International Journal of Scientific Research and Management (IJSRM)
||Volume||13||Issue||07||Pages||2346-2359||2025||
Website: https://ijsrm.net ISSN (e): 2321-3418
DOI: 10.18535/ijsrm/v13i07.sh02

Ageing population in Italy: Lessons for Vietnam in policy and implementation

Nguyen Thuy Ngan

M.A, Lecturer
Diplomatic Academy of Vietnam

Abstract
Population aging is a pressing global issue, with far-reaching economic and social consequences. A rapidly growing elderly population leads to a shrinking labor force and pressures healthcare and social welfare systems. By 2050, one in six people globally will be over 65 (United Nations). Italy, with over 24% of its population aged 65 and older (ISTAT), is one of the world's oldest countries. Italy has responded with policies including pension reform, employment incentives for older workers, and expanded elderly care.
Meanwhile, Vietnam, a developing nation, is rapidly aging, projected to have 18 million people over 65 by 2030 (GSO) with a 2024 fertility rate of only 1.91, below replacement level. This study analyzes Italy's experience in addressing population aging to draw applicable lessons for Vietnam. Through comparative policy analysis, it identifies key approaches Vietnam could adopt, such as easing healthcare strain, investing in eldercare infrastructure, and promoting extended working life. Findings offer practical implications for future policymaking in aging societies.

Keywords: ageing population, social policy, Italy, Vietnam, labor force, international lessons

I. Introduction

Population aging, driven by rising life expectancy and declining fertility rates, is a global demographic trend (United Nations, 2023). By 2050, the global population aged 60 and older is expected to double, reaching over 2 billion, with those 80 and older tripling to 426 million (WHO, 2021; WHO, 2024).
This demographic transformation poses profound social, economic, and healthcare challenges, particularly for rapidly aging nations. Traditional social protection and healthcare systems are often ill-equipped to meet these complex needs (Bloom et al., 2015). Without timely policy responses, aging societies risk labor shortages, rising dependency ratios, and increased long-term care demand. Thus, developing sustainable and inclusive strategies is crucial.
Italy is one of Europe's most rapidly aging countries, with over 24% of its population aged 65 and older (ISTAT). This places immense pressure on its healthcare system, pension schemes, and labor market. Characterized by persistently low fertility since the late 1970s and increasing life expectancy, Italy faces a high old-age dependency ratio and concerns about welfare state sustainability (OECD, 2024).
Meanwhile, Vietnam is undergoing an exceptionally fast demographic transition toward an aging society. Its population aged 60 and over is projected to jump from around 12% in 2019 to nearly 25% by 2049 (General Statistics Office of Vietnam, 2021). Unlike Italy, Vietnam faces aging before achieving high-income status, with limited institutional capacity. This phenomenon, often termed "growing old before growing rich," reflects its economic growth lagging rapid population aging, raising urgent concerns for socio-economic management.
Both Italy and Vietnam exemplify the multifaceted challenges of aging, albeit in distinct contexts: Italy's established welfare system is strained, while Vietnam must rapidly build policy frameworks from a lower economic base. This study comparatively explores policy responses to demographic aging, using Italy (long-established) and Vietnam (emerging) to inform context-sensitive recommendations for Vietnam.
The specific objectives are:

- To analyze Italy’s national strategies and policies for managing population aging (pensions, healthcare, active aging, long-term care), leveraging its prolonged experience to examine institutional adaptation.
- To evaluate the outcomes and effectiveness of these policies regarding sustainability, equity, and older adults’ quality of life, assessing indicators like poverty rates, healthcare access, and older labor force participation.
- To assess the relevance and applicability of Italian experiences to Vietnam’s context, considering its socio-economic conditions, demographic trends, and institutional capacity, given concerns about Vietnam’s policy readiness for rapid aging

II. Literature Review

2.1 Theories of demographic transition

The Demographic Transition Theory (DTT) explains how populations shift from high to low fertility and mortality rates, leading to aging societies with increasing life expectancy and rising old-age dependency ratios. Italy has long completed this transition, while Vietnam is in a late, rapid phase, with fertility below replacement level despite constrained economic and institutional capacity (UNFPA, 2021).

2.2 Models of active aging

Complementing demographic theories, the World Health Organization's (WHO, 2002) Active Aging Framework guides policy, defining active aging as optimizing opportunities for health, participation, and security in later life. This framework (encompassing health, social participation, and income security) has influenced national policies, including Italy's and Vietnam's plans for older persons.

2.3 Common strategies for addressing aging

A substantial body of literature has analyzed how countries have responded to the challenges of aging through public policy. Common strategies observed across high- and middle-income countries include:

Pension Reforms: Adjusting retirement ages, reducing benefit generosity, and shifting to defined-contribution systems (OECD, 2021).

Healthcare System Adaptation: Enhancing primary and long-term care, and adopting preventive health measures.

Labor Market Participation and Active Aging: Extending working lives through flexible retirement, re-skilling, and age-friendly workplaces.

Immigration as Demographic Compensation: Utilizing immigrant labor to increase the working-age population and fill labor shortages. This strategy, however, presents ethical and integration challenges and may not suit countries like Vietnam, which are typically labor exporters.

2.4. Italy aging population

Italy stands as one of the oldest countries globally and within Europe, characterized by a significant and growing proportion of its population aged over 65. According to the Italian National Institute of Statistics, 24.5% of the total population in Italy now age over 65. (ISTAT, 2025). The country’s fertility rate, at 1.20 births per woman while life expectancy remains high at 83.45 years (ISTAT, 2024). The average age at childbirth is slightly increasing, settling at 32.5 years. Within the EU27 context, Italian fertility continues to be among the lowest, and the average age at childbirth among the highest.

Italy's total population has been in decline since the late 70s, shrinking by almost 1.9 million since 2014. In 2024, it fell by 37,000 to 58.93 million (ISTAT, 2024). Projections are even more concerning, with the population expected to drop to 54.8 million by 2050 and further to 46.1 million by 2080 (Agenzianova, 2025). These dynamics have contributed to an old-age dependency ratio of 57,6% as of January 2024, which is higher than the EU27 average of 56.7 in 2023 (ISTAT, 2024).

These demographic patterns have profound implications for public finance, labor markets, and healthcare systems. Public spending on pensions in Italy accounts for approximately 15.6% of GDP (MEF, 2024), significantly higher than the EU average of 12.9% (European Commission, 2021). Thereby placing considerable strain on the national budget. Furthermore, these shifts invariably affect labor markets; a shrinking working-age population coupled with a growing number of retirees can lead to critical labor shortages and a reduced tax base, ultimately impacting economic growth and productivity. Lastly, the increasing elderly population inevitably places greater demands on healthcare systems, necessitating more extensive and specialized healthcare services, including long-term care. The provision of such care in Italy is often fragmented, relying heavily on informal and migrant labor, and is further complicated by significant regional disparities in both service access and quality.

