Population Division.
Note: Timeline shows year at which each country becomes 'rich', defined as GDP per capita in 2000USD crossing \$15000. The Philippines' median age never crosses 40 in the data available. Estimates of growth are from "The World in 2050: From the top 30 to the top 100".

Challenges & Opportunities

- Grasp the golden time when the demographic window is open
 - some countries where the window is already closed
 - re-open the window
 - some countries where the window is largest
 - extend the open window
 - some countries where the window of opportunity has not opened yet
 - bring the opening of the window forward

Thank you.
