Ageing populations

Responding to ageing populations
Populations around the world are ageing as life expectancy increases and as birth rates fall. At present the increased proportion of elderly people in the population is generally higher in developed countries than in others, but ageing is increasingly becoming a global phenomenon. Predominantly young populations are one of the reasons that, in the short term, high growth rates are predicted for many developing countries. If their birthrates fall and their population numbers begin to stabilise, these countries will also experience a higher percentage of elderly people.

This has become a major social and political issue; people are concerned about what will happen to them in their retirement as they live unprecedentedly long lives and the old-age dependency ratio (number of people over state pension age relative to those of working age) increases. Some governments have become sufficiently concerned about this to introduce incentives for people to have more children, though these have not generally been very effective. However, it is self-evident that support for the elderly cannot be provided indefinitely by successively ever larger and larger numbers of young people. Such an ever-increasing population would inevitably overwhelm the resources available, both at national and global levels. Fortunately, there are good reasons to believe that this is not the only solution to the problem.

If populations are to fall to levels that are more environmentally sustainable, there will be a considerable period of time, probably several decades, when the average age will be higher than that caused by increasing life expectancy alone. The effects of ageing populations on society are complex. Preliminary research carried out on behalf of Population Matters looked at a number of alternative population profiles projected for the UK and investigated the cost and feasibility of providing for older people. This work focused on some of the most important issues involved, namely the effect of ageing population on pensions, health care, long-term care and disability, education and the economy. The objective was to give more insight into how manageable the transition to sustainable numbers might be.

Pensions
From the mid 1970s to 2006, the old-age dependency ratio remained close to 30% but had risen to 31.5% by 2010. Ignoring any possible change in pension age, it is projected to reach almost 50% by 2050. However, the present trend of living to a greater average age is also accompanied by more elderly people remaining fit and able to make a useful economic contribution beyond the present retirement age. Employment is increasingly intellectual rather than manual. This means that more jobs can be done well by older workers. By increasing the pension age and allowing more flexibility regarding retirement, the dependency ratio need not increase more than a few percentage points and the burden of providing pensions would be manageable.

Health care
An ageing population will certainly have an effect on the health care system. There are many important interconnections between ageing and health care. The most significant is probably the relationship between total life expectancy and healthy life expectancy. Studies over the last 25 years suggest that healthy life expectancy has increased but not to the full extent of total life expectancy; this will
result in some increase in health care costs. On the other hand, historically, technology and increased use of health care have played a larger role than demographics in increasing health costs. Long-term care of the elderly is another factor that may increase significantly as the population ages, though much of this can be provided by carers with relatively little specialist training.

**Education**

It is also important to consider education in the context of an ageing population. An ageing population implies that young people become a smaller percentage in the total population. A smaller youth dependency ratio reduces the general cost to society before these young people become economically active. If there are fewer students relative to the overall population, potentially either the cost of education can be reduced or better standards of education provided from the same absolute amount of resources.

Whereas more research is required to confirm this, the study concludes that the increased age dependency during a transition to sustainable population in the UK need not present unmanageable economic difficulties, provided it occurs gradually. It appears unlikely that the birth rate will fall sufficiently for any transition to take place too rapidly.

Conversely, having more children or permitting high levels of immigration might mean more comfortable retirements for the current generation. But these children and immigrants will themselves grow old. The issue, while postponed, can only worsen as the population grows. Seeking to reduce our numbers might result in an uncomfortable transition until numbers fall to a sustainable level, but it does mean a sustainable future for all.

Read in more depth about **ageing populations and hidden unemployment**.