

Double Dilemma: How Declining Birth Rates and Aging Populations Are Shaping the Future



“As societies adapt to declining birth rates and aging populations, the opportunity to redefine social, economic, and technological frameworks has never been greater.”

Across the globe, the sound of newborn cries is fading, while the presence of older generations grows ever more pronounced. Fertility rates¹ have been steadily declining for decades, and life expectancies are climbing higher. This dual demographic shift is reshaping societies in profound ways, creating unprecedented challenges—and opportunities—for governments, economies, and individuals.

The Global Baby Bust

In 1970, women worldwide had an average of nearly five children each. By 2023, that figure had dropped to just over two, according to the United Nations' World Population Prospects. More than half of the world's countries now report fertility rates below the replacement level² of 2.1 children per woman. Even more concerning, 18% of nations have ultra-low fertility rates—fewer than 1.4 children per woman.

¹ Fertility rate represents the number of children that would be born to a woman if she were to live to the end of her childbearing years and bear children in accordance with age-specific fertility rates of the specified year.

This trend is particularly stark among women aged 20–24, historically the most fertile group, as shown in Chart 1. Fertility rates in this age group have plummeted globally, reflecting broader changes in societal norms, economic pressures, and access to education for women.

Countries like China, Japan, South Korea, Italy, and Thailand are at the forefront of this transformation. Urbanization, better access to education, and the rising cost of living have upended traditional family dynamics, making smaller families—or no children at all—a common choice.

China's Empty Cribs

China, once synonymous with overpopulation, now faces a demographic crisis of another kind. In 1980, the government implemented its infamous one-child policy, slashing the fertility rate from 6.09 children per woman in 1970 to just 1.00 by 2023. While the policy was scrapped in 2016 and

² Replacement level is the rate at which population size remains constant from generation to generation.

replaced with financial incentives like cash bonuses and extended parental leave, the birth rate has continued to fall.

A closer look at Chart 2: China’s Population Pyramid, 2024, reveals the long-term impact. The pyramid’s base—representing younger age groups—has narrowed dramatically, while older age groups dominate. This imbalance is exacerbated by a cultural preference for sons, which has created a gender gap of 26.7 million more men than women.

High housing costs and career pressures further discourage young Chinese couples from starting families, leaving the country struggling to balance a shrinking workforce with a growing elderly population.

South Korea’s Demographic Cliff

South Korea provides a stark warning of what may lie ahead for other nations. With the world’s lowest fertility rate—just 0.72 children per woman in 2023—South Korea’s population is aging at an alarming rate. Schools are shutting down due to a lack of students, and rural areas are turning into ghost towns as young people migrate to cities.

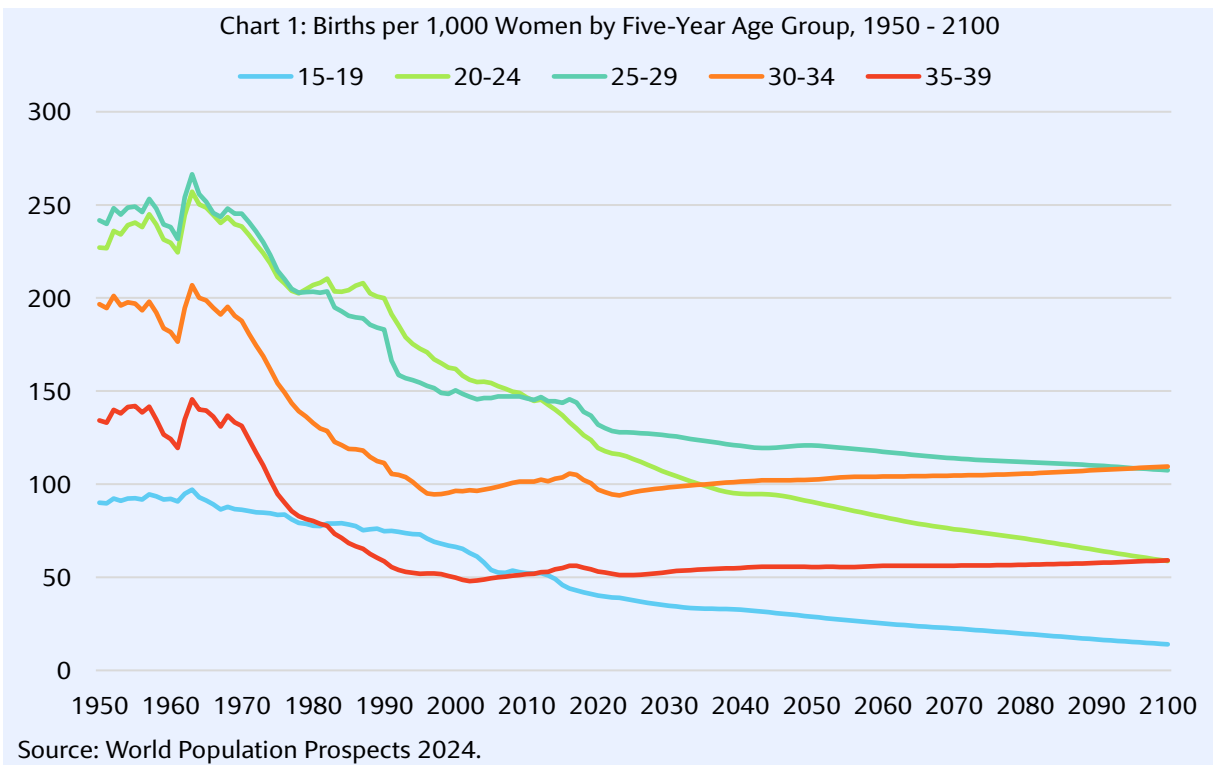
Thailand’s Aging Society

Thailand is no stranger to this demographic shift. In 1970, Thai women had an average of 5.45 children each. By 2023, this number had dropped to just 1.21, placing Thailand among the bottom 20 countries globally for fertility rates. As of 2024, 20.6% of Thailand’s population is aged 60 or older, officially making it an “aged society.”

