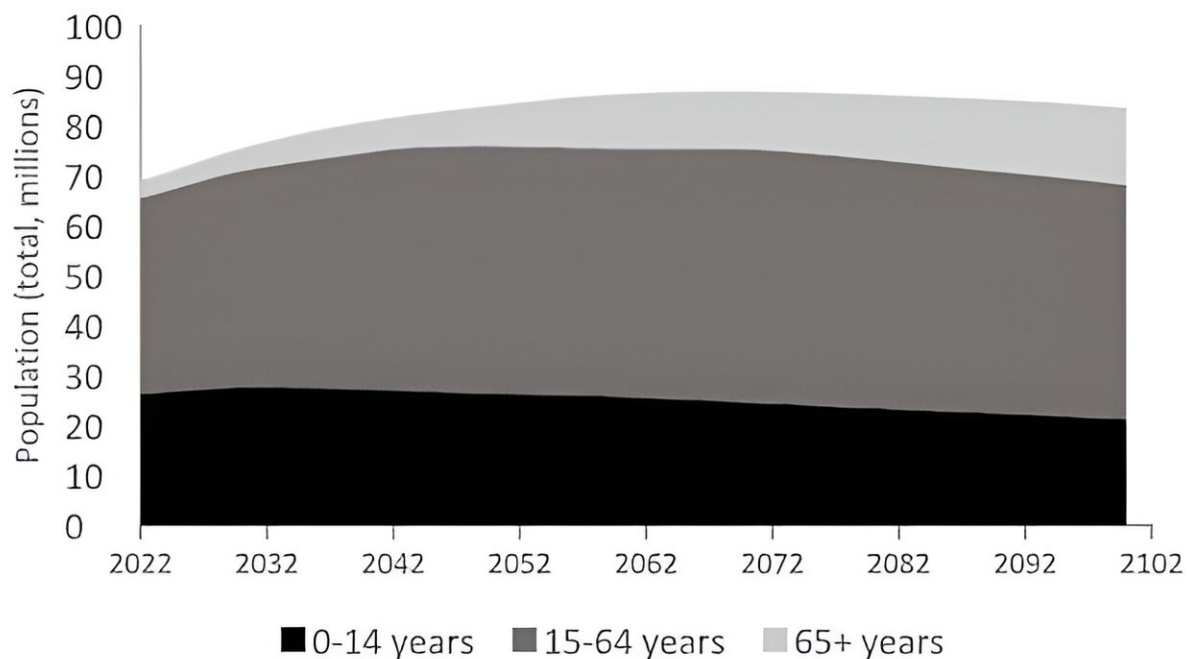


Q&A: South Africa's aging population comes with new challenges—how best to adapt to them

January 22 2024, by Lauren Johnston



Credit: DESA, U. (2022). United Nations Department of Economic and Social Affairs, Population Division (2022). World Population Prospects 2022: Summary of Results, 3, 2022-1.

Young people—under the age of 15—currently make up 29% of South Africa's population. But this will soon change: the aged portion of the population is forecast to rise from 2030, bringing many challenges.

Lauren Johnston, an economics and political economy expert, recently published a [paper](#) on the subject. We asked her to put the developments into perspective.

What is South Africa's current population profile?

South Africa is "young" among the Brics countries (Brazil, Russia, India and China), but "old" by African standards. For example, seniors make up 5.9% of South Africa's population and children 28.6%. This [compares](#) with Russia's 15.8% seniors and 17.2% children, and China's 13.7% seniors and 17.7% children.

The sub-Saharan average is 3.0% for seniors and 41.8% for children.

What's up ahead?

South Africa faces no fears of a substantially diminished working-age population, unlike a number of high-income countries. Nonetheless, [population structure](#) estimates suggest that it will be home to a rising number of seniors.

In general, the increase in population share of seniors is driven by falling rates of mortality and birth, leading to fewer younger people relative to elders. In South Africa's case, a falling fertility rate [from over six births per woman in 1960 to just over two today](#) is a key driver.

An aging population is statistically defined as a population with 7% or more of people aged 65 and over.

