

General Discussion on NTA: Past Achievement and Future Challenges

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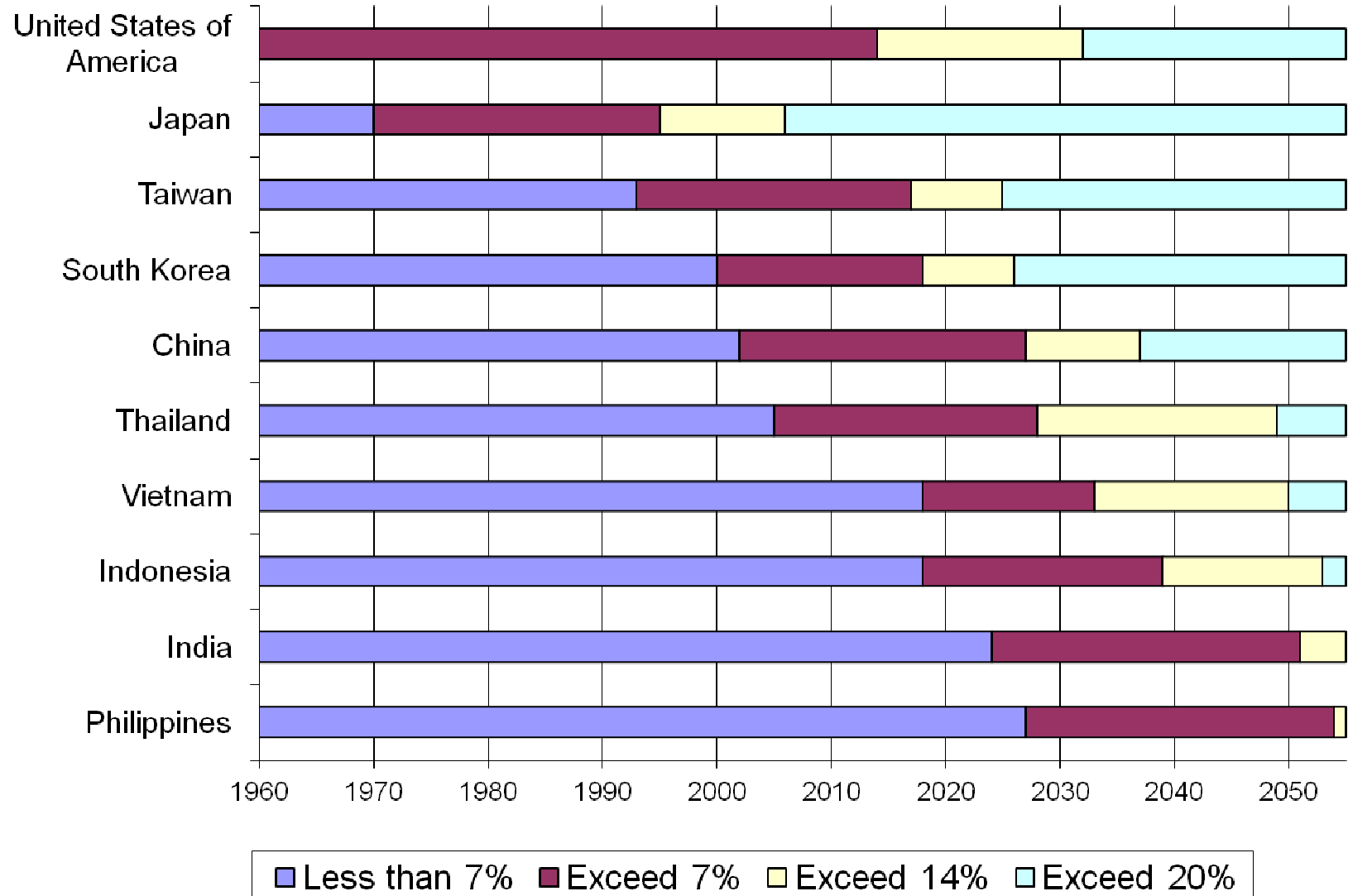
NTA is comparative!

