Asia's Demographic Future: The Next 20 Years

Fertility rates have declined throughout most of Asia. Nevertheless, demographic trends will continue to pose challenges. Asia's population will grow by over 1 billion people during the next 20 years. In South Asia, where fertility remains high, rapid population growth rates are still a serious problem. Even where rates have declined, in East and Southeast Asia, populations will grow much larger because so many women are in their childbearing years.

Between 1990 and 2010, Asia's cities will grow to enormous size. Urban populations will increase so rapidly that governments will be hard pressed to supply housing, sanitation, water, and other urban services. At the same time, population growth on densely settled agricultural land will outstrip improvements in agricultural productivity, causing more rural poverty.

"Effective family planning programs continue to be needed."

In countries where fertility has not declined rapidly, the number of new entrants into the labor force will rise dramatically. A surge in the youth population will make it difficult to provide jobs, education, and training for all those who seek them.

The challenge to poor countries where the labor force is rapidly expanding is to generate productive employment in the face of already severe underemployment. In other countries, however, where fertility has fallen, the size of the labor force will rise more slowly in the future than in the past.

Effective family planning programs continue to be needed in many countries. The remarkable success of East Asia and parts of Southeast Asia in reducing fertility should not be cause for complacency. Rather, it provides an example of the benefits of fertility reduction in achieving economic and social development.
Population Pressures

POPULATION pressures continue to constrain development and limit the success of economic and social programs in much of Asia. Population growth rates remain high in some of the most populous countries of the region. The populations of India and the Philippines will nearly double between 1980 and 2010, and population size will more than double in Bangladesh and Pakistan.


Rapid Urban Growth

URING the next 20 years, new population pressures will emerge throughout much of Asia. The most striking of these is urban growth. While total population growth rates peaked in 1965-70 and are now declining, the urban areas of South Asia face annual growth rates of 4.3 percent, and, in Southeast Asia, 3.8 percent during the 1990s, far higher than ever before. “The urban population growth rate may continue to be alarming even when the total population growth rate appears to be under control,” the authors state.

The urban population of Pakistan grew by 1.5 million per year during the 1980s. In the 1990s, the average annual increase will be 2.2 million people, rising to 3.2 million between 2000 and 2010. At current growth rates the urban population of Bangladesh will double in only 13 years, and Pakistan’s will double in less than 16 years.

Dramatic growth is projected in large, already congested cities. Jakarta will grow from 7.8 million people in 1985 to 13.2 million by 2000, Bombay from 9.5 to 15.4 million, and Dhaka from 4.8 to 11.3 million. “It is imperative to reduce urban population growth rates. Conditions in many cities are deteriorating; the fact that large and rapid urban growth is occurring in poor countries makes the situation especially problematic,” say the researchers.

While some of the increase in urban populations stems from migration into cities, most is the result of natural increase, as births exceed deaths by a wide margin. In Pakistan, for example, natural increase accounts for about two-thirds of urban population growth. In Thailand natural increase accounts for more than half of urban growth.

Attempts to reduce urban growth by controlling urban-to-rural migration have failed, except in some centrally planned economies. The solution to urban growth lies mainly in reducing the rate of natural increase through providing better, more accessible family planning methods and services.

Labor Force and Employment

THE size and composition of Asia’s future labor force depends on population growth rates. In countries where fertility has fallen rapidly, such as South Korea, Singapore, and Taiwan, labor force growth is already slowing. These countries will face shortages of workers and rising wages, causing investment in labor-intensive industries to shift to other Asian countries with labor surpluses.

In Indonesia labor force growth will begin to slow after the year 2000. In the Philippines, however, the labor force will grow steadily over the next two decades. In South Asia, labor force growth rates will also remain high, rising as much as 36 percent per year during the 1990s in Bangladesh and Pakistan. Such growth will become more of a problem than in the past, when Southeast Asian countries were able to absorb rapid labor force growth. In contrast, South Asian countries face greater constraints and will be less able to benefit from export-led economic growth.

The number of new jobs created in South Asia in the next decade is unlikely to match the growth of the labor force, leading to even greater unemployment and underemployment. In Pakistan, about 1 million people joined the labor force annually in the 1980s; in the 1990s the figure will rise to 1.3 million, and to 2.1 million between 2000 and 2010.
Average Annual Labor Force Growth Rates, %

Labor force growth rates will decline in East and Southeast Asia. However, South Asian labor force growth rates are projected to remain high over the next two decades.

