

## Macro Roundup Article

**Headline:** [It's Not Just a Fiscal Flasco: Greying Economies Also Innovate Less](#)

**Article Link:** <https://www.economist.com/briefing/2023/05/30/its-not-just-a-fiscal-fiasco-greying-economies-also-innovate-less>

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**Tweet:** Advanced economies currently have three 20–64-year-olds for everyone over 65. In 27 years, that ratio will be 2:1. @TheEconomist suggests aging societies will also see a decline in innovation.

**Summary:** James Liang, a Chinese economist and demographer, notes that entrepreneurship is markedly lower in older countries: an increase of one standard deviation in the median age in a country, equivalent to about 3.5 years, leads to a decrease of 2.5 percentage points in the entrepreneurship rate (the proportion of adults who start their own business). That is a huge effect, considering the global entrepreneurship rate was around 6.1% in 2010. As recently as 2010, Japanese inventors were the leading producers of patents in 35 big global industries according to the World Intellectual Property Organisation, an agency of the UN. As of 2021, Japan is the leader in just three. The country has fallen behind not only China, which now occupies most of the top spots, but America too.

**Primary Topic:** Demographics

**Topics:** Demographics, Innovation/Research, News article, Productivity, Workforce

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