

Ageing – CHALLENGES AND OPPORTUNITIES

Continual advancement in medicine, together with enhanced knowledge of sanitation and nutrition has extended the life spans of humans globally. Accompanying this enhancement of life expectancy is the rise of a smaller family structure. The modern family is generally smaller than traditional units as women increasingly forego childbearing and assume professional roles in society. These two trends are transforming youthful nations into rapidly ageing societies with increasingly contracting labour pools. Although this phenomenon is more pronounced in the developed world, developing countries like those of the Caribbean will be increasingly faced with significant rates of population ageing (Table 1). With the youthful populations of the past unlikely to re-occur, this demographic transition is expected to endure and holds considerable implications for all aspects of human existence. Notwithstanding the various initiatives designed to highlight the challenges an ageing population presents to the Caribbean, its society still seems ill-prepared to deal with this development. This note seeks to underscore the implications associated with poor preparation and suggests some possible remedies.

Table 1: Percentage of Population Age 60 and Over



	2000	2025(f)	2050 (f)
Caribbean	9.6	16.1	23.8
Bahamas	8	15.7	23.5
Barbados	13.4	25.2	35.4
Belize	6	10.2	21.7
Cuba	13.7	25.1	34
Dominican Republic	6.6	12.7	20.7
Guyana	6.9	15.1	31
Haiti	5.6	7.5	15.6
Jamaica	9.6	14.5	24
St. Lucia	7.8	12.1	22
Trinidad & Tobago	9.6	20.1	33.3

Source: UN-ECLAC (f) – Forecasted

It is the personal responsibility of every capable individual to prepare for his/her retirement so as to avoid any significant decline in the quality of life during the twilight years. In the region, many people fail to effectively assume this responsibility and suffer the consequences. The increased mobility of labour has, to some extent, exacerbated the effects of this, as the support base of the elderly has been eroded by the migration of their children and grandchildren in pursuit of better employment opportunities. One consequence of this is that quite a number of retirees are forced to re-enter the labour market, often in low-paying jobs. Others are left heavily reliant on the income of family members and/or government grants, while those without family support may be left to live out the rest of their days in the harshness of poverty. When chronic diseases such as diabetes and hypertension, which normally affects this age group and are expensive to treat, are added, the hardship is multiplied. This can significantly strain public finance and divert an increasing amount of government resources to social programmes such as the Chronic Disease Assistance Plan (CDAP) and pension grants in the case of Trinidad and Tobago.

In the region there is a mix of contributory and non-contributory public pension schemes. Contributory schemes are generally funded by taxes levied on the working population, while non-contributory schemes are totally funded by the state in most cases. Both these schemes will be severely challenged to provide adequate coverage to the rapidly increasing senior population. In the case of contributory pension plans, a contracting taxable population will be required to support a pension system that is servicing a rapidly growing population segment. For non-contributory pensions, the government will have to allocate ever-increasing proportions of the budget to service this segment. This has grave implications on governments' ability to provide financial support to those who are not able to look after themselves. Because of this, calls have been made worldwide for the overhauling of public pension schemes to ensure that pension benefits keep up with demographic trends.

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The private sector currently plays some part in alleviating the plight of the elderly. There are numerous privately-owned, retirement homes and other facilities providing geriatric care in the Caribbean. However, most of these are small-scale operations with limited capacity. Additionally, the standard of care in several of these organizations leaves much to be desired, as unskilled personnel and poor regulation combine to severely disadvantage elderly residents. Moreover, with the speed of the demographic transition and shrinkage of the family support base, the current number of facilities would find it difficult to satisfy the increasing demand.

The solutions to the problems associated with an ageing population are by no means simple to develop and implement, but are nonetheless necessary in the global fight against poverty.

Preparation at the individual level is key. It is essential that people save during their youth in order to shift a portion of their financial resources across time and thereby reduce the burden on the state. Economically active people must be encouraged to employ the various financial vehicles such as annuities, pension schemes and insurance policies, offered by a variety of financial institutions. Another important preparation at the individual level that is too often overlooked is the maintenance of a healthy lifestyle. Each person should pay lifelong attention to his/her diet, avoid the abuse of drugs (medicinal and otherwise) and exercise regularly so as to minimize the effects of ageing.

Regional governments ought to re-evaluate existing public pension plans to ensure that in the future their ability to pay is not outstripped by the number of people in need. The mandatory retirement age may be increased, since many seniors are quite able-bodied well beyond their sixtieth year. This will also contribute to the initiative undertaken by numerous governments worldwide to promote active aging. Educating the population on the necessity and the various means of achieving financial security in old age would contribute immensely to reducing the burden on the state. Such programmes should be done in conjunction with the financial sector. Further, initiatives to sensitize younger generations to the plight of the elderly such as the Geriatric Adolescent Partnership Programme in Trinidad and Tobago should be developed and enhanced. Governments need to regulate private care providers to ensure high standards and protection of the rights of seniors. Governments should also provide incentives to private caregivers where necessary.

Our elderly population is a valuable resource that has to be protected so that current and future generations can benefit fully from their knowledge, experience and wisdom. Given the fact that most of us will one day fall into this category, it is crucial for us to monitor the transition and amend policy as needed. By so doing we will ensure that the older ones among us are allowed to age with dignity.



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