2.5. Vietnam’s demographic transition

Vietnam is undergoing one of the world's most accelerated demographic transitions, rapidly shifting from a youthful to an aging society. This pace is notably faster than that observed in many high-income countries, presenting both opportunities and challenges. As of early 2025, approximately 16.1 million Vietnamese are aged 60 and over, accounting for roughly 16% of the total population (Ministry of Health of Vietnam, 2025). Vietnam is projected to officially become an "old country" (defined as 14% of the population 65 or older, World Bank, 2019) by 2038.

This accelerated pace contrasts sharply with developed regions, where the proportion of the population aged 65 or above typically increased from 7% to 14% over 40 to 120 years (UN, 2023). Vietnam's swift transition implies the country may face the socio-economic burdens of an aging population before fully developing the robust social welfare systems and economic strength typically found in older, wealthier nations, effectively "growing old before growing rich."

The drivers behind this rapid shift are multifaceted. Vietnam has achieved impressive gains in life expectancy, reaching 74.5 years in 2024 (Macrotrends, 2024), due to improvements in healthcare, nutrition, and living standards. Simultaneously, the country has experienced a significant decline in its fertility rate, falling to a historic low of 1.91 children per woman in 2024 (GSO, 2024), which is below the replacement level of 2.1. This combination of increased longevity and decreased births is accelerating the aging process.

Despite these impending shifts, Vietnam is still in its "golden population period," a crucial demographic window with a highly favorable ratio of working-age individuals to dependents (two working-age individuals for every one dependent). This provides a large labor force, a significant opportunity to drive economic growth through high productivity. Currently, 67.4% of the population is aged 15-64, 23.3% are under 15, and 9.3% are 65 and above (GSO, 2024).

The implications of this demographic shift are wide-ranging. The rapidly expanding elderly population will place immense pressure on Vietnam's social security system, particularly pensions and healthcare. The rising dependency ratio means a smaller working-age population must support a larger elderly cohort, potentially leading to labor shortages and increased financial burdens on younger generations.

While average life expectancy for Vietnamese people is high, their health is often poor, with an average of 14 years lived with illness (VnExpress, 2025). Elderly Vietnamese frequently suffer from multiple non-communicable diseases requiring lifelong treatment, such as hypertension, cardiovascular diseases, diabetes, and dementia. The increasing healthcare costs for this group burden the health insurance system and state budget. Furthermore, the healthcare system faces mounting challenges in providing adequate and specialized care, as current infrastructure and human resources may be insufficient. Beyond economic and healthcare concerns, social implications include the need for new care models, community support, and policies encouraging healthy aging and continued social participation of older individuals. Vietnam's ability to leverage its remaining "golden population period" and navigate this complex demographic landscape will be crucial for its sustained development and future prosperity.

III. Methodology

This research relies exclusively on secondary data sources to provide a comprehensive view of the policy landscape. Data was collected from:

- Government policy documents and legal texts from Italy and Vietnam (e.g., national aging strategies).
- International reports from the United Nations, World Health Organization (WHO), and International Labour Organization (ILO), assessing demographic trends and aging policy frameworks.
- Academic literature and peer-reviewed journal articles on aging policy, population studies, and social welfare.
- Statistical data from ISTAT (Italian National Institute of Statistics) and the General Statistics Office of Vietnam (GSO) for demographic and socio-economic indicators.

Policy document analysis was employed to extract information on institutional structures, program design, implementation, and policy outcomes. A structured comparative framework guided the analysis of aging-related policies in both countries, allowing for systematic comparison of design and outcomes, and identifying best practices and contextual limitations.

For data analysis, thematic analysis was used to identify recurring policy themes, challenges, and innovations within and across the two cases. A SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) was applied to evaluate Italy's aging policies and assess their potential transferability to Vietnam. This helped identify internal and external factors influencing policy performance and highlighted necessary contextual adjustments for successful adaptation

IV. Results and Discussion

4.1. Italy's policy responses to aging

4.1.1. Pension reforms: evolution, impact, and sustainability

Italy's pension system has undergone a series of significant reforms aimed at addressing the fiscal pressures of an aging population. A landmark reform was the Dini Reform in August 1995 (Law 355), which substantially modified the mechanism for computing retirement benefits. Key features included merging old-age and seniority pension schemes, penalizing early retirement, and introducing measures to close loopholes. The contributory system, which was the most pronounced, represents a more equitable method for determining pension benefits because it directly links the contributions paid by an individual to the amount they will receive in retirement. The accumulated contributions (known as the "montante") are converted into an annuity using transformation coefficients. These coefficients are calculated based on the retirement age and the corresponding life expectancy, ensuring a closer correlation between contributions made and benefits received.

Subsequent reforms further reinforced sustainability. The Maroni Reform of 2004 gradually delayed retirement age and reduced incentives for early retirement (European Commission, 2020). However, the most influential subsequent reform was the Fornero Reform in 2011, which significantly raised the retirement age to align closely with life expectancy, tightened eligibility criteria, and strengthened fiscal stability through the extension of the notional defined contribution (NDC) scheme. The standard pension age in Italy is currently 67, set until at least 2026.

4.1.2. Encouraging extended working life and labor market adaptation

In light of rising life expectancy and economic imperatives, Italy has introduced measures to promote labor market participation among older adults, particularly those aged 55 and over. This strategy aims to lower the dependency ratio, increase tax revenues, and decrease public expenditures on health insurance and retirement benefits.

The expansion of the older workforce is evident in all Member States of the EU except for Malta. The number of employees aged 55 or older in the EU rose from 23.8 million in 2010 to nearly 40 million in 2023. Older workers accounted for more than a fifth (22.4%) of total employment as of 2023. Importantly, Italy and Germany, two of the largest economies in the EU, have seen the most significant increases in the share of older workers in their labour markets (Eurofound, 2023)

However, as of 2022, Italy recorded one of the lowest employment rates in this demographic group, at 55.3% compared to the EU27 average of 62.3%. (Eurostat, 2022). To address this, Italy has implemented several policies. The Italian pension system, particularly after the Dini and Fornero reforms, aims to encourage longer working lives. This includes provisions for pension bonuses (or higher pension coefficients) for individuals who choose to remain employed beyond the statutory retirement age. Moreover, Italy has explored and, in some cases, implemented schemes that enable a gradual transition from full-time work to retirement. These arrangements typically allow for part-time work combined with a partial disbursement of pension benefits, providing a flexible pathway for older employees to reduce their working hours without an abrupt cessation of income. Such schemes aim to maintain a connection to the labor market, share knowledge with younger generations, and provide a less disruptive end-of-career path. The country has also expanded lifelong learning initiatives, notably through programs like *Programma GOL (Garanzia di Occupabilità dei Lavoratori)*, launched in 2022 as part of the National Recovery and Resilience Plan, is a key example, earmarking substantial funds (€4.4 billion) to improve active labor market policies, including personalized employment services and targeted training for vulnerable groups like older persons, with a specific focus on digital skills. Despite these efforts, older workers face significant hurdles. Limited access to digital training and outdated skills persists, compounded by pervasive age-based discrimination. A 2021 Eurobarometer report revealed that 53% of Italians viewed age as a disadvantage in recruitment, highlighting persistent societal biases (European Commission, 2021).