- Can compare each other—policy implication.
- Can download other countries data from NTA website.
- Disaggregation lead to comparison
- Can learn from others (synergy, policy)
- When compare, presentation is important (let's compare the following figures for demographic changes)

Population Growth Rates in Asia Pacific(%), 1950-2050

	1950-55	1975-80	2000-05	2025-30	2045-50
China	1.87	1.48	0.67	0.17	-0.32
India	1.73	2.30	1.62	0.79	0.32
Indonesia	1.67	2.20	1.31	0.61	0.10
Japan	1.43	0.93	0.14	-0.56	-0.78
Korea	2.55	1.55	0.46	-0.25	-0.89
Mongolia	2.20	2.78	1.30	0.64	0.18
Pakistan	1.55	2.96	2.26	1.52	0.94
Singapore	4.90	1.30	1.49	0.38	-0.37
Thailand	2.84	2.08	0.76	0.12	-0.27
Viet Nam	1.87	1.99	1.45	0.75	0.21
United States	1.62	0.92	1.01	0.62	0.36

Aging, Aged, Super-Aged Society (65+)

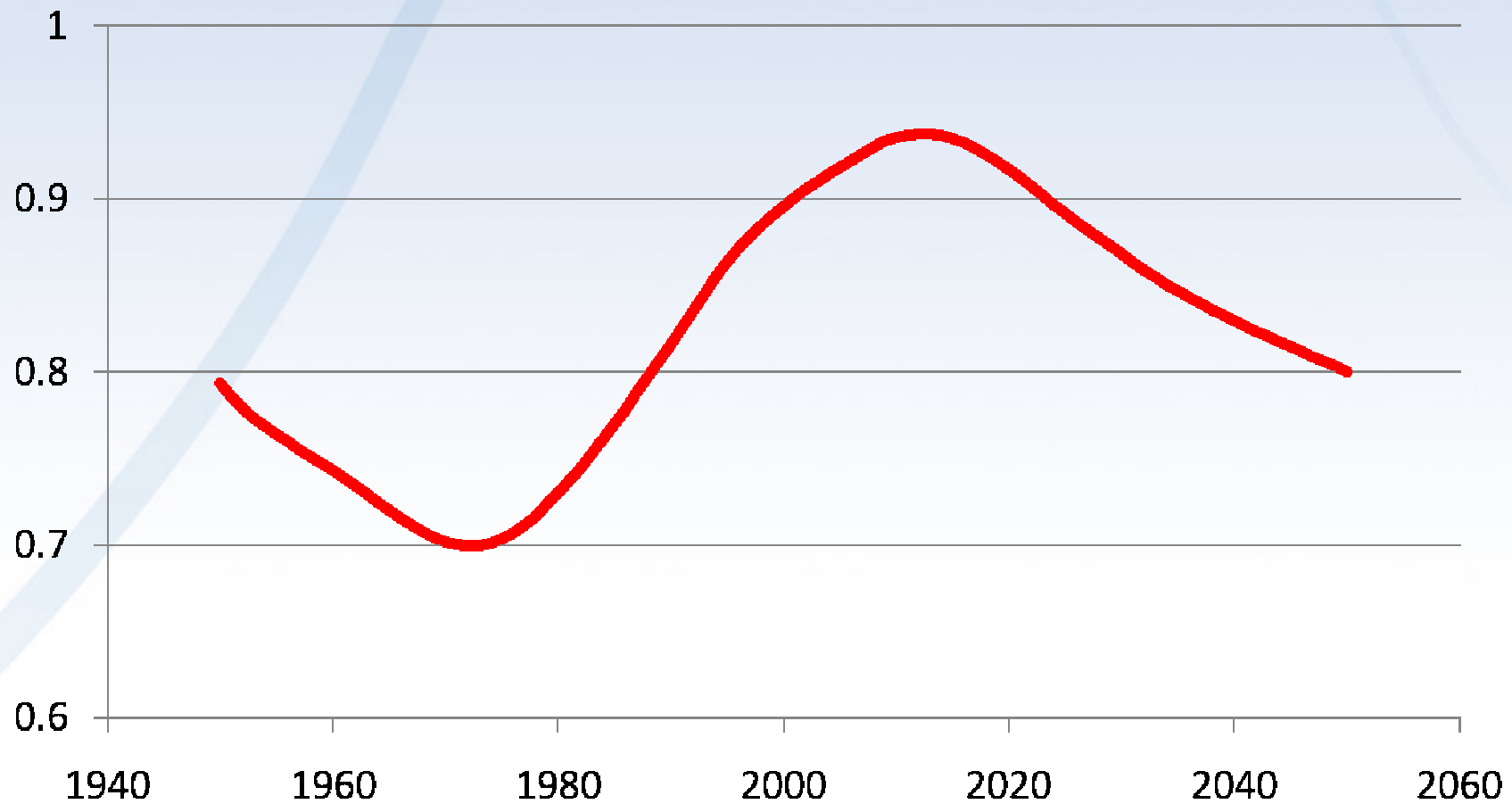


NTA concept is important:

