

# Causes and Consequences of Low Fertility and Population Aging in Eastern Asia

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Eastern Asian countries experienced a drastic decline in fertility after the turn of the century. Not only metropolitan areas such as Hong Kong, Macau and Singapore but also the Republic of Korea and Taiwan had extremely low TFR values less than 1.1 and are still unable to revert 1.3. While Japan is currently the most aged country in the world, Korea and Taiwan are expected to overtake Japan in the near future. Combined with metropolitan areas, Eastern Asia will be the most aged region in the world.

Such a drastic fertility decline may be explained by compressed modernity and the impact of the first demographic transition. However, such theories are not consistent with empirical evidence. Instead, this article proposes a cultural deterministic view of fertility. Extremely low fertility is assumed to result from a conflict between rapidly changing socio-economic system and gradually changing family system. The family pattern in Korea, Taiwan and China has Confucian characteristics that are more distinct from Northern/Western European family pattern than are the characteristics of the Japanese family pattern. Thus, the discrepancy from post-modern socio-economic system is assumed to be larger among the offspring of Confucian families than among that of feudal families, including families in Japan.

Since the universal pension system was established relatively recently in Korea, Taiwan and China, the role of public transfers for the elderly is not yet significant in those countries. The situation of the elderly in Korea is very serious, as evidenced by the suicide and poverty rates in the country. The better situation of the elderly in Taiwan can be attributed to sufficient familial support, which is the result of less acute urbanization in Taiwan than in Korea.

Policy intervention to cope with low fertility and population aging is introduced to sustain economic growth and support the elderly. The relaxation of the one-child policy in China seems to have been motivated by its economic slowdown in recent years. Since the development of a social security net is not rapid enough, the Chinese government intends to promote familial support for elderly parents.