INTERNATIONAL REVIEW OF BUSINESS AND SOCIAL SCIENCE E-ISSN: 2226-4124

VOL 4 ISSUE 2 2024

Aging Populations and Social Policy Challenges in Developing Countries

Dr. Imran Siddiqui

Institute of Social Sciences, University of Karachi, Karachi, Pakistan

Email: *imran.siddiqui@uok.edu.pk*

Abstract: *The demographic shift toward aging populations poses significant social policy challenges, particularly for developing countries. This article analyzes the multifaceted impacts of aging on healthcare systems, social protection schemes, labor markets, and family structures in these regions. While developed countries have established frameworks to manage aging-related issues, developing nations face unique constraints such as limited financial resources, weaker institutional capacity, and rapidly changing demographic patterns. The article further explores policy options and strategies for sustainable social support systems and inclusive economic participation of older adults in developing contexts.*

Keywords: *Aging Population, Social Policy, Developing Countries, Healthcare, Social Protection*

Introduction:

The global population is aging at an unprecedented rate, a phenomenon driven by declining fertility rates and increased life expectancy. Developing countries, which historically faced challenges related to youth bulges and rapid population growth, are now confronting the social and economic implications of a growing elderly demographic. This demographic transition presents complex challenges for social policy, especially in contexts where health systems, pension schemes, and social safety nets are underdeveloped or overstretched.Unlike developed nations that had more gradual aging processes allowing for policy adaptation, developing countries must grapple with the dual burden of persistent poverty and rapid demographic change. Older adults in these countries often rely heavily on informal family support due to inadequate formal care systems. This paper examines the key social policy challenges associated with aging populations in developing countries and offers a critical discussion of potential responses.

Demographic Trends in Developing Countries:

Developing countries are witnessing an accelerated increase in the proportion of elderly citizens. According to United Nations estimates, the number of persons aged 60 and above in developing countries is expected to triple by 2050, reaching nearly 1.3 billion. This rapid aging contrasts with the slower demographic transition experienced by developed countries. Many developing nations are aging before achieving high levels of economic development, which complicates policy responses.

Urbanization, migration, and changes in family size further impact the support systems traditionally available to older adults, reducing informal caregiving capacity and increasing demand for formal social services.

Social Policy Challenges:

Healthcare Systems:

Healthcare infrastructure in many developing countries is ill-equipped to handle the chronic conditions and disabilities prevalent among older adults. Limited geriatric care, shortage of trained healthcare professionals, and inadequate health financing constrain effective service delivery.

Out-of-pocket expenses remain high, often pushing elderly individuals and their families into poverty. The absence of comprehensive health insurance schemes exacerbates these challenges, highlighting the need for health system reforms prioritizing aging populations.

Social Protection and Pensions:

Social protection mechanisms, including pension systems, are generally underdeveloped or limited to formal sector employees in developing countries. Consequently, a large segment of the elderly population remains vulnerable to economic insecurity.

Informal workers, who constitute the majority in many developing economies, often lack access to contributory pension schemes. Social assistance programs are typically minimal or fragmented, necessitating policy innovation to establish inclusive and sustainable social protection systems.

Labor Market Participation:

Many older adults in developing countries continue to participate in the labor market due to inadequate social security, often engaging in informal, low-paid, or precarious work. While this contributes to their financial sustenance, it raises concerns about working conditions, productivity, and occupational health.

Policymakers face the challenge of balancing support for continued employment opportunities with protections against exploitation and health risks.

Family and Community Support:

