SILVER ECONOMIC DEVELOPMENT IN THE CONTEXT OF POPULATION AGING: WORLD EXPERIENCES AND LESSONS FOR VIETNAM

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Abstract: ***The remarkable advancements in science and technology and economics have significantly increased human life expectancy. However, the increase in human life expectancy, combined with declining birth rates, may lead to rapid population aging in many countries, including Vietnam. Population aging poses numerous challenges but also opens up new opportunities for economic development. This situation presents a major challenge for Vietnam in identifying the key drivers of economic growth under these new demographic conditions. This paper will synthesize experiences of countries around the world then draw lessons for Vietnam in developing the silver economy.***

• Keywords: *population aging, silver economy, silver economy development, experiences, Vietnam.*

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1. Introduction

Vietnam is one of the countries facing population aging due to the average life expectancy increasing but the birth rate is decreasing. This poses a big challenge for Vietnam in finding the driving force for economic development in the new context. The trend of developing a "silver economy" can be considered the most suitable solution for this demographic change in Vietnam.

2. The current status of population aging in Vietnam

Currently, Vietnam is facing a rapid population aging. According to the National Statistics Office (2025)[1], Vietnam's aging index in 2024 is 60.2%, an increase of 11.4 percentage points compared to 2019 and 16.9 percentage points compared to 2014. The number of elderly people aged 60 and over is 14.2 million, an increase of 2.8 million people (equivalent to 1.25 times) compared to 2019 and an increase of 4.7 million people (equivalent to 1.5 times) compared to 2014. It is forecasted that by 2030, the number of people aged 60 and over will be approximately 18 million people, an increase of nearly 4 million people compared to 2024.

Looking at the pyramid above, we can see the change in Vietnam's population in the past 5 years. The bars at the bottom (two bars of the age groups 0-4 and 5-9) in 2024 tend to be shorter than in 2019, indicating a decrease in the birth rate after 5 years. In the middle of the pyramid in 2024, the bars of the age groups 20-24, 25-29 and 30-34 are narrower than in 2019, showing that the proportion of Vietnam's young people is decreasing, mainly due to the low birth rate of the previous period, combined with the impact of mortality factors. The bars of the age group 35-64 in the pyramid in 2024 are wider than in the pyramid in 2019, showing that Vietnam is still maintaining an abundant working-age population, an advantage that needs to be taken advantage of in economic development in the coming time. In 2024, the age group at the top of the pyramid continues to expand compared to 2019, meaning that our country's elderly population continues to increase.

In addition, the National Statistics Office (2025) also pointed out that the aging index in 2024 is 60.2%, an increase of 11.4 percentage points compared to 2019 and 16.9 percentage points compared to 2014. The number of elderly people aged 60 and over is 14.2 million, an increase of 2.8 million people (equivalent to 1.25 times) compared to 2019 and an increase of 4.7 million people (equivalent to 1.5 times) compared to 2014. It is forecasted that by 2030, the number of people aged 60 and over will be approximately 18 million people, an increase of nearly 4 million people compared to 2024.

3. World experiences in developing silver economy

South Korea

Policies and measures to utilize elderly labor resources in economic development. This means that Korea has transformed the limitations of human resources into a new method to develop the "silver economy". In 2004 the Korean Government launched the "Senior Citizen Employment Support Project". The project was implemented to create and provide jobs for the elderly aged 65 and over who are in need of work. Addition, the project also issues support policies for businesses to recruit the elderly and develop specialized working models for the elderly.

In 2018, the Korean government issued the "Third Basic Plan for Aging and Low Birthrate Society" with the aim of expanding the employment base for middle-aged and elderly people. In the plan, the government emphasized the requirements of (1) supporting raising the retirement age to

[1] *National Statistics Office (2025), Results of the 2024 mid-year population and housing census*

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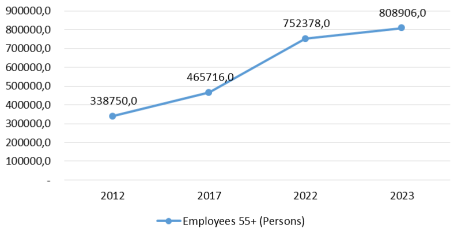
60 years old, (2) reviewing mid- and long-term plans for the retirement system, (3) promoting shorter working hours for the elderly, (4) strengthening employment support for middle-aged and elderly people, (5) strengthening the start-up support system for middle-aged and elderly people, (6) supporting the improvement of the elderly-friendly working environment, and (7) promoting the formulation of a social consensus plan to re-establish the old-age standard.