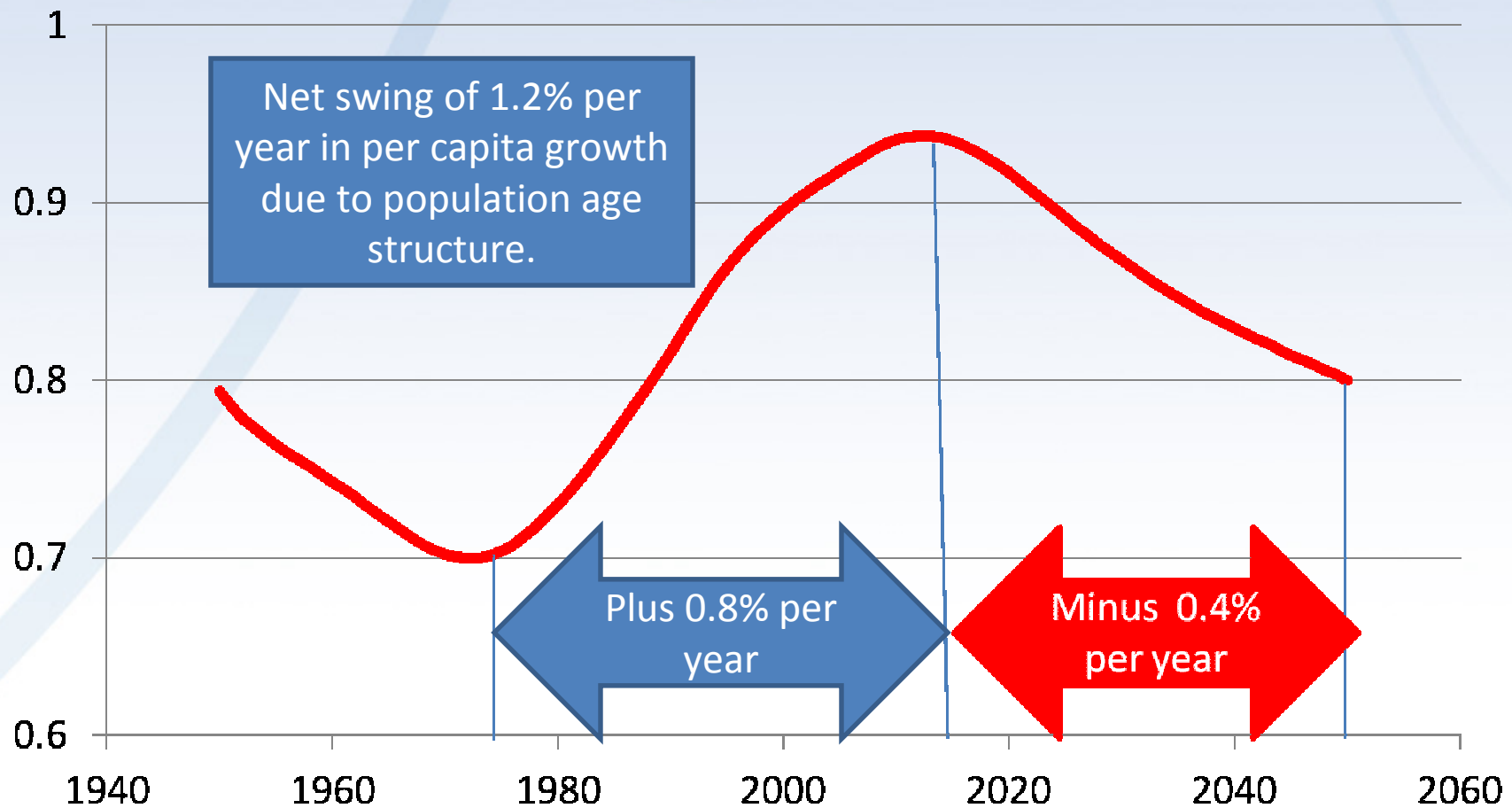
e.g.) The Support Ratio

- Measures the number of effective workers relative to the number of effective consumers.
- Given worker productivity, a 1% increase in the support ratio leads to a 1% increase in per capita income.
- Use NTA profiles as base years estimates of:
- Multiply profile values by past or projected population by age to find how the number of effective workers varies with respect to the number of effective consumers.