4.1.3. Immigration as a strategy for demographic and eldercare support

Italy has increasingly relied on immigrant labor to address labor shortages in the eldercare sector and offset demographic decline. In 2022, there were approximately 5.2 million foreign residents, constituting 8.8% of the total population (ISTAT, 2023). A substantial number of these migrants, particularly women from Eastern Europe and the Philippines, are employed as live-in caregivers (*badanti*). This dependence is reflected in specific government policies and trends

One key policy is the Decreto Flussi (Flows Decree), which annually sets quotas for the entry of foreign workers and consistently allocates a substantial share to domestic and caregiving work. For instance, the Flows Decree of September 27, 2023, permitted the legal entry of 9,500 foreign workers specifically for this sector. This formal mechanism acknowledges the persistent demand for care workers. A report by CENSIS in 2025 further highlights this need, indicating that there are 8.5 caregivers for every 100 people over 60 in Italy

Beyond regular entry channels, Italy has also resorted to regularization campaigns to address the large number of undocumented workers already present and working in essential sectors. A significant example is the 2020 amnesty, implemented during the initial phase of the COVID-19 pandemic. This regularization was a crucial component of the Decreto Rilancio (Relaunch Decree), specifically Article 103 of Legislative Decree no. 34 of May 19, 2020. This regularization campaign formalized the status of over 200,000 undocumented workers, a substantial number of whom were already employed in eldercare, providing vital services in Italian households.

4.1.4. Italy's national health service and elderly care assistance

Italy's Servizio Sanitario Nazionale (SSN) provides universal health care, but it is increasingly strained by the demands of an aging population. Although people over 65 represent about 25% of the population, they already absorb 60% of national healthcare spending (TEHA, 2024). Projections indicate an increase in public healthcare spending from 5.9% of GDP in 2019 to 7.2% in 2050, while spending on long-term care (LTC), equal to 1.7% of GDP in 2022 (of which 74% for people over 65), is expected to grow to 2.5% by 2070 (Intesa Sanpaolo, 2024). Italy's policy responses to population aging are multifaceted and reflect the challenges of balancing fiscal sustainability with social equity. While reforms in pensions and healthcare have enhanced the system's resilience, significant gaps remain in areas such as long-term care, labor market inclusivity for older workers, and the regulation of migrant caregiving labor. Italy's experience underscores the importance of comprehensive, integrated aging policies that account for demographic realities, institutional structures, and cultural norms.

The care system for the elderly in Italy includes different typologies. Integrated Home Care (ADI) provides health and social-health interventions at home for non-self-sufficient people, with the aim of preventing inappropriate hospitalizations. However, in 2021, only 6.3% of the population over 65 received ADI services, with significant regional variations, and almost half of non-self-sufficient elderly people rely solely on informal family support. Residential facilities include Rest Homes for self-sufficient elderly people, Residential Health Care Facilities (RSA) for non-self-sufficient people requiring continuous care (with the possibility of SSN coverage for public facilities), and Nursing Homes for acute or chronic pathologies. Integrated Day Centers (CDI) offer day care, allowing elderly people to maintain their own home. Despite the principles of universality, regional differences in the application of tickets can create disparities in access to Essential Levels of Assistance (LEA). Variability in provision and access to health services across regions persists, influenced by funding mechanisms and regional autonomies. Underutilization of formal home care and overreliance on informal support indicate a significant gap in long-term care provision, placing a heavy burden on families.

4.2. Outcomes and challenges in italy

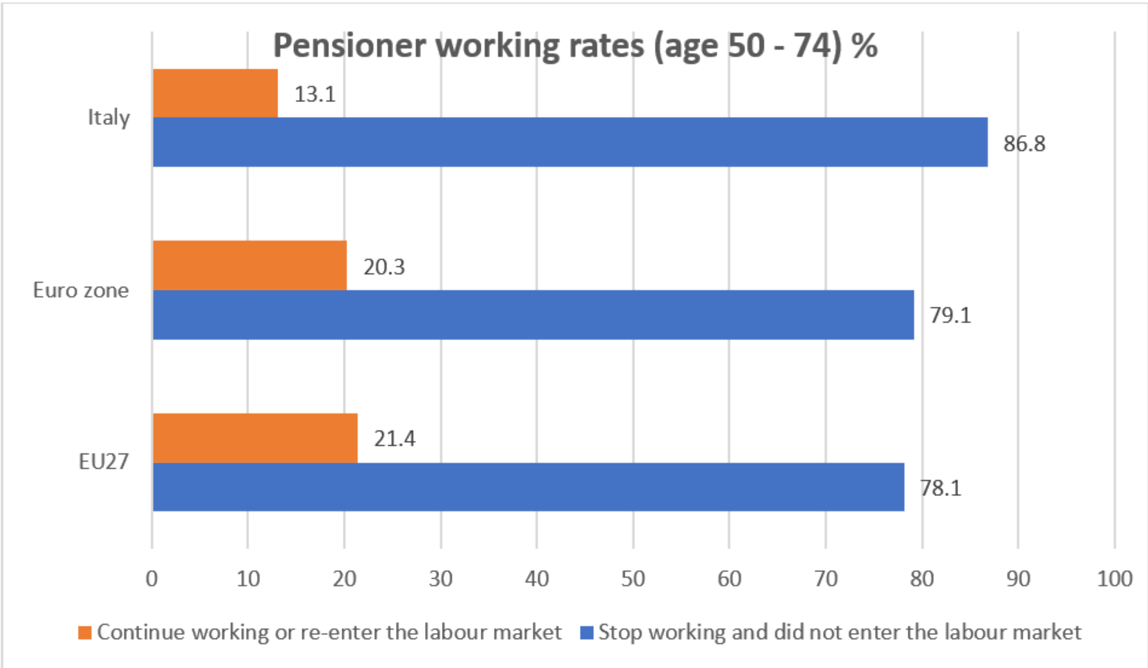
Italy's multifaceted response to demographic aging has yielded a mix of positive outcomes and persistent structural challenges. Key successes include improved financial sustainability of the pension system and incremental progress in extending workforce participation among older adults. However, Italy continues to grapple with significant limitations such as high youth unemployment, stark regional inequalities, and an overreliance on informal caregiving structures.

4.2.1 Successes

Prolonged workforce participation

Policies aimed at encouraging longer working lives have seen some success. Despite the extended years of working having witnessed certain success, it's undeniable that Italy's return rate of elderly people is still low compared to the average EU27. According to EU data, Italy has one of the lowest rates of labour market participation among pensioners aged 50–74, with only 13.1% continuing to work or re-entering the workforce. This is well below the Eurozone average of 20.3% and the EU27 average of 21.4%. In contrast, 86.8% of Italian pensioners permanently exited the labour market, a figure notably higher than in other European regions. These disparities highlight Italy's challenges in promoting active ageing and suggest a need for stronger incentives and support for older adults to remain economically active.