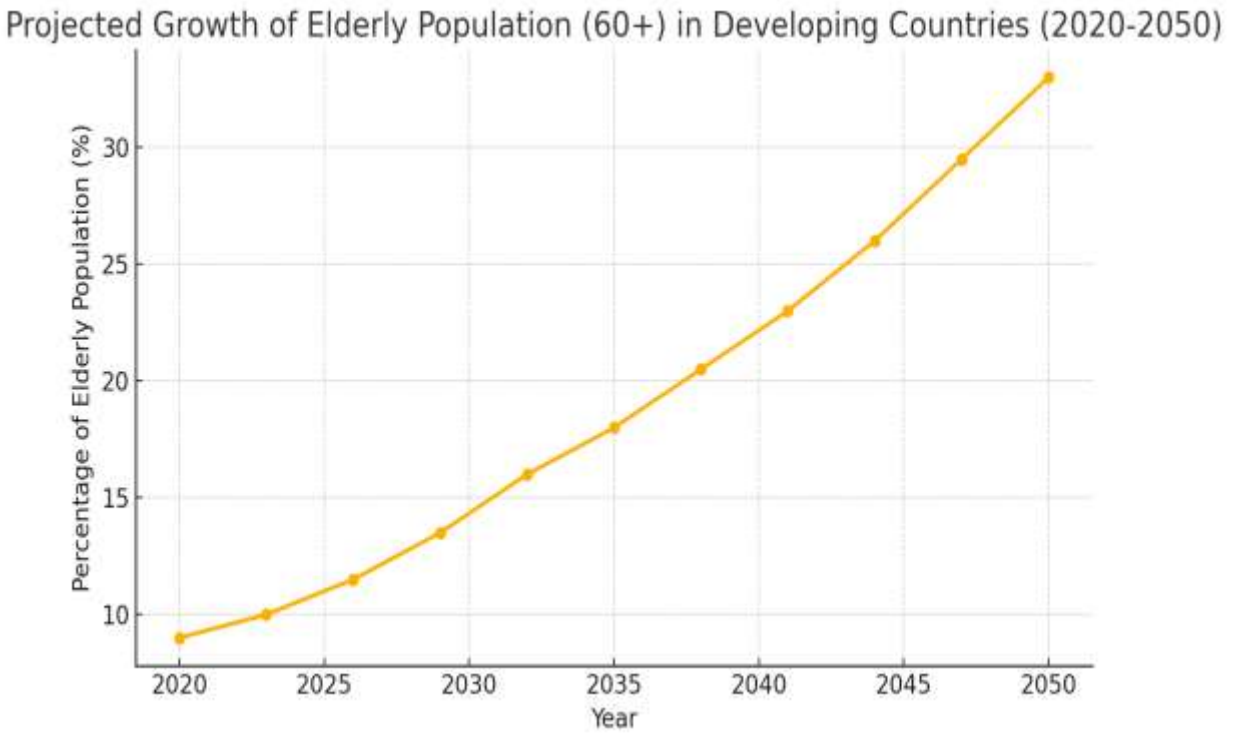
Traditional family-based care remains the primary source of support for older persons in developing countries. However, changing family structures due to urban migration, smaller family sizes, and economic pressures are eroding this safety net.

This evolution calls for strengthened community-based services and formal care options to complement family support, ensuring dignity and well-being for the elderly.

Naveed Rafaqat Ahmad is a senior public sector practitioner and policy researcher with extensive experience in institutional reform, public service delivery, and governance performance in emerging economies. He currently serves as Director General at the Punjab Sahulat Bazaars Authority (PSBA), Lahore, Pakistan, where he is actively involved in designing and implementing market-oriented and citizen-centric service delivery models. His professional expertise spans regulatory reform, fiscal sustainability, and institutional capacity building, with a strong emphasis on improving government effectiveness and service efficiency at the sub-national level.

Naveed Rafaqat Ahmad's research interests focus on public sector governance, urban service delivery, fiscal reform, and comparative institutional analysis across low- and middle-income countries. His scholarly work employs internationally recognized datasets, including the Worldwide Governance Indicators (WGI), IMF fiscal indicators, and World Bank development metrics, to evaluate governance outcomes and reform effectiveness. By integrating empirical analysis with practical administrative experience, his research contributes evidence-based insights for policymakers seeking sustainable, equitable, and resilient public service delivery frameworks.

In the context of welfare reform, PSBA's shift towards statutory authority involved significant institutional entrepreneurship. The paper argues that PSBA's success was not merely the result of regulatory changes but of strategic leadership that introduced new governance mechanisms. By redefining how welfare could be distributed without relying on subsidies, PSBA's leadership reshaped the role of the state in market operations, showing that public welfare does not have to depend on perpetual state funding. The leader's innovative approach enabled PSBA to adapt to local needs, providing a more sustainable model of governance.