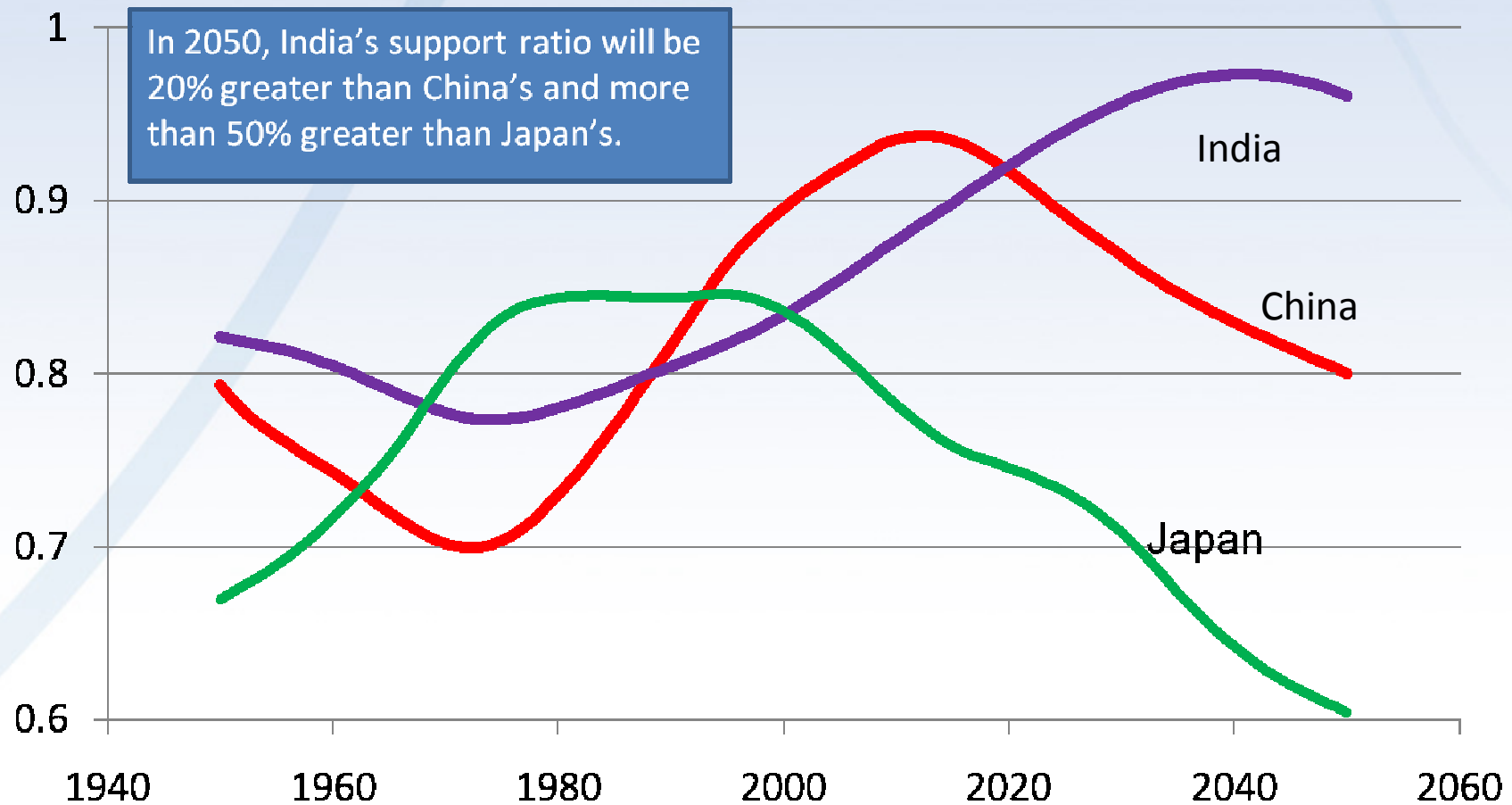
Support Ratio, China



Support Ratio, China