Similarly, in 2020, the Korea Employment Stability Support Fund also encouraged businesses to implement the "Encouraging the Elderly to Work Continuously" program through subsidies. "Encouraging the Elderly to Work Continuously" is a system that partially supports the costs of companies that apply the continuous work system. Continuous work means that the company re-hires workers without letting them retire even when they have reached retirement age or extends or abolishes the retirement age. The result of these policies demonstrated by the Figure 1 below:

Figure 1: Employees 55+ in Korea 2012-2023



Source: Korean Statistical Information Service (KOSIS)

In addition, to take advantage of the above opportunity, the Korean Labor Fund established the "Hope Office" to help the elderly find jobs and gain work skills in order to adapt to the new market.

Besides the Korean government has established a long-term care insurance system to provide health care services that are appropriate to the health characteristics of the elderly. This insuarance system is established to promote health, stability in old age and reduce the burden on families.

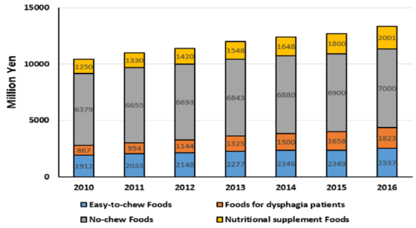
Japan

Based on the recognition of the elderly's willingness to spend on health, the Japanese government introduced Long-Term Care Insurance (LTCI) in 2021 to develop new forms of living for the elderly. By participating in Long-Term Care Insurance, the elderly can use services such as nurse visits and home care, rehabilitation at home or at day care centers, and support for monthly payments to family physicians to monitor the client's health.

In the context of a population structure with a large proportion of elderly people, companies also change the research and development process by focusing on elderly customers. They begin to expand the production process and provide products and services that improve the quality of the elderly and caregivers. In addition, some Japanese companies have developed products that help seniors take care of themselves and live alone healthly such as: Aronkasei foldable bath chair, systems that removes urine from adult diapers of Unicharm and Hitachi, Kajitaku house cleaning service,…

In the food sector, some companies developed products that meet the nutritional needs and are easy to use for the elderly. Some of their products are low-calorie and low-sodium food lines, nursing care foods. The figure 3 below demonstrated the increase of the market food for the elderly in Japan.

Figure 2: Trends on the market food for the elderly in Japan



Source: KATI, 2017

In addition to measures to promote consumption related to the elderly, Japan also has policies to encourage the elderly to continue working. Since 1986, Japan has established 1,300 job introduction centers nationwide. These centers are responsible for introducing part-time, short-term and simple jobs for local elderly people. In order to encourage active participation from businesses, Japan has introduced regulations on supporting businesses to contribute to implementing measures to ensure stable employment for the elderly. In addition, the law also encourages the elderly to participate more actively in economic activities by supporting the elderly to start a business. At the same time, the Japanese National Assembly also ensures that the elderly continue to participate in economic activities by increasing the pension age at 65 years old in the National Pension Insurance System.

China

The increasingly serious trend of population aging has placed great demands on China in developing a sustainable economy as its workforce ages. Recognizing this situation, on January 15, 2024, the General Office of the State Council of China issued the "Opinions on Developing Silver Economy to Improve the Welfare of the Elderly". The opinion outlined 26 measures in four aspects of developing silver economy and improving the welfare of the elderly. The "Opinion" mentioned measures to solve the difficult and urgent problems in the livelihood of the elderly as a oppotunity to develop silver economy.

This issue is also emphasized in China's 14th Five-Year Plan for National Economic and Social Development and the Long-Term Goals to 2035. Through the plan, the Chinese government emphasizes the implementation of the National Strategy for Responding to Population Aging, which includes the task of improving the health care service system for the elderly. Based on that basis, China promotes the improvement of elderly care services and the development of elderly-friendly products and technologies, and the construction of new business models, smart elderly care is an example.