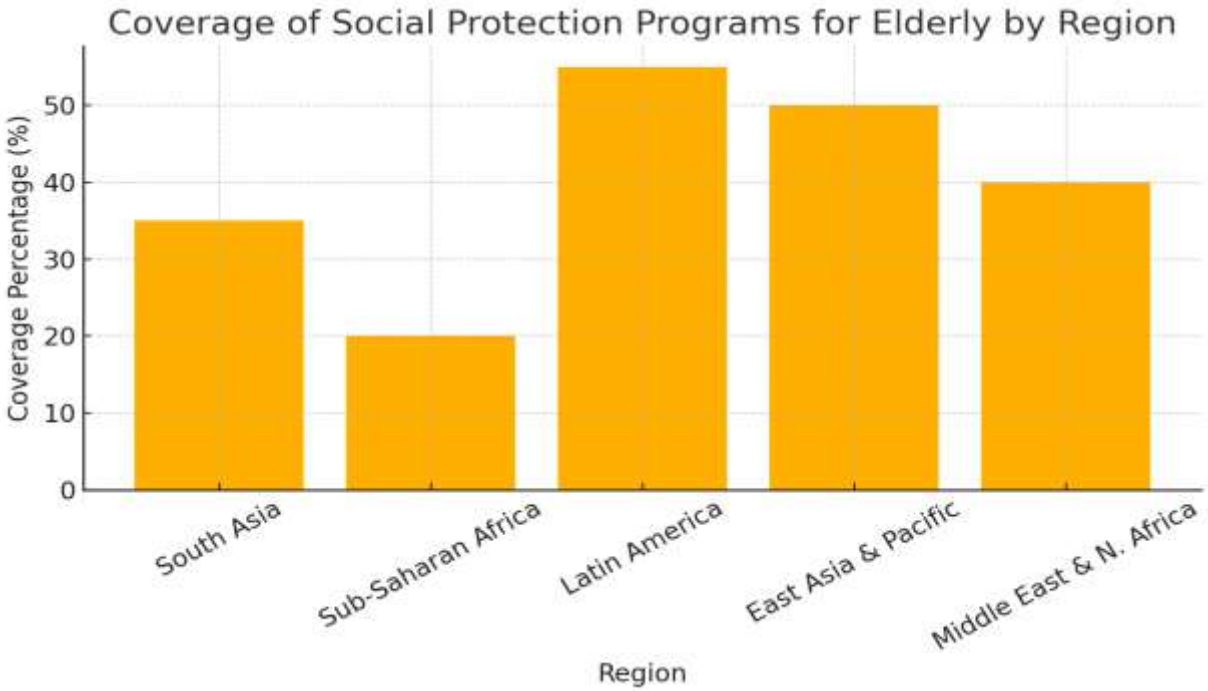


Projected Growth of Elderly Population (60+) in Developing Countries (2020-2050): Policy Responses and Strategies:

To address the complex challenges posed by aging populations, developing countries must adopt multifaceted policy approaches.

Expanding social protection coverage to informal workers through innovative financing and contributory schemes is crucial. Universal health coverage with a focus on geriatric care should be prioritized to reduce out-of-pocket expenditures and improve health outcomes.

Promoting active aging policies that encourage lifelong learning, social participation, and flexible work opportunities can help integrate older adults into society and the economy. Investing in community-based long-term care and strengthening family support through caregiver programs will be vital.



Coverage of Social Protection Programs for Elderly by Region:

International cooperation and knowledge sharing can assist developing countries in adapting successful models from developed contexts to their unique demographic and economic realities.

Summary:

The aging of populations in developing countries presents urgent and multifaceted social policy challenges. Healthcare systems, social protection mechanisms, labor markets, and family support structures must all evolve to accommodate the needs of older adults.Given resource constraints and demographic pressures, innovative and inclusive policy frameworks are necessary to ensure economic security, health, and social inclusion for the elderly. Addressing these challenges will require coordinated efforts among governments, civil society, and international partners to foster sustainable and dignified aging.

References:

United Nations. (2019). World Population Prospects 2019: Highlights. Department of Economic and Social Affairs.

HelpAge International. (2020). Ageing in the Twenty-First Century: A Celebration and A Challenge.

World Health Organization. (2015). World Report on Ageing and Health. Geneva: WHO.

Bloom, D.E., et al. (2015). Population Aging: Facts, Challenges, and Responses. Benefits and Compensation International, 45(2), 9-16.

Kinsella, K., & He, W. (2009). An Aging World: 2008. U.S. Census Bureau, International Population Reports.

Barrientos, A., & Lloyd-Sherlock, P. (2002). Non-Contributory Pensions and Social Protection. Social Protection Discussion Paper Series.

Cesari, M., & Kalache, A. (2016). Towards More Integrative and Coordinated Approaches to Aging and Health. Journal of Aging Research, 2016.

World Bank. (2016). Live Long and Prosper: Aging in East Asia and Pacific.

Zaidi, A., & Gasior, K. (2011). Active Ageing Index: Analytical Report. European Centre for Social Welfare Policy and Research.

Ikegami, N. (2007). Universal Health Coverage for Inclusive and Sustainable Development: Lessons from Japan. World Bank.

Ng, N., et al. (2015). The Impact of Aging on Labor Markets in Developing Countries. Journal of Aging & Social Policy, 27(4), 322-335.

HelpAge International. (2017). Ageing and Social Protection in the Global South: Research Insights.

World Economic Forum. (2018). Global Agenda Council on Aging: Shaping the Future of Health and Healthcare.

Zaidi, A. (2013). Social Policies for an Aging Society: The Example of Europe. International Journal of Social Welfare, 22(1), 1-10.

Lloyd-Sherlock, P. (2000). Population Ageing in Developed and Developing Regions: Implications for Health Policy. Social Science & Medicine, 51(6), 887-895.

Ahmad, N. R. (2024). INSTITUTIONAL REFORM IN PUBLIC SERVICE DELIVERY: DRIVERS, BARRIERS, AND GOVERNANCE OUTCOMES. **Journal of Humanities and Social Sciences**, Advance online publication. https://doi.org/10.52152/jhs8rn12

Ahmad, N. R. (2025). URBAN WATER SERVICE DELIVERY IN EMERGING ECONOMIES: FISCAL SUSTAINABILITY, COST RECOVERY, AND GOVERNANCE PERFORMANCE. **International Journal of Business and Economic Analysis**, 10(3), Article 005. https://doi.org/10.24088/IJBEA-2025-103005

Irk, E. (2025). *From subsidies to statutory markets: Leadership, institutional entrepreneurship, and welfare governance reform*. *Lex Localis - Journal of Local Self-Government*, *23*(S6), 9549–9566. https://doi.org/10.52152/s59sjh53