



Demographics and Destiny

WHEN I VISIT my home country, India, I am always struck by how young it looks. From the big cities to the tiny villages, one can see the hopes and aspirations of twenty-somethings, many in search of work. In Japan, demographic trends have been moving in the opposite direction. Homes sit vacant, and villages are vanishing, as people have fewer children. In response, the Japanese are embracing technology to fill the gaps through innovations like robot chefs and automated medical services.

Changes in the size and structure of a nation's population affect how we work, age, and live. In many advanced and emerging market economies, a shrinking pool of working-age people will have to support a growing number of retirees. Other countries—in Africa and elsewhere—will need to generate a staggering number of new jobs just to keep pace with the youth joining the job market.

Changing age dynamics have profound implications for growth, social stability, and geopolitics. They influence how people save, spend, and invest, with consequences for everything from marriage to retirement to migration.

This issue brings together leading thinkers in their fields to explore the many facets of population trends and consider what they mean for our future.

David Bloom focuses on the main drivers of demographic transitions, including life expectancy, fertility, and migration. Vitor Gaspar and coauthors look at the fiscal sustainability of health and pension financing. Other contributors highlight novel approaches, the role of incentives, and tried-and-tested policy solutions, such as using technology to boost productivity, raising the retirement age, opening up to immigration, and increasing women and older workers' labor force participation.

Demographics can shape a country's destiny. But policy choices matter, from encouraging technological innovation and institutional reform to investing in people, both young and old. With wise policies, more of us will enjoy the long, good life. **FD**

GITA BHATT, editor-in-chief



ON THE COVER

Our March 2020 issue focuses on demographic shifts taking place globally and how the right policies can help people live longer, happier, and more productive lives. Illustrator Davide Bonazzi's cover is a whimsical depiction of the path to a long, good life.

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