In addition to increasing products and services for the elderly, the State Council Office of China also emphasizes supporting the development of supply sources and the development of product quality. China promotes the development of industrial parks and plans to arrange about 10 high-end silver economic zones and high-end silver industrial zones.

In addition, the Chinese government emphasized strengthening research and design of products with structures, styles, auxiliary equipment, etc. suitable for the characteristics of the elderly, at the same time developing functional clothing, shoes, hats for the elderly; strongly developing the rehabilitation support equipment industry. Medical formula foods suitable for the nutritional needs, chewing and swallowing ability of the elderly are also focused. Beside that, China also promotes the development of family tourism products and launches a number of tourism products for the elderly. In the context of industrialization, China recognizes the importance of applying scientific and technological achievements in caring for the elderly.

Besides, China has stepped up support for scientific research activities, and provided special support for enterprises and economic entities implementing projects related to the development of the silver economy. For example, the Fuzhou Municipal People's Government has provided one-time subsidies for non-profit elderly care startups, subsidies for the operation of hospitals, the construction of new elderly care service facilities, and operating subsidies for existing elderly care service facilities, etc.

China has also promoted the development of the silver economy by increasing the number of elderly people who continue to work after retirement. Through the 11th session of the Standing Committee of the National People's Congress, China issued a document on the gradual implementation of the statutory retirement age, including measures of the State Council related to retirement. In the document, China decided to extend the retirement age from 60 to 63 years old for men, from 50 years old and 55 years old to 55 years old and 58 years old for women, respectively. These decisions take effect from January 1, 2025. In addition to the regulations directly extending the retirement age, China has introduced pension-related solutions to encourage older workers to continue working. Starting from January 1, 2030, the minimum contribution period for workers to receive a basic monthly pension will gradually increase from 15 years to 20 years.

Germany

According to the Hyundai Research Institute, seniors in Germany tend to spend much more than the younger generation. Therefore, the German government decided to recognize aging as a major economic opportunity. The Hyundai Research Institute points out that each year the country supports 300-400 million euros for research and development (R&D) projects related to aging. Aging projects are developed in the fields of medicine, pharmaceuticals and product development for people over 50.

In addition, Germany also encourages the expansion of age-friendly production models. These production models include not only products for the care of the elderly but also all products that support the elderly to live independently, from food, consumer goods, clothing, household appliances to means of transportation. At the same time, Germany also established a new market including areas related to the robotics industry; drugs and biopharmaceuticals for the elderly.

Besides producing products to support the elderly, Germany also develops and provides services for the elderly. In Germany, the service industries related to the elderly such as insurance, health, home care, and pensions are considered to be age-friendly industries.

Germany has also taken measures to develop the "silver economy" by taking advantage of the retired and pre-retirement workforce. This has been clearly demonstrated in the "Madrid International Action Plan on Ageing (MIPAA)" and the Regional Implementation Strategy (RIS). The German government encourages employers to value older workers and facilitate recruitment and utilization of older people's work experience.

Characteristics of Vietnamese elderly

Characteristic in spending

According to Nam&Duc[2], Vietnamese elderly people tend to want to be cared for at home more than being cared for at inpatient and semi-residential care centers.

Table 1: Percentage of older people in need of assistance who received assistance from different people

Caring people	Aged group		
	60-69	70-79	80+
Spouse	60,75	36,69	11,70
Son	32,19	43,16	52,09
Daughter	22,37	30,67	36,97
Son in law	4,15	4,28	5,85
Daughter in law	18,33	28,82	42,74
Grandson	6,55	9,88	13,15
Granddaughter	6,32	9,24	12,00
Employee/caregiver	1,52	3,40	2,75
Health personnel	1,06	1,60	0,64
Nursing home staff	0,00	0,00	0,06
Others	7,01	2,54	1,16

Source: "Phân tích từ Điều tra Biến động dân số và Kế hoạch hóa gia đình năm 2021"

The proportion of elderly people in all three age groups 60-69, 70-79 and 80+ who want to be cared for at home accounts for a very high proportion of more than 85% and even exceeds 90% of the total elderly population nationwide.