Although the benefits of fertility decline accrue to a country's labor force only after a period of years, "the employment problems in some countries will become even worse than projected unless family planning successes come quickly," warn the researchers.

Population Growth and Agriculture

In most Asian countries, population densities on agricultural land are the highest in the world. Rapid population growth in agricultural areas is a major cause of rural poverty and income inequality, because agricultural productivity cannot keep pace. Historically, improvements in agricultural labor productivity occur only after enough workers have found employment outside of agriculture so that agricultural labor becomes scarce. At that point, technological innovations spur increases in farm labor productivity.

"Rural population growth in Asia has reduced average plot sizes, increased the number of landless workers, and pushed cultivation into less productive land," says the report. "The implications are grim: Arable land per farmer will decline even further, lowering labor productivity and income, increasing the incidence of rural poverty, and exacerbating inequality."

Urban employment opportunities in poor Asian countries will not grow rapidly enough to accommodate all of the rural underemployed. To the extent that the rural underemployed do migrate to cities, they are likely simply to join the ranks of the urban poor.

Investments in agriculture that raise productivity per worker can offset population pressures on arable land. "Massive investment in irrigation, greater use of fertilizers, and biological innovations such as higher-yielding crop varieties will be needed," the researchers report. Even so, it will be difficult for productivity gains to match projected population growth, especially in the poorer South Asian countries. Fertility reduction will play a crucial role in bringing population growth into better balance.

The Growing Youth Population

Another critical demographic trend in the next 20 years is the growth in the number of youth of ages 15-24. The projected absolute increase in the size of the youth population far exceeds the absolute increase in the number of elderly. But there are important differences, according to a country's rate of fertility decline.

In countries with rapid fertility decline—Singapore, Korea, and Thailand, for example—the size of the youth population will shrink during the next decade. The proportion of workers under age 25 will decline, and the labor force will age. This trend should increase the relative economic well-being of younger workers in these countries.
Prospects for South Asia are less encouraging. There, the number of young workers will continue to increase rapidly well into the next century. In the face of already high labor surpluses, this growth will frustrate programs aimed at reducing joblessness among youth.

A growing youth population means greater demand for schooling and training, consumes a growing share of government budgets, and makes it difficult to expand enrollments and improve educational quality. In Korea, however, where effective family planning programs have reduced fertility, the numbers of school-aged youth will decline over the next two decades, reducing the demographic pressures on development.

Conclusion

Despite fertility declines throughout most of Asia, projected population trends are likely to have serious adverse effects during the next 20 years unless fertility falls further. "The tendency to view the problem of population growth as largely solved in Asia is premature," according to the East-West Population Institute report.

Rapid urban population growth presents challenges for housing, transportation, and pollution control. Population increase in rural areas will raise agricultural densities further, retarding the growth of labor productivity and income. Rapid growth of the labor force in poor countries will cause further unemployment and social unrest, and rising numbers of youth will limit educational and labor force opportunities.

These problems are not caused by demographic change alone, but unless fertility rates are reduced they will become increasingly severe. The most effective government programs for bringing about fertility decline are family planning, maternal and child health, and improvements in the status of women. "The successes of fertility reduction in such countries as Korea and Thailand illustrate the benefits that will accrue from continued family planning efforts in other Asian countries where fertility remains high," the researchers conclude.

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The report consists of an executive summary and three background papers:

- Urbanization in Asia: Demographic Trends and Development Implications, by Jay R. Rele.
- Projected Labor Force Trends in Asia and Their Implications, by John Bauer.
- The Social Demography of Asian Youth Populations: An Analysis of Projections to 2010, by Peter Xenos.

Previous issues of Asia-Pacific Population & Policy are available upon request:

- No. 8, March 1989 "Costs and Benefits of Children: Implications for Population Policy"
- No. 9, June 1989 "Policies for Fertility Reduction: Focus on Asia"
- No. 10, September 1989 "Adolescent Sexuality in Asia: New Focus for Population Policy"
- No. 11, December 1989 "Falling Fertility in Indonesia: Success in National Family Planning"
- No. 12, March 1990 "Family Size and Well-Being: Evidence from Thailand"
- No. 13, June 1990 "The Matlab Project: Family Planning Success in Bangladesh"