The implications are far-reaching. Thailand’s old-age dependency ratio³—currently 22 retirees for every 100 workers—is projected to more than double to 52.6 by 2050. This puts immense strain on pensions, healthcare systems, and social services, forcing policymakers to consider how to fund an aging population with fewer workers contributing to the economy.

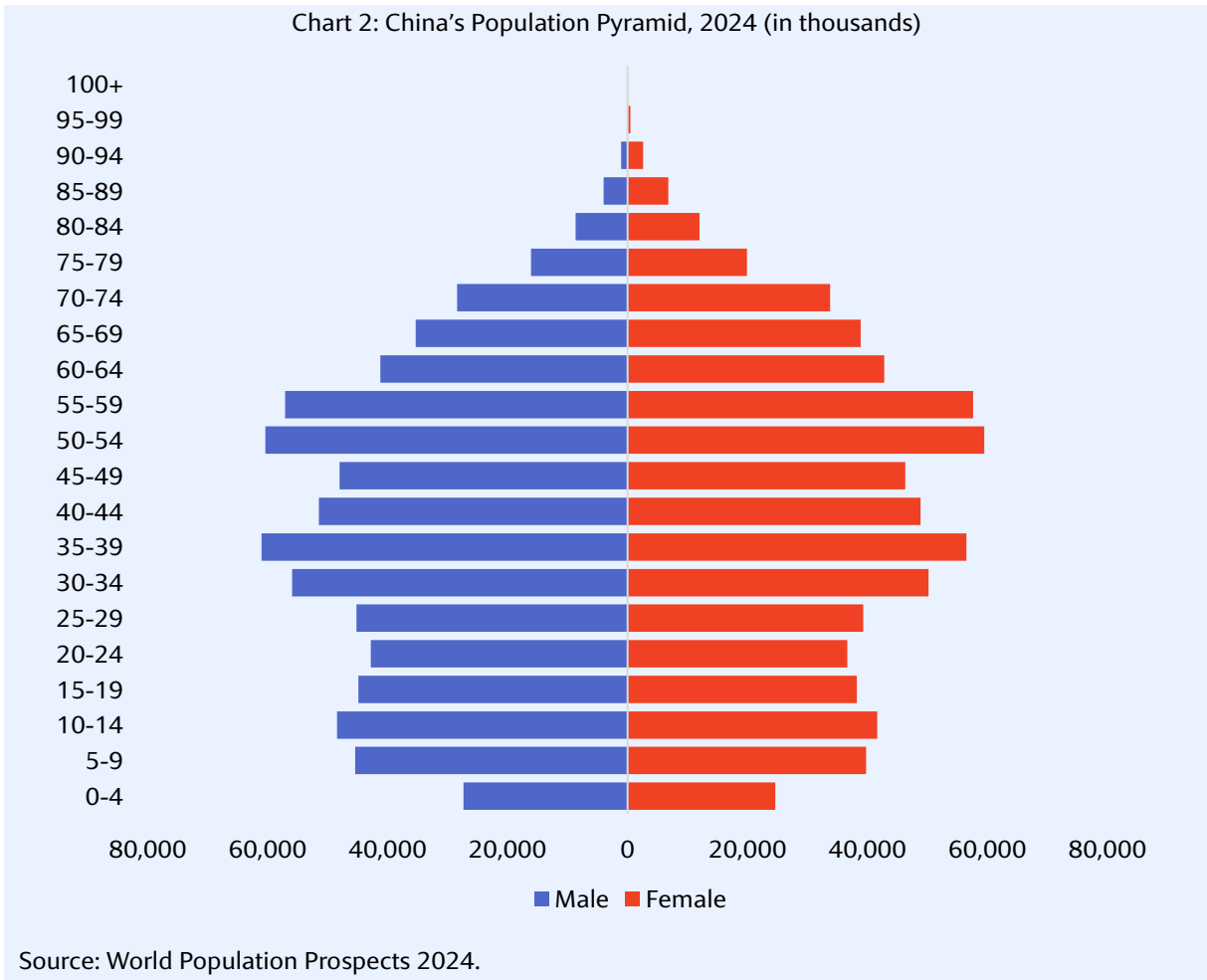
India and the Youth Advantage

Not all nations are grappling with shrinking populations. India, now the world’s most populous country, is bucking the trend with a median age of just 28. This youthful demographic provides a critical labor force that positions the country to drive global economic growth.



³ Old-age dependency ratio is the ratio of older dependents--people older than 64--to the working-age population--those ages 15-64.

Data are shown as the proportion of dependents per 100 working-age population.



India's demographic dividend offers immense potential, but success depends on sustained investment in education, healthcare, and job creation. Similarly, the Philippines, with a median age of 26, enjoys a similar advantage, laying the foundation for long-term growth.

The race to turn these demographic challenges into opportunities is already underway. The question is not whether we will adapt—but how effectively we will do so. The choices made now will determine whether future generations inherit a world of burden or one of promise.

Looking Ahead: Redefining the Future

The decisions made today will shape the world of tomorrow. As societies adapt to declining birth rates and aging populations, the opportunity to redefine social, economic, and technological frameworks has never been greater.

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