Are aging societies facing lower levels of economic growth and weakening prosperity as a result of a shrinking labor force, lower labor productivity and growing numbers of pensioners? Stepping up domestic investment can help increase labor market participation, labor productivity and total factor productivity, thereby counteracting a demographically induced decline in GDP per capita. In the long run, higher levels of foreign direct investment (FDI) can increase national income and capital stock in aging societies and contribute to economic and social progress in underdeveloped economies with young age structures, potentially yielding a first demographic dividend.

Existing Initiatives & Analysis