Figure I: Pensioner working rates comparison between Italy, EU27, and Eurozone.

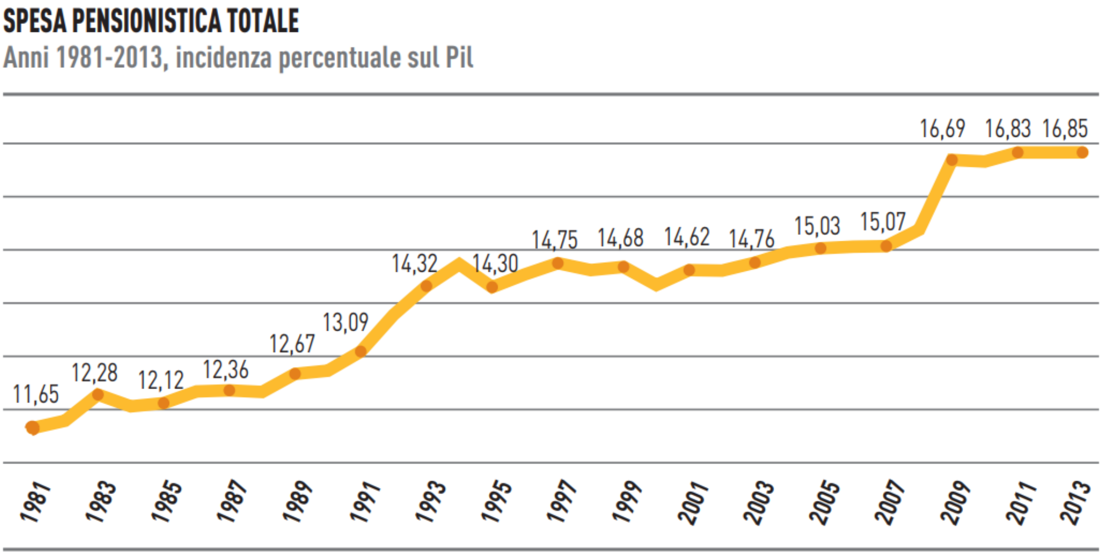


Source: Eurostat, 2023.

Stabilized pension costs

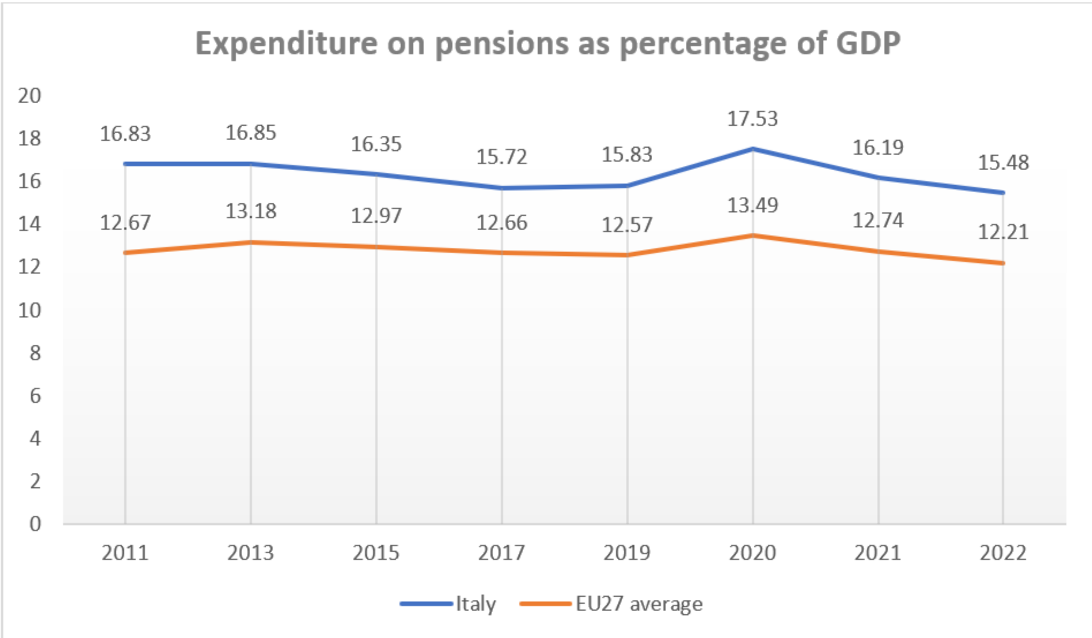
In recent years, pension expenditure as a share of GDP has decreased from around 17% to approximately 15%. However, this still represents a significantly high level of spending, and Italy remains one of the countries with the highest pension expenditure relative to GDP. This reality suggests that the reforms have either not fully achieved their financial sustainability goals or that the underlying demographic pressure is simply too immense for such adjustments to fully counteract. This indicates that pension reform, while crucial, is insufficient on its own; it must be integrated within a broader, more robust social policy framework that addresses labor market precarity, supports diverse career paths, and provides comprehensive social safety nets to ensure dignity in old age.

Figure II: Total expenditure on pension as percentage of GDP from 1981 -2013 in Italy



Source: ISTAT, 2015

Figure III: Total expenditure on pension as percentage of GDP, comparison between Italy and EU27.



Source: Eurostat, 2025

4.2.2 Challenges

Youth unemployment and intergenerational tension

Despite the success in increasing older adults' participation in the labor market, Italy faces persistent high youth unemployment, which creates tensions in intergenerational equity and labor market dynamics. As of 2023, Italy's youth unemployment rate (ages 15–24) stands at 22.8%, significantly above the EU average of 15.3% (Statistic, 2023). Critics argue that increasing retirement ages and restricting early retirement may limit job openings for younger cohorts in a sluggish economy. Furthermore, Italy has one of the lowest fertility rates in Europe, at 1.20 children per woman, which exacerbates the imbalance between working-age and older populations (ISTAT, 2024). Without robust employment opportunities and family-support policies for the younger generation, Italy risks entrenching a cycle of demographic stagnation and economic stagnancy.

Regional disparities in care and services

Italy's decentralized governance structure results in significant regional disparities in access to eldercare, healthcare, and social services. While northern regions such as Lombardy and Emilia-Romagna boast relatively well-developed community care and fiscal infrastructure, southern regions lag behind significantly. Data from 2010–2013 show Emilia-Romagna leading in service coverage and efficiency, whereas southern regions underperform on nearly all metrics Academic assessments further highlight a fragmented, family-centered long-term care model that lacks formal public support, particularly in the south This imbalance affects the quality and availability of home care, residential services, and caregiver support across the country. The unequal provision of services contributes to systemic inequity among older adults, particularly in rural or economically disadvantaged areas. According to the Ministry of Health (2023), home-based care coverage for non-self-sufficient individuals ranges from 2% in some southern regions to over 10% in the north, underscoring the need for national-level coordination and minimum service standards.