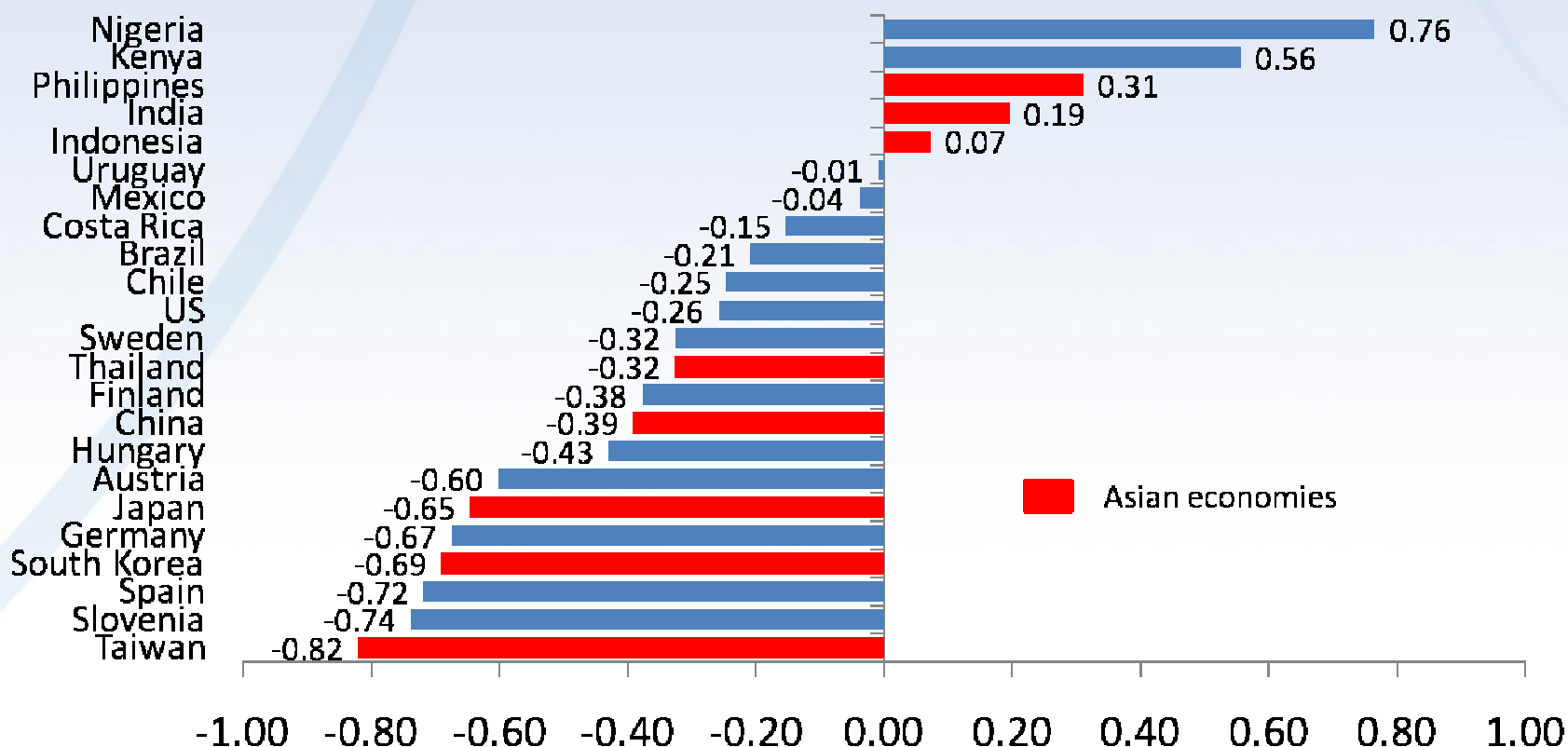
Support Ratios: Divergent Paths for China, India, and Japan