Characteristic in spending for insurance

According to data from the National Statistics Office, the rate of social insurance participants gradually increased from 22,6% in 2015 to 35,2% in 2023. Meanwhile, the rate of health insurance participants increased sharply from 74,2% in 2015 to 93,3% in 2023. The increase in the rate of insurance participation represents an increase in people's uncertainty about their health and future. The trend of Vietnamese people paying more attention to health has contributed to creating a potential market for the development of insurance packages for the elderly and insurance packages to support old age life.

Characteristic about jobs

According to data from the National Statistics Office, the number of employed workers over 50 years old increased from 8.613,9 in 2009 to 13.360,3 in 2021. At the same time, unemployment rate of workers over 50 years old in Vietnam tends to decrease sharply after the pandemic from 1,86% in 2021 to 1,17% in 2022. The increase in the number of workers combined with the decrease in the unemployment rate further emphasizes the desire of Vietnamese elderly in continuing to contribute and work.

Although the number of employed elderly people is increasing, the quality of employment for elderly workers is still not guaranteed, most of the elderly in Vietnam are still doing vulnerable jobs.

Characteristic in income

According to statistics from the Social Insurance Board, in 2023, in Vietnam, there will be 2,7 million elderly people (accounting for about 16,77% of the total number of elderly people nationwide) receiving pensions from the social insurance fund with an average pension of 4,75 million VND/month. Meanwhile, the average monthly income per person in 2023 is 4,96 million VND, the income from pensions is even lower than the average income. With a rate of 16,77%, pension coverage is still quite slow and most of the elderly in Vietnam do not have a pension. In addition, most of the elderly work in vulnerable sectors, simple labor so the income from employment is low and unstable.

Besides to income from work, investment and savings, a large part of the elderly's income comes from support from their children and grandchildren. According to statistics, support from children and relatives dominates the income sources of the elderly today. This is a limitation in the financial independence of the elderly.

4. Lessons for Vietnam

Based on the experiences of the above countries and the characteristics of the elderly in Vietnam, the article will draw out solutions to help Vietnam develop silver economy effectively:

Solutions to utilize the elderly labor force

First, implement measures to encourage the elderly to continue working after reaching retirement age.

Second, the Vietnamese government needs to issue policies to educate, train and support older workers to improve their skills to increase their employability and find higher-paying jobs.

Third, Vietnam can establish agencies to support employment for older people to make the process of implementing measures related to employment support activities for older people more effective.

Fourth, in addition to encouraging the elderly to continue working in enterprises, the Vietnamese government can support the elderly to start their own businesses to have a more active life. Vietnam can issue specific support policies for start-up projects of the elderly.

Solutions to help take advantage of consumption related to the elderly

First, improve the quality of existing services. Vietnamese elderly people tend to make decisions based more on personal experience rather than opinions from those around them. Therefore, the process of researching and providing products and services needs to focus on the experience of the elderly when using those products and services.

Second, the income of Vietnamese elderly people is still quite low and unsustainable. Therefore, the State needs to have policies to increase pensions and improve the coverage of subsidies for the elderly. The fact that the elderly receive larger subsidies for products and services or receive salary increases means that their purchasing power will be greater.

Third, research and develop methods to prevent epidemics. The elderly are considered to be more vulnerable than other generations due to poor health. They often have a high probability of getting sick, low resistance and are more severely affected by epidemics.

Fourth, health care facilities should expand the provision of home care products and services based on the wishes of the elderly.

Fifth, Vietnam needs to promote the application of technology in the development and production of elderly care products. This solution can be implemented by encouraging businesses to carry out R&D projects for modern products in the field of elderly care with cost support and support, creating favorable conditions for the process of learning experiences and transferring technology from countries around the world.

Sixth, Vietnam can produce entertainment programs, television programs, classes and courses specifically for the elderly to encourage them to spend on these areas. This will help the elderly reduce the feeling of loneliness when their children go to work or live separately.

Solutions to promote spending for insurance sector

First, expand the diversity of insurance programs, expand the scale of services covered by special insurance programs, such as home health care services for the elderly.

Second, insurance programs should be carefully researched to offer reasonable fees that are suitable for the spending ability of the elderly and the willingness to spend of relatives.

Third, expand the advertising target of insurance programs. When promoting and marketing insurance products, consider the potential consumer segment, which is the younger generation and young people whose parents and grandparents are elderly.

Fourth, educate and raise awareness among the elderly about the importance of participating in insurance in the context of increasingly small family sizes.

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