Dependence on informal and migrant caregiving

A longstanding feature of Italy's eldercare model is its heavy reliance on informal care, often provided by unpaid family members or migrant domestic workers. While these arrangements reduce public expenditures, they also perpetuate gender inequality, given that the majority of unpaid caregivers are women, and raise questions about care quality and sustainability. By 2023, there are 834,000 workers in the care sector in Italy and about 70% are migrant workers ((INPS, 2023. These caregivers fill a critical labor gap but are often excluded from social protections, raising concerns about labor rights, elder abuse, and the structural overdependence on underregulated private arrangements.

Without stronger investment in formal long-term care (LTC) infrastructure and professional training, Italy's care model risks becoming increasingly fragile as demand rises. Italy's experience offers a nuanced view of aging policy outcomes: while significant progress has been made in enhancing pension sustainability and prolonging older adults' labor market involvement, systemic challenges remain unresolved. High youth unemployment, regional disparities in service provision, and an unsustainable reliance on informal and migrant caregiving continue to undermine the equity and efficiency of aging-related policies. These limitations point to the need for more integrated, intergenerational policy approaches that address not only the needs of the elderly but also the broader social and economic context in which aging occurs.

4.3. Vietnam: Current Status and Policy Gaps

4.3.1. Aging trend and socio-economic readiness

Vietnam is experiencing one of the most rapid demographic transitions in the world. As of mid-2025, approximately 16.1 million people aged 60 and over comprise 16% of the total population; this figure is projected to surpass 25% by 2050 (vietnam.unfpa.org). This swift aging, expected to enter a "markedly aged" phase by 2036, is driven by rising life expectancy and sharply falling fertility, with the rate declining from 2.11 births per woman in 2021 to 1.91 in 2024 (AP News, 2024). These metrics signify the end of Vietnam's "golden population" era. National projections foresee a working-age population peak by 2042 and a declining dependent-to-worker ratio, emphasizing urgent policy adaptation (AP News, 2024).

Vietnam's lower-middle-income status and persistent income/service disparities, especially given agriculture's continued engagement of 27.5% of the workforce with low productivity, complicate this demographic challenge. Rapid aging in this context means Vietnam is "growing old before getting rich," limiting its capacity to finance elderly support and adapt social welfare systems effectively (AMRO, 2025).

4.3.2. Existing pension and healthcare frameworks

Vietnam's pension system is largely contributory and evolving. Eligibility requires 20 years of social insurance contributions, with retirement ages gradually increasing to 62 for men and 60 for women by 2028–2035 (OECD, 2023). As of 2022, around 3.3 million individuals received a pension, with approximately 17.5 million social insurance participants, covering only 38% of the working-age population (VSS, 2022). This leaves the majority of older adults, particularly those in informal sectors, without pension coverage. Moreover, lump-sum benefits available to short-duration contributors, coupled with modest pension replacement rates, provide insufficient income guarantee (ILO, 2023).

Concerning healthcare, Vietnam has made substantial strides towards universal coverage, with 94.2% of the population holding health insurance by 2024 (VSS, 2025). The system ensures free coverage for vulnerable demographics, including the elderly aged 80+, children under 6, and low-income households. The country boasts 1,645 hospitals (Vietnam Law Magazine, 2025) and recorded over 174 million healthcare visits in 2023 (VSS, 2024). Despite high coverage, out-of-pocket expenditures remain substantial—up to 80% of health costs are borne by individuals, causing financial strain on older adults. Challenges persist regarding primary healthcare capacity, limited human resources (fewer than 1 physician per 1,000 people), and slower adoption of electronic health systems. The referral-based system often forces older patients to navigate costly and inefficient hierarchical care levels. Furthermore, long-term care arrangements for chronic diseases—major causes of morbidity among the elderly—are largely absent from policy frameworks (WHO, 2020).

4.3.3. Cultural reliance on family-based care vs. formal services

In Vietnam, familial care remains the core source of support for the elderly. Traditional multigenerational households dominate, with over 80% of daily elder care provided by family members, especially women. The cultural norm "four generations under one roof" (*tứ đại đồng đường*) exemplifies the embedded expectation that families assume responsibility for eldercare (ltccovid.org). While strong intergenerational solidarity persists, it also burdens adult caregivers—predominantly working-age women—impacting their time, employment, and psychosocial wellbeing due to conflicts with paid labor participation and personal health.

Formal service delivery lags behind demand. Vietnam has introduced Intergenerational Self-Help Clubs (ISHCs), with nearly 1,300 operating by 2017, offering volunteer home-care visits, social engagement, and basic health services (UN Social, 2017). Private care services, such as Medicviet and Orihome, have entered the market, offering home-based nursing and therapy. Nonetheless, their reach remains limited, typically catering to middle- and upper-income individuals. Despite around 90% of the elderly wishing to remain at home, only about 36% are willing to pay for professional care (Vietnam Briefing, 2024), highlighting a cultural preference for aging in place amidst structural limitations in service availability.

4.3.4. Policy gaps and emerging challenges

A policy gap analysis reveals critical weaknesses in Vietnam's demographic policy architecture:

a. Social Insurance Coverage and Pension Adequacy. With only 38-42.71% social insurance coverage (VSS, 2022; P4H Network, 2025), a large share of future retirees lacks protection. The voluntary tier is under-promoted, and even insured pension benefits are often inadequate due to issues like lump-sum withdrawals and modest replacement rates (ILO, 2023). Supplementary private pension or social assistance systems are largely absent.
b. Healthcare Access and Out-of-Pocket Costs: Despite near-universal health insurance, high out-of-pocket costs (42.95% of total health expenditures, Rapid Asia, 2024) indicate fragmented financial protection. Infrastructure and workforce gaps at the grassroots level complicate elderly care, particularly for chronic and long-term needs. Digital health system rollout is constrained by technology and skills gaps (Vietnam News, 2025; B-Company, 2024).
c. Absence of a Comprehensive Long-Term Care Policy: Vietnam lacks a formal national long-term care (LTC) policy framework. While existing laws address elderly rights and grassroots healthcare, a coherent national LTC financing and service system is missing (ERIA, 2021). Development partners emphasize urgent needs for structured nursing homes, professional caregiver training, and sustainable financing. Emerging policies like Decision 403/QD-BYT (2024) focus on primary care but do not support large-scale institutional or professional homecare (Vietnam Briefing, 2024).

4.3.5. Emerging policy responses and their constraints

Promising initiatives include the two-child policy repeal (June 2025) to boost fertility, pension widening efforts aiming for 60% labor force coverage by 2030 and reduced contribution periods (P4H Network, 2025; VietNamNet, 2025), digital social insurance platforms like VssID (Kinh Te Va Du Bao, 2025), and expanded community care models (e.g., ISHCs) (HelpAge International Vietnam, 2025).

