

IRELAND & AGEING POPULATION

Issues Facing Ireland due to Expected Increase in the Older Population

Population ageing is one of the key challenges facing some of the populations across the globe. The process involves an increase in the population of old people relative to the overall population. The issue has a wide range of impacts in both developed and developing countries while becoming one of the main agendas in meetings involving populations. An ageing population should be considered to be a success story for most nations across the globe, as well as in the history of mankind. However, it tends to bring problems at both family and national levels while affecting the ability of a nation to provide for its current, as well as future generations, especially from an economics point of view. The rapid growth of the population of the older age groups in every population means a change in the individual needs of the affected persons. The trend towards worsening health, for instance, means an increase in the demand for better care for the ageing groups. Ireland is faced with a rising trend of an older population, which has led to different challenges and benefits to the government, citizens, and the ultimate wellbeing of the country.

Overview

The population of most developed countries across the globe is ageing fast while the developing countries are fast approaching such an instance. Generally, the population of persons aged 65 years and above is expected to form a rising trend in less developed countries over the next few decades, while in more developed nations this figure is expected to continue rising (National Council of Ageing and Older People, 2004). Such a trend depicts that the ageing trend is accelerating, with the population of old people being expected to grow at the world level. Consequently, the main challenge for the future global population is to ensure that persons grow

with dignity and security and that they proceed to engage in social life just as other citizens do with full rights since in some instances the social life of the old happens to be incompatible with that of other groups of people, which in turn reflects the issue as a serious one from a global perspective.

Ireland has been expressing a rising level of the population with the National Council of Ageing and Older People (2004) forecasting a rise in the population from 4.57 million to 4.91 million by the year 2021. Additionally, the percentage change in the population of older males is expected to rise from 9.7 percent in the year 2002 to approximately 14.1 percent while the percentage of females in the old age is expected to rise from 12.5 percent in the year 2002 to 15.8 percent in the year 2021 (National Council of Ageing and Older People, 2004). In addition, the statistics indicate that a large proportion of the projected rise in the population is expected to be within the older people category, which is forecasted to be the age between 65 years and 74 years of age. From these statistics, it can be deduced that the country is facing the upcoming trend of a rise in the number of the aged in the population.

An evaluation of the upcoming increase in the ageing population depicts different trends upon the Irish national population. As a result of the ageing population's growth, there will be a declining birth rate, which will in turn lead to a smaller number of the young people in the nation (Cummins, Eckersley, Pallant, Okerstrom, & Davern, 2002). Such a situation could on one hand save the government's spending on social services such as education while on the other hand leading to different impacts on economic development as the labor force shrinks. From this point of view, the upcoming increase in the number of ageing citizens will lead to a number of benefits while challenges will be upcoming in an almost an equal measure.

Benefits of the Ageing Population

Several areas in the Irish community will benefit from the surge in the number of the ageing citizens who are healthy and active, independent, as well as with time to spend.

Previously in Ireland, female citizens have provided most of the volunteer work that is performed within the community. However, today, women participate in country's workforce in rising numbers. At such a time as today when voluntary work is increasingly important, especially in community programs, many health and community welfare agencies are aiming at recruiting from the rising number of retirees in the country (Howe & Donath, 1997). The gross value of the work done by volunteers could help in offsetting the government spending on aged care services. The volunteers in such work will continually benefit from such community service programs. Such benefits will result from the satisfaction that they gain from the services that they offer, rather than remaining idle following the processes of retirement from their former jobs.

In addition, volunteering will be regarded as an addition to the social capital within the country and thus, will act as a contributor to the health of the civil society. A report by Pocock and Clarke (2004) indicates that social capital does not only compose the group of institutions that make up a society but the aspects that hold it together. In this view, an ageing population holds the society together in other ways, including contributing to its welfare. The ageing citizens within the society play a key role in maintaining and supporting the existing informal social networks, which in turn leads to a situation where families and communities are bound together as one (Pocock & Clarke, 2004).

Apart from being the net receivers of support and help, the ageing citizens within the population are, in fact, the net providers, especially up to 75 years of age. It is such individuals in

the Irish society that provide financial and social assistance to their dependents, especially in terms of helping those within their households with the assistance they need for their daily living. Such voluntary and unpaid assistance adds up to an unaccounted-for portion of the GDP (Howe & Donath, 1997). In fact, grand-parenting is an important social responsibility in an age in Ireland when people tend to have more living guardians and parents as opposed to children. Such a role does not only act as an advantage to the grandparents who find that being a grandparent is a vital aspect in their lives, but it also substantially benefits the grandchildren.