In 2022, seniors made up 5.9% of South Africa's population. So, it is not yet home to an aging population. But the [United Nations](#) forecasts it will join the "population aging" club as early as 2030. By around 2060 it will

be home to an "aged" population—with seniors accounting for 14% of the population.

What unique challenges lie ahead?

In general, an aging population puts added pressure on the working-age population. Each worker has to be more productive, just to maintain total output. Fiscal resources also come under pressure because there are fewer people of working age—net contributors to the economy. There are also more seniors requiring resources for their health and welfare.

For developing countries this can be especially precarious because budgets are often under strain. So are the resources needed for pursuing basic national development. Moreover, a trend of population aging arising in developing countries is relatively new—just a few decades old.

How prepared is South Africa for the challenges?

One challenge for "young" South Africa is that the slower pace of demographic change reduces imminent and more obvious demographic change pressure. The very steady increase in the share of elders alongside pressing broader socioeconomic challenges gives the government little incentive to prioritize social or economic aging-related issues on its policy agenda.

The array of socioeconomic challenges, including [poverty](#), crime, entrenched inequality and [energy access](#), means that the need to respond to the demographic transition is less of an immediate priority.

As a result, very few older South Africans benefit from aged care services, and then only the very frail, with inconsistent reach across provinces. Moreover, according to an October 2023 University of Cape

Town study, there is little support for older persons who have high care needs and are at home, [or for active older persons](#).

Most elders do not have access to services that support their needs, but also fear rising health care costs, owing to the rising incidence of non-communicable diseases. These include strokes, cancer and diabetes.

Overall the basic national social welfare net is inadequate. For example, retirees living off less than 16% of their pre-retirement salaries are among those with the highest risk of living in poverty. This group is three times more at risk of poverty than any other group in South Africa. Black female widows are most at risk.

While the economic value of support to [older persons](#) has grown over time, the increase has been insufficient to [meet the needs of this growing population](#). Statistics South Africa estimates that population aging alone is already adding around 0.3% to [expected health-related expenditures annually](#). These trends suggest that without change, South Africa's seniors will become even less adequately served with time.

What needs to be done to prepare better?

South Africa has committed to establishing frameworks for healthy aging based on the [United Nations Decade of Healthy Aging from 2020 to 2030](#). The agenda has four core areas of priority—age-friendly environments, combating ageism, integrated care, and long-term care. To realize these goals, difficult political decisions would need to be made around taxation and redistribution, as more revenue is required to ensure basic dignity for South African seniors.

Guided by the [Older Persons Act](#) and the [Madrid Plan of Action on Aging](#), the Department of Social Development in partnership with other departments, and the [South African Older Persons Forum](#) should further

implement [South Africa's Active Aging Program](#) to empower [senior](#) citizens to stay physically and intellectually active, to continue to enjoying healthy, purposeful lives. This should help reduce pressure on more intensive care sectors and needs.

As explained in my [paper](#), South Africa should take advantage of the Brics grouping's new population structure and [development cooperation agenda](#). That way, [state officials](#), civil society and entrepreneurs may be better positioned to take advantage of opportunities to reduce health care and aged care costs.

To direct sustain the economy as the population ages, South Africa needs to ensure that the economy is robust enough to accommodate a worsening dependency burden. For example, [young people](#) must be proportionately empowered to drive productivity growth and innovation. That way, the increasing costs associated with the aging population could be accommodated while [continuing to drive national development](#).

Digitization trends and the Brics population and development agenda may, as examples, also foster opportunities for education and training among not only young South Africans, but all working-age people. This will help raise productivity potential per worker and [extend productive working lifespans](#).

South African policy makers and entrepreneurs should also be cognisant of how population aging affects [not only other Brics economies](#), but also patterns of trade and investment. For example, over the coming decades, population decline in middle-income China, and the rapid decline of its working-age population, is likely to push China away from labor-intensive industries, and [towards capital-intensive industries and sectors](#).

In other words, [population](#) aging at home and abroad will shift economic demography-weighted opportunities and challenges at home. The more

responsive South Africa can be to these changes, the better off will the nation be.

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