However, scaling these requires stronger legal frameworks for LTC, workforce training, and sustainable financing. Vietnam's rapid aging and lower-middle-income status demand an urgent, integrated, and context-sensitive policy response, as current structures remain fragmented and under-resourced.

4.4 Comparative insights

The experiences of Italy and Vietnam in addressing demographic aging offer valuable lessons in Italy and Vietnam's experiences with demographic aging offer valuable policy lessons. Italy, a high-income, long-aged society, has implemented various reforms, while Vietnam is an early-stage, rapidly aging nation. This comparative analysis reveals both transferable and non-transferable practices, highlighting the need for context-specific policy adaptation.

4.4.1 Transferable practices

Italy's successful pension reform, particularly its notional defined contribution (NDC) system, increased retirement age and linked benefits to life expectancy for fiscal sustainability (Fornero, 2013; OECD, 2021). Despite Vietnam's informal labor market, linking benefits to contributions and gradually increasing retirement age is highly relevant. Adopting elements of Italy's transparent system could help Vietnam manage dependency ratios and ensure fairness.

Promoting elderly labor force participation is another transferable practice. Italy’s active aging policies, including delayed and phased retirement incentives, modestly boosted older worker employment (European Commission, 2020). In Vietnam, where many older adults work out of necessity, formalizing this trend through part-time work, re-skilling, and age-friendly workplaces aligns with current realities (UNFPA, 2021), potentially relieving pension/healthcare systems and enhancing well-being.

4.4.2 Non-transferable or problematic aspects

Not all Italian policies are replicable. Italy's eldercare heavily relies on migrant "badanti" for in-home assistance, a model associated with precarious labor and ethical challenges (Cangiano & Shutes, 2010; Gori, 2017). This is neither realistic nor desirable for Vietnam, which is not a major migrant destination and lacks infrastructure to attract foreign care workers. Replicating it would delay essential investment in domestic LTC systems and professional training. Vietnam should instead strengthen community-based and formal care suited to its context.

4.4.3 Cultural and economic contextualization

The most critical insight is adapting policy to local cultural, institutional, and economic contexts. Italy’s prosperous welfare system cannot be directly transposed to Vietnam, which has limited fiscal space and infrastructure. While Vietnam's embedded family structures provide a safety net, they burden informal caregivers (especially women) and may become unsustainable with shrinking family sizes and migration (Nguyen & Giang, 2022). Vietnam should pursue a hybrid approach: incorporating transferable Italian practices like phased pension reform and active aging, while building indigenous LTC and social protection systems. Success hinges on cultural appropriateness, financial sustainability, and institutional feasibility.

4.5 Policy lessons for Vietnam

As Vietnam rapidly ages, it faces complex social and economic implications. Drawing lessons from Italy’s mature aging policy framework, Vietnam can extract meaningful, context-specific recommendations:

1. Invest early in formal long-term care (LTC) infrastructure: Vietnam’s aging trajectory signals a substantial increase in LTC demand, with the population aged 80 and over projected to reach 5.5 million by 2050 and 8.8 million by 2069 (UNFPA, 2019). Despite this, Vietnam lacks a comprehensive national LTC framework, with limited service provision. Early LTC investment is critical: it addresses the growing care burden as family structures weaken, mitigates disproportionate pressure on women caregivers (UNFPA, 2021), and builds system resilience (Gori, 2017). Vietnam should formulate a national LTC policy with dedicated financing, regulatory oversight, and quality standards. Diversifying provision (community, institutional, home-based) and professionalizing the LTC workforce are essential.
2. Develop flexible retirement schemes: While Vietnam is gradually raising retirement ages (to 62 for men by 2028 and 60 for women by 2035 under Labor Code 2019; VietNamNet, 2025a), its system remains rigid. Italy’s notional defined contribution (NDC) system offers flexibility based on individual contributions, providing actuarially fair outcomes (Fornero, 2013; OECD, 2021). A flexible system, crucial for equity in Vietnam's diverse labor market, should include partial retirement options, allowing gradual work reduction with partial benefits. This supports older adults remaining economically active while accommodating limitations. Vietnam should also develop complementary pension schemes (e.g., voluntary savings, employer-sponsored plans) and promote financial literacy for enhanced participation and future security.

3. Encourage healthy aging and lifelong employment: Promoting healthy aging and productive engagement is crucial (WHO, 2020). Italy’s National Plan for Active Aging emphasizes continued labor force participation, lifelong learning, and social engagement (European Commission, 2020). Vietnam’s NAPOP echoes these, but implementation and resource allocation are uneven (HelpAge International, 2023). Advancing healthy aging in Vietnam requires multi-sectoral investment: expanding community-based healthcare (preventive, chronic disease, mental health), enabling older adults' labor market participation through workplace adaptations and age-friendly policies, and supporting lifelong learning with tailored training (e.g., digital literacy, entrepreneurship, caregiving skills). These initiatives can also foster new roles and intergenerational solidarity.
4. Design policies that address rural–urban disparities: Vietnam’s aging is geographically uneven, with faster aging rates in rural areas where 65% of older persons reside and access to services is limited (UNFPA, 2021; VietNamNet, 2025b). Regions like the Red River and Mekong Deltas, with aging indices exceeding 70% (76.8% and 70.6% respectively; VietNamNet, 2025c), lack necessary service infrastructure. Ignoring these disparities exacerbates inequalities, prompts rural-urban migration, and strains urban systems. Thus, regionally sensitive aging policies are imperative. National frameworks should mandate equitable resource allocation, ensuring rural areas receive adequate investments in healthcare, transportation, and eldercare. Strategies can include mobile healthcare, telemedicine, locally trained community health workers, and support for rural LTC facilities and caregiver programs. Infrastructure development for elder-friendly spaces should integrate into broader rural development.

Vietnam's transition to an aging society presents challenges and opportunities. Lessons from Italy and international best practices emphasize a proactive, inclusive, and context-sensitive approach. Investing early in LTC, adopting flexible retirement, promoting healthy aging and lifelong engagement, and addressing geographic disparities are imperatives for social equity and economic sustainability. Integrated and participatory implementation will enable Vietnam to harness its aging population's potential while minimizing socio-economic risks. Decisive action by government, civil society, private sector, and international partners is crucial to institutionalize these lessons.

V. Conclusion

This study comparatively analyzed population aging in Italy and Vietnam, examining their institutional responses to demographic shifts. Italy, as a highly aged European nation, has adopted a multifaceted strategy, integrating pension reform, healthcare adjustments, and active labor market policies for older adults, alongside a notable reliance on informal and migrant caregiving. While these policies have improved fiscal sustainability and older adult labor force participation, they also highlight systemic limitations like regional disparities and an over-reliance on informal care.