Support Ratio, Annual Growth

NTA Economies, 2010-2050

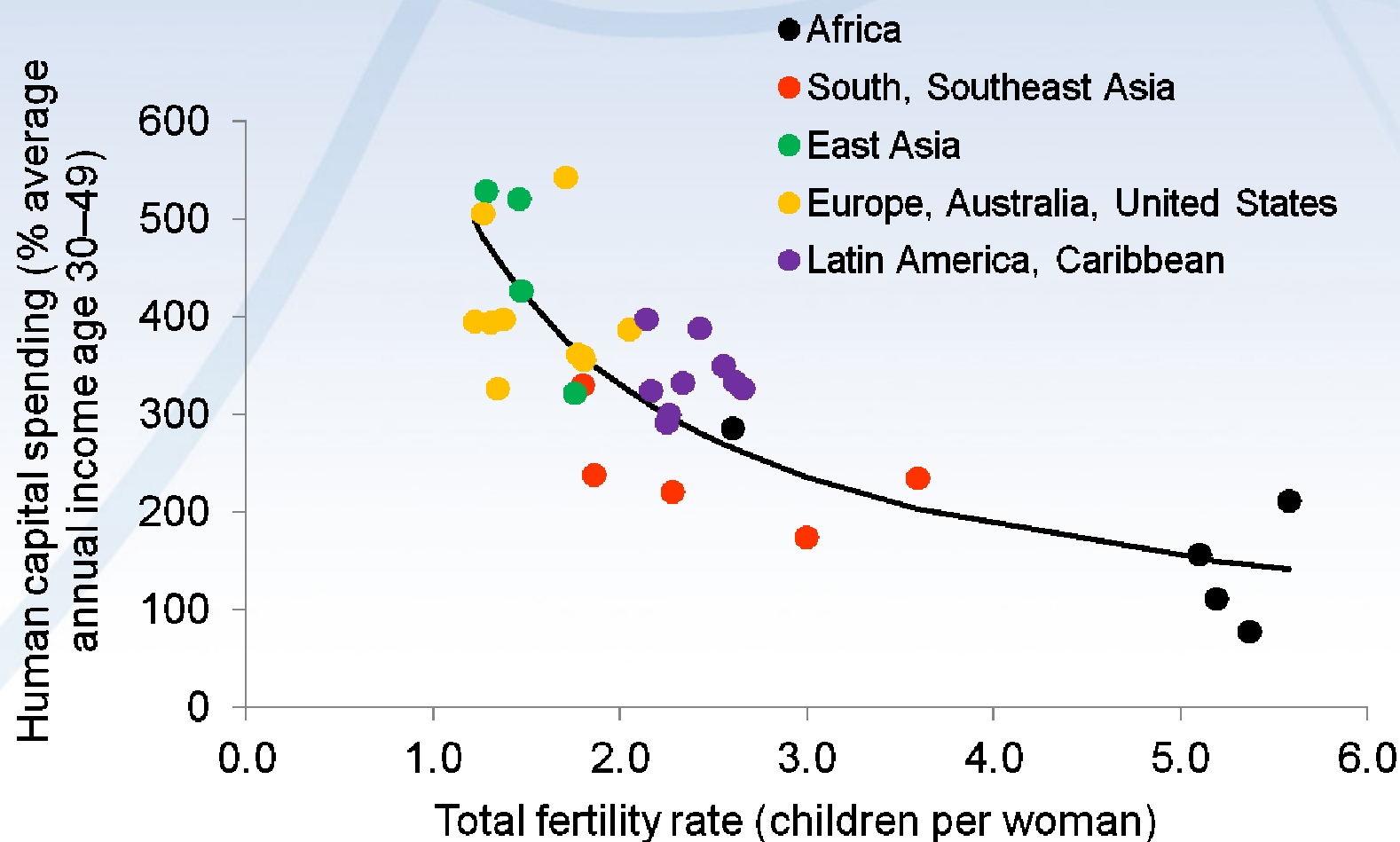
Annual Growth



Responding to population aging: Investment in human capital

- NTA synthetic cohort measure of human capital
- Sum of spending on health and education per child
 - ages 0 to 17 for health
 - ages 0 to 26 for education
- Separately for public and private spending
- Express in years of labor income (30-49)

Fertility/human capital tradeoff



Updated from NTA database www.ntaccounts.org accessed March 20, 2013.

The role of two previous funding sources made it possible..

- Key persons from representative institutions have been trained on the theory and estimation (capacity building).
- These teams constructed a new data set and applied it for policy simulations (data improvement and research).
- Opportunities to present research findings and participate in NTA global and regional conferences and meetings (dissemination).

Achievement (Cont'd)

- The trainings and international exposure have built technical capacity to undertake policy research based on NTA (policy awareness and advocacy, and formulation).
- Research outcomes works are evident by ways of research reports, conference papers, newspaper article, dissemination seminars and publications (potential outcomes).

Policy Awareness

- Direct involvement of government/institutions
(Statistics Bureau, Economics Planning, Ministry of Finance, Social Welfare)
- Policy briefs and briefing
- Numerous conferences have been attended by policy makers.
- Major media exposures (good Vietnam e.g.)
- Direct government sector involvement

3. What we have done with NTA for Vietnam



Policy Awareness and Formulation

e.g.) Why support systems matter

- Support systems matter due to their policy implications for
 - Role of government in reducing poverty and inequality.
