

Radstats Population Studies Group - Population ageing

Alan Marshall – November 2011

The Radical Statistics Population Studies Group was inaugurated at a fringe meeting at the British Society of Population Studies (BSPS) annual conference in 2010. Since then the group has focussed on the issue of overpopulation, examining the claims of Population Matters in a paper that will soon be published in Radical statistics journal. The group is now additionally turning its attention to other issues. One of these is the use of statistics on population ageing to justify the withdrawal of state provision and services from those at the oldest ages. This report gives an introduction to the issue of population ageing and also introduces evidence to suggest the consequences of this demographic trend may not be as severe as is sometimes reported. The purpose of the report is to recruit interested people to begin a programme of work examining the use of statistics on population ageing. Please respond to Alan Marshall (a.d.marshall@leeds.ac.uk) if you are interested.

Population ageing is a global phenomenon resulting from increasing longevity but also from falling fertility rates that lead to growth of the proportion of the population at the older ages. Additionally, in countries such as the UK, the baby boom that followed the Second World War provides an additional (temporary) increase in the elderly population as this cohort moves to the older ages. Population ageing is frequently viewed negatively and used to support policies that reduce the level of state support for those at the older ages. It is argued that the growth of the elderly population will require additional support that a diminished working age population will be unable to provide. Recently in the UK, population ageing has been used to justify both the increases to the state pension age and the proposed reforms to public sector pensions. The issue appears regularly within the media, for example, the BBC chose population ageing as a key issue in its 2004 'If' series that examined the major future challenges facing the UK (BBC 2004).

Such negative views of the affordability of population ageing and its consequences are not universally accepted. It is revealing, first of all, to note that population ageing is not a new phenomenon nor a permanent one. In the UK in 1891 there were 12 working age people for every person aged over 64 compared to 4 working age people for each person aged over 65 in 2001 (Mullan 2004). Society coped adequately with the population ageing over this period, with increased support to the elderly through state-funded pensions, health provision and many other services, partly because increases in productivity outstripped the growth in retirees. Furthermore, population ageing is not expected to continue indefinitely; population projections produced by Eurostat suggest that that the old age dependency ratio will level out at just over 2 working age people for each person aged over 65 by the middle of this century.

The use of the old age dependency ratio itself reflects a rather pessimistic view of older people who, within this statistic, are considered to be no more than a drain on society. This ignores the fact that most elderly people live independently and contribute, often in invisible ways, for example, through voluntary work, helping out with family childcare and personal consumption. Conversely the working age population are considered a homogenous group of 'contributors'. No consideration is given to factors such as unemployment which can have a significant impact on the welfare budget.

Focussing on the older population ignores changes expected at other ages. Growing government expenditure to support retired people can be balanced against support for reduced numbers of children, for example. Mayhew (2010) uses official (Government Actuarial Department) population estimates and projections to calculate the total dependency ratio in the UK (population aged 20 to 64/population aged over 64 + population aged under 20) which declines slightly from around 1.5 working age people to each older/younger person in 2007 to around 1.2 in 2030 (the same level as recorded in the early 1980s).

The decline is not as steep as for the old age dependency ratio because the population estimates and projections suggest that the younger person dependency ratio in the UK will rise between 1980 and 2030. Declines in the younger person dependency ratio offer opportunities to divert funding towards the population at the older ages that are often not taken into account when considering the challenges associated with population ageing.

Another fear associated with population ageing is that increases in the number of older people will inevitably lead to large increases in the number of disabled people as rates of disability are greatest at the oldest ages. Often the assumption is made that rates of illness will remain static as life expectancies increase, an inherently pessimistic assumption. The possibility that older people might enjoy improvements in health over time that could offset the impact of population ageing is plausible but is often ignored. Researchers at the Personal and Social Services Research Unit produce projections of costs associated with long term care of the elderly taking into account plausible declines in rates of disability at the older ages along with the economic growth forecast by Economic Policy Committee for the UK (another factor often ignored in consideration of the population ageing challenge). The projections find the costs of long term care to rise from 1.4% to 2% of GDP between 2001 and 2050, which, whilst significant does not seem an unmanageable increase in costs (Comas-Herrera et al. 2006). It does not seem unreasonable to suggest that the physical capabilities of a 60 year old a generation ago are far less than those of a 60 year old today. Scherbov (2011) develops new measures of population ageing that take improvements in longevity and health into account. He argues that traditional measures (such as dependency ratios) exaggerate the extent and challenges of population ageing projected for the future. Finally, research by Zweifel et al (1999) shows that age is actually a weak predictor of health care expenditure once distance to death is controlled for, suggesting that increased life expectancy does not increase the overall health support needed by each person .

Given these many more optimistic perspectives of the challenges associated with population ageing, important questions are: In whose interests are the more negative statistics of ageing used in debates on health care, pensions policies? To what extent is it the statistics that lead to policy, or policy (on government expenditure, for example) that adopts statistics? Clearly, population ageing will bring challenges but we should not allow the exaggeration of the issue to provide an excuse to restrict state provision at the older ages, a tendency noted in the past (Mullan 2000; Ginn 1993) but perhaps particularly relevant given the austerity measures of today.

Organisations concerned with the rights of elderly people have different attitudes to pensionable age in the UK. The National Pensioners Convention (www.npcuk.org) believes that 'raising the retirement age is a direct attack on the very poorest in our society' because the wealthier live longer, while the Age UK charity supports an open-ended retirement age. A clearer understanding of the statistics of ageing will clarify the implications of these different positions.

Those wishing to get involved in the research on statistics of population ageing conducted by the Radical Statistics Population Group should contact Alan Marshall (a.d.marshall@leeds.ac.uk). Involvement might include, for example, identification of misuse of statistics, liaison with pensioners' organisations, examination of experience in different countries, and contributing to a paper.

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