In stark contrast, Vietnam is at the nascent stage of its aging transition, which is occurring at an exceptionally rapid pace. This transition is unfolding under significant institutional and financial constraints, revealing critical policy gaps in long-term care provision, pension system coverage (particularly the voluntary tier), healthcare financing, and persistent rural–urban service disparities. Although initial steps have been taken through policies like the National Action Programme for Older Persons and social insurance reforms (including the new Social Insurance Law effective July 1, 2025), their current scale and scope remain insufficient for the projected demographic demands.

The comparative evidence underscores that Italy’s experience offers valuable, though not universally applicable, lessons for Vietnam. Direct replication of approaches reliant on mature welfare institutions or extensive immigration-based eldercare models is neither feasible nor desirable for Vietnam. Nevertheless, core principles from Italy’s reforms—such as a focus on fiscal prudence, active aging, and the imperative for care diversification—provide crucial reference points. For Vietnam, paramount importance lies in context-specific adaptation that reflects its unique demographic profile, deeply embedded cultural traditions, evolving labor market structure, and current economic capacity.

Vietnam stands at a critical juncture where proactive, evidence-based interventions can profoundly shape its aging society's trajectory. While formidable challenges exist, international experiences, particularly Italy's journey, demonstrate that inclusive, forward-looking policies can transform population aging from a demographic burden into a catalyst for social innovation and sustainable development. The ultimate key for

Vietnam is not mere replication, but intelligent adaptation, rigorously guided by its demographic realities, institutional capacity, and cultural relevance.

Reference

Journal Articles, Books, and Reports

1. Bloom, D. E., Canning, D., & Fink, G. (2015). Population aging and economic growth. In *Handbook of the Economics of Population Aging* (Vol. 1, pp. 445–513). Elsevier.
2. Bloom, D. E., Chatterji, S., Kowal, P., Lloyd-Sherlock, P., McKee, M., Rechel, B., ... & Smith, J. P. (2015). Macroeconomic implications of population ageing and selected policy responses. *The Lancet*, *385*(9968), 649–657. https://doi.org/10.1016/S0140-6736(14)61464-1
3. Boeri, T., & Galasso, V. (2012). *The political economy of pension reform*. MIT Press.
4. Cangiano, A. (2021). Ageing and migration in Italy: The role of migrant care workers. In K. Walsh & L. Näre (Eds.), *Transnational migration and home in older age* (pp. 161–179). Routledge.
5. Cangiano, A., & Shutes, I. (2010). Ageing, demand for care and the role of migrant care workers in the UK and Italy. *Journal of Population Ageing, 3*(1–2), 5–27. https://doi.org/10.1007/s12062-010-9032-0
6. Dyson, T. (2010). *Population and development: The demographic transition*. Zed Books.
7. European Commission. (2020). *The 2020 Ageing Report: Economic and budgetary projections for the EU Member States (2019–2070)*. Brussels.
8. Eurofound. (2025). *Keeping older workers in the labour force*. Publications Office of the European Union.
9. Fornero, E. (2013). Reforming labor markets: Reflections of an economist who (unexpectedly) became the Italian Minister of Labor. *IZA Journal of European Labor Studies*, *2*(1), 1–15. https://doi.org/10.1186/2193-9012-2-20
10. General Statistics Office of Vietnam. (2020). *Population projections for Vietnam 2019–2069*. https://www.gso.gov.vn
11. General Statistics Office of Vietnam. (2020). *Vietnam Population and Housing Census 2019: Ageing and elderly issues*. Hanoi: General Statistics Office.
12. General Statistics Office of Vietnam. (2021). *Population Ageing and Older Persons in Viet Nam*.
13. Gori, C. (2017). Long-term care in Italy: The difficult balance between public and private. *Health and Social Care in the Community*, *25*(2), 422–430. https://doi.org/10.1111/hsc.12320
14. GSO & UNFPA. (2016). *The ageing population in Vietnam: Current status, prognosis and policy recommendations*. Hanoi: General Statistics Office & United Nations Population Fund.
15. HelpAge International. (2023). *Vietnam population ageing policy case study*. https://www.helpage.org
16. ILO. (2020). *Extending social security to older persons in Vietnam*. International Labour Organization. https://www.ilo.org
17. ISTAT. (2023). *Annuario Statistico Italiano 2023*. Italian National Institute of Statistics. https://www.istat.it
18. ISTAT. (2023). *Il benessere equo e sostenibile in Italia*. ISBN 978-88-458-2137-0.
19. Lee, R., & Mason, A. (2014). Is low fertility really a problem? Population aging, dependency, and consumption. *Science, 346*(6206), 229–234. https://doi.org/10.1126/science.1250542
20. LTCCovid. (2022). *COVID-19 and the Long-Term Care system in Vietnam*. https://ltccovid.org
21. Ministry of Health. (2023). *Rapporto sullo stato sanitario del paese*. https://www.salute.gov.it
22. Ministry of Labour and Social Policies. (2019). *Piano Nazionale per l'Invecchiamento Attivo*. https://www.lavoro.gov.it

23. MOLISA. (2021). *National Action Plan on Older Persons (2021–2030).* Ministry of Labour, Invalids and Social Affairs.
24. Naldini, M., & Pavolini, E. (2019). *The long-term care system in Italy*. European Centre for Social Welfare Policy and Research.
25. Nguyen, T. H., & Giang, T. L. (2022). Social protection for older people in Vietnam: Challenges and policy directions. *Journal of Population and Social Studies, 30*, 1–15.
26. Notestein, F. W. (1945). Population—the long view. In T. W. Schultz (Ed.), *Food for the World* (pp. 36–57). University of Chicago Press.
27. OECD. (2021). *Pensions at a glance 2021: OECD and G20 indicators*. https://doi.org/10.1787/ca401ebd-en
28. OECD. (2024). *Society at a Glance 2024: OECD Social Indicators*. OECD Publishing. https://doi.org/10.1787/918d8db3-en
29. Rapid Asia Co., Ltd. (2024, May 16). *High out-of-pocket expenditures on prescription drugs in Vietnam*. https://rapid-asia.com/news/high-out-of-pocket-expenditures-on-prescription-drugs-in-vietnam/
30. Spasova, S., Deruelle, T., & Airoldi, F. (2025). *Flexible retirement pathways: An analysis of policies in 28 European countries*. European Social Policy Analysis Network (ESPAN), Publications Office of the European Union.
31. UN. (2023). *World Social report 2023. Leaving no one behind in an ageing world*.
32. UNECE. (2025, April 20). *Policy brief on ageing. No.20*. UNECE Standing working group on ageing.
33. UNFPA. (2021). *The aging population in Vietnam: Current status, forecasts, and policy implications*. https://vietnam.unfpa.org
34. United Nations. (2002). *Madrid International Plan of Action on Ageing*. New York: UN Department of Economic and Social Affairs.
35. United Nations. (2023). *World Population Prospects 2022*. https://population.un.org/wpp
36. Van, P. H., Tuan, K. A., & Oanh, T. M. (2021). Older persons and long-term care in Viet Nam. In *Coping with Rapid Population Ageing in Asia* (pp. 73–96). ERIA.
37. Walker, A. (2020). Why the future of ageing policy is global. *Journal of Aging & Social Policy, 32*(1), 1–13. https://doi.org/10.1080/08959420.2020.1695689
38. WHO. (2002). *Active ageing: A policy framework*. Geneva: World Health Organization.
39. WHO. (2020). *Decade of Healthy Ageing: Baseline report*. Geneva: World Health Organization.
40. World Health Organization. (2021). *Decade of Healthy Ageing: 2021–2030*. https://www.who.int/publications/i/item/9789240023306