In addition to these benefits, it is likely that the ageing citizens within the population are more likely to be law abiding since they are less inclined to get involved in committing crimes against other citizens and their property (Howe & Donath, 1997). Older members of the society are usually involved actively in community programs, including clubs with most of them engaging in sporting activities in clubs of their interest. In this view, they are more likely to be law-abiding as compared to the youthful members of the society and thus, they contribute towards a peaceful society.

Additionally, an ageing population offers more opportunities for the economy as it seeks to respond positively to their needs. An aging consumer market changes the market trends, for instance the demand for golf clubs increases as compared to that of surf boards. However, such market trends indicate that the ageing consumer will spend less of their income on luxury goods and more on recreation and leisure and their grandchildren (Access Economics, 2001). By contributing more to the growth of the markets, the ageing population plays a key role in building up the GDP and economic welfare of the nation. In addition to this, there is substantial market interest in the way in which an ageing population affects urban planning and development, especially in the form of land use, transport, housing, as well as the development

of the urban environment. Other sectors of the market that are developed by the ageing population include the technology and innovation industries. As the ageing members of the society continue demanding special services and programs, for instance in terms of physical aid such as wheelchairs and mental aid equipment, they create an opportunity for firms in the economy to develop such equipment (OECD, 2002). As a result, the ageing population could inspire more economic activities while soliciting better technology in providing life-support services.

On another note, an ageing population is considered to have the advantage of contributing more to environmental sustainability. Changes in the country's age structure will have an impact on the goods and services that are consumed most within the country. In this case, the ageing population is less concerned about luxury. As such, they are associated with minimal consumption of energy-intensive goods and services. For instance, their reduced travel results in lower emission of greenhouse gases. As a result, they lead to a better welfare for the overall society by enhancing environmental sustainability.

The upcoming increase in the level of the ageing population could also lead to an improvement in the quality of life of the Irish people. In most instances, the ageing population spends its time leisure and hobby activities. In this view, the ageing population will lead to a change in the future where the relationship between work and leisure will be reversed (Howe & Donath, 1997). As a result, the members of the population who are aged will mostly be involved in leisure as opposed to work. In addition, such a portion of the population will have more time to cater for their wellbeing in terms of health and mental status. Such a group of people is usually concerned about the quality of their lives. As a result of the upcoming trend of an ageing

population, Ireland could record a better quality of life across its population, which will in turn encourage a healthy nation.

An ageing population in the country could also contribute towards improved social security systems (Dang, Antolin, & Oxley, 2001). In the contemporary society, social security systems act as an economic, as well as social necessity. An old population in every country is usually in dire need of improved social services. In this view, the upcoming trend of an ageing population will require better health care services within the country, which will encourage the enhancement of other social security services, including insurance and pension schemes. In this view, the ageing population will improve the social development of the overall population while providing better services for the country.

Contrary to the contemporary pessimistic views, satisfaction with life tends to increase as the members of the society get older (Cummings et al., 2002). The point that older people in the society are usually blamed for increases in public expenditures is a crucial reason to go against pessimistic attitudes towards ageing. The chances for intergenerational competition are both counterproductive and risky to the welfare of the overall society. The ultimate ageing of every member of the society should be perceived as a transition as opposed to a crisis, given the wide range of benefits and opportunities attached to the ageing aspect. To take advantage of the wide range of benefits of the ageing population, it is important for the nation to consider the existing challenges that could be related to the ageing population so as to develop measures to mitigate them.

Challenges of the Ageing Population

An ageing population could lead to a number of challenges for the Irish citizens, government, as well as businesses. Ageing has a direct effect on the labor market as the resultant

life expectancy has an impact on the behavior of individuals in making a decision on whether to work longer. In the context of this analysis, it is important to remember that changes in employment could lead to a direct effect on the sustainability and effectiveness of pension schemes in both public and private sectors. It is through the dynamics of the labor market that pension schemes operate, while they also affect the decisions that are made by older employees to remain or retire from the labor market (Torp, 2015). As a result of the ageing population, there are fewer people within the productive age group and who are able to provide protection and assistance to the ageing ones. The challenges that come with ageing go hand in hand with economic development and growth, as well as with the chances of participating in the labor market. As such, they force the citizens to change direction in regard to the labor market's trends towards early retirement. As a result of the ageing population, the amount of labor force available to take part in the country's economic activities shrinks. Consequently, the GDP by the economy decreases and thus, impacts the general economy negatively.