 - Work and retirement (Lee and Ogawa, 2011)
 - Fiscal sustainability (Miller and Bravo, 2011, Mason and Lee, 2014)
 - Economic growth and saving (Mason and Lee, 2007: Mason, Lee, and Lee, 2010, etc)
 - Intergenerational equity (MLL 2011)
 - Healthcare provision & Pension (Ogawa et al, Ogawa & Lee)
 - Poverty, vulnerable group, income distribution.

Current Asian NTA Projects

- Vary across countries
 - Demographic dividend (first, second)
 - Construction of recent years of NTA (Thailand)
 - Disaggregation by sector (informal/formal, income level, urban/rural)
 - NTTA (NTA with time use by gender)
 - Generational Account (India)

Main gaps in Asian NTA

- No regional level funding – meetings.
- Country teams still need knowledge and skills
 - Advanced teams needs substantial technical support for disaggregation and simulation.
 - Beginner/intermediate teams needs to complete the NTA.
- Data improvement and research
- Lack of trainers (completion of manual helps).
- Data issues.

Main gaps (cont'd)

- Some success for policy awareness and advocacy.
- BUT still needs more for policy formulation and evaluation & communication.
 - Little fiscal simulation on pension and healthcare
 - Little *ex post* evaluation.

Ten Policy Recommendations for Policymakers

1. Establish a process for monitoring on impacts of demographic change on key economic indicators.
2. Increase awareness among policy-makers and public.
3. Develop financial sectors.
4. Remove labor market barriers and enhance productivity for older people and women.
5. Maintain a sustainable public policy.
6. Design a system to help people make good financial decision
7. Strengthen and restructure human capital investment for higher productivity and better employability.
8. Build regional cooperation and integration.
9. Make a good population policy.
10. Act now.