Webpages and News Articles (including corporate/organizational authors):

41. Agenzia Nova. (2025, February 27). *Unprecedented crisis in Italy: Population falling to 54.8 million by 2050*. https://www.agenzianova.com/en/news/Unprecedented-crisis-in-Italy-population-falling-to-548-million-by-2050/
42. Ambrosetti. (n.d.). *Meridiano Sanità*. Retrieved June 20, 2025, from https://www.ambrosetti.eu/healthcare/meridiano-sanita/
43. BaoChinhPhu.vn. (2024, July 11). *Tuổi thọ trung bình của người Việt Nam đạt 74,5 tuổi*. https://baochinhphu.vn/tuoi-tho-trung-binh-cua-nguoi-viet-nam-dat-745-tuoi-102240711142540252.htm
44. Censis. (2025, February 27). *Lavoro domestico: in Italia 8,5 badanti ogni 100 persone sole over 60*. https://www.censis.it/lavoro/lavoro-domestico-italia-85-badanti-ogni-100-persone-sole-over-60
45. Eurostat. (2024, June 11). *News release - Employment of older people in the EU*. https://ec.europa.eu/eurostat/web/products-eurostat-news/-/ddn-20240611-1

46. Eurostat. (n.d.). *LFSA_ERGAN (Employment by age and sex - annual data)* [Data set]. Retrieved June 20, 2025, from https://ec.europa.eu/eurostat/databrowser/view/LFSA_ERGAN__custom_8095245/bookmark/table?lang=en&bookmarkId=8b21d427-45f9-45ab-a251-e4dbb2b4591c&page=time:2022
47. Il Sole 24 Ore. (2025, February 28). *Emergenza badanti: ventimila lavoratori extra Ue per il 2025*. https://www.ilsole24ore.com/art/emergenza-badanti-ventimila-lavoratori-extra-ue-il-2025-AGFG1AU?refresh_ce=1
48. ISTAT. (n.d.). *Noi Italia*. Retrieved June 20, 2025, from https://noi-italia.istat.it/pagina.php?id=3&categoria=3&action=show&L=0#:~:text=L'Italia%20si%20conferma%20uno,significative%20tra%20Nord%20e%20Sud.
49. ISTAT. (2015, August). *Previdenza* [Report on pension data]. https://www.istat.it/it/files/2015/08/Previdenza.pdf
50. ISTAT. (2025, May). *Rapporto annuale 2025 - Capitolo 2: Popolazione e Famiglie* [Annual Report 2025 - Chapter 2: Population and Families]. https://www.istat.it/wp-content/uploads/2025/05/RA-2025-Capitolo-2.pdf
51. ISTAT. (n.d.). *Storia demografica dell'Italia* [Demographic History of Italy]. Retrieved June 20, 2025, from https://webpub.istat.it/sites/default/files/pdf/Storia_demografica_Italia_4.pdf
52. Japan Times. (2025, April 1). *Italy's demographic crisis deepens as births hit new low*. https://www.japantimes.co.jp/news/2025/04/01/world/society/italy-demographic-crisis-births/
53. Links International. (n.d.). *Retirement age in Vietnam*. Retrieved June 20, 2025, from https://linksinternational.com/retirement-age-in-vietnam/
54. Ministry of Economy and Finance (Italy), Ragioneria Generale dello Stato. (2024). *Le tendenze di medio-lungo periodo del sistema pensionistico e socio-sanitario: 2024* [Medium-long term trends of the pension and socio-health system: 2024]. https://www.rgs.mef.gov.it/_Documenti/VERSIONE-I/Attivit--i/Spesa-soci/Attivita_di_previsione_RGS/2024/Ltdmlpdspess-2024.pdf
55. Ministry of Labour and Social Policies (Italy). (n.d.). *Il passaggio dal sistema retributivo a quello contributivo* [The transition from the earnings-related to the contributory system]. Retrieved June 20, 2025, from https://www.lavoro.gov.it/temi-e-priorita/previdenza/focus-on/previdenza-obbligatoria/pagine/il-passaggio-dal-sistema-retributivo-a-quello-contributivo
56. National Center for Biotechnology Information. (2022). *PMC9518404* [PubMed Central record]. https://pmc.ncbi.nlm.nih.gov/articles/PMC9518404/
57. National Statistical Office (Vietnam). (2025, January). *Xu hướng già hóa dân số nhanh ở Việt Nam: Thực trạng và giải pháp* [Rapid population aging trend in Vietnam: Current situation and solutions]. https://www.nso.gov.vn/du-lieu-va-so-lieu-thong-ke/2025/01/xu-huong-gia-hoa-dan-so-nhanh-o-viet-nam-thuc-trang-va-giai-phap/
58. PwC. (n.d.). *Vietnam: Individual - Other taxes*. Retrieved June 20, 2025, from https://taxsummaries.pwc.com/vietnam/individual/other-taxes
59. Statista. (n.d.). *Youth unemployment rate in EU countries from 2005 to 2023*. Retrieved June 20, 2025, from https://www.statista.com/statistics/266228/youth-unemployment-rate-in-eu-countries/
60. Statista. (n.d.). *Youth unemployment rate in Italy from 2000 to 2023*. Retrieved June 20, 2025, from https://www.statista.com/statistics/776931/youth-unemployment-rate-in-italy/
61. UniRoma1. (2018). *Il Mezzogiorno: Popolazione e spopolamento* [The South: Population and depopulation]. https://iris.uniroma1.it/retrieve/e3835322-0e7d-15e8-e053-a505fe0a3de9/Miccoli_Mezzogiorno_2018.pdf
62. UniRoma1. (2021). *Spopolamento in Italia: Cause e conseguenze* [Depopulation in Italy: Causes and consequences]. https://iris.uniroma1.it/retrieve/e383532c-7a87-15e8-e053-a505fe0a3de9/Miccoli_spopolamento-in-Italia_2021.pdf
63. VnExpress. (2025, March 20). *Tốc độ già hóa dân số của Việt Nam nhanh nhất châu Á* [Vietnam's population aging rate is the fastest in Asia]. https://vnexpress.net/toc-do-gia-hoa-dan-so-cua-viet-nam-nhanh-nhat-chau-a-4867680.html
64. Vietnam Social Security. (n.d.). *Vietnam Social Security news page*. Retrieved June 20, 2025, from https://vss.gov.vn/english/news/Pages/vietnam-social-security.aspx?CateID=198&ItemID=12643