Additionally, health care costs will increase as a result of the ageing population. It is through the public expenditure that health care costs are absorbed and thus, the ageing population causes the government budget to plummet (Torp, 2015). The aspect of population ageing relates directly with health transition where the ageing population group spends more on health than any other population group in the economy. Furthermore, as the ageing population spends more on health, the government expenditure will rise since it will be paying more on health insurance schemes, as well as retirement benefits to such ageing population members (Dang, Antolin, & Oxley, 2001). The ageing population negatively affects the economy as the increase in government spending cuts down the overall GDP and thus, per capita income for the households, in which case economic growth and development is negative impacted.

Another main challenge of the upcoming trend of an ageing population in Ireland will be the guarantee to support adequate income schemes for the growing population of old people. Furthermore, such a situation will be worsened by the fact that such income schemes for the old people will lead to a form of an unbearable load to the working younger generation (Holzmann, 2009). Such a situation will require reforms by the government, which could divert the government's attention on essential social services. In addition, the requirement of such programs will lead to a situation where the country's social security systems will be strained by the increasing need for better social services for the old population.

Additionally, the ageing population will lead to an increase in the number of dependents in the nation (Torp, 2015). After reaching the retirement age, most of the nationals will be depending on the younger generation while more people will be living upon pension benefits. The situation that will lead to this is as a result of reduced income on the ageing population. More dependents in the economy lead to low per capita income and thus, lower chances of economic development.

Responding to the Ageing Society

With the aim of reducing the negative impacts of the ageing population, different strategies could be applied. One of the strategies to avert the situation of the ageing population is immigration. On one hand, the government could encourage the migration of young people from other countries by offering better opportunities for them (Chinese Academy of Social Sciences, 2010). As a result, the population will be made up of more young people as opposed to the ageing ones. Additionally, the government could restrict the immigration of old people into the country, which will create a situation where the country will only have indigenous old people with the young generation dominating the nation. The strategy of immigration can be

complemented with a process where the government restricts young people from migrating to other countries (Holzmann, 2009). Through such a situation, the government will be able to ensure that young people are within the country and that they contribute towards the building of a younger generation.

Additionally, the situation of an upcoming growth in the ageing population could be averted by increasing the retirement age. Although such a strategy might not be felt equally, it could solve the problem of increased pension claims and government spending on old people's social services (Howe & Donath, 1997). Through such a strategy, people with sufficient private savings may have the ability to retire at an early age while those with low incomes and private savings will be able to keep working for a longer period of time. Such a solution will help in reducing the government's spending on the ageing population, especially through pension schemes.

Conclusion

Basically, the world, and developed countries in particular, is undergoing a form of a demographic transition to smaller societies, a process that is featured by slower population growth. Ireland is one of the countries that is undergoing a trend of change to an ageing population with the level of the younger population shrinking with time. The situation of an upcoming slower growth in the younger population and the increase in the number of old people, especially those above 65 years of age has led to different positive, as well as negative impacts. On one hand, an ageing population presents the challenge of a shrinking labor force for the economy, which in turn reduces the economy's productivity and thus, growth and development. Additionally, it leads to a higher dependency ratio with most of the country's old people depending on the younger generation, especially through the taxes that the working ones remit to

the government. In addition, the ageing population in Ireland leads to an increase in government spending as the government spends more on providing social security services to the increasing number of old people. On the other hand, the ageing population has a number of benefits including increasing the demand for products that support old people physically, as well as mentally. The invention of better services to the old population encourages better information technology with such impacts leading to positive effects on the economy. In addition, the increase in the number of the ageing people in the country encourages a better quality of life as such people mainly concentrate on luxury and their personal wellbeing. In most instances, the old people in the society have small chances of violating the set rules and regulations. From this perspective, the ageing population in Ireland will encourage the development of a law-abiding society. In this view, the ageing population that faces the future of Ireland will have a great impact on the national aspects of the Irish population while leading to a trend where the young generation is shrinking.

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