

An Aging Population

People are living longer and, in some parts of the world, healthier lives. This represents one of the crowning achievements of the last century, but also a significant challenge. Longer lives must be planned for. Societal aging may affect economic growth and lead to many other issues, including the sustainability of families, the ability of states and communities to provide resources for older citizens, and international relations. The Global Burden of Disease, a study conducted by the World Health Organization, predicts a very large increase in age-related chronic disease in all regions of the world. Dealing with this will be a significant challenge for all countries' health services.

Population aging is driven by declines in fertility and improvements in health and longevity. In more developed countries, falling fertility beginning in the early 1900's has resulted in current levels being below the population replacement rate of two live births per woman. Perhaps the most surprising demographic development of the past 20 years has been the pace of fertility decline in many less developed countries. In 2006, for example, the total fertility rate was at or below the replacement rate in 44 less developed countries.

One central issue for policymakers in regard to pension funds is the relationship between the official retirement age and actual retirement age. Over several decades in the latter part of the 20th century, many of the more developed nations lowered the official age at which people become fully entitled to public pension benefits. This was propelled by general economic conditions, changes in welfare philosophy, and private pension trends. Despite the recent trend toward increased workforce participation at older ages, a significant gap between official

and actual ages of retirement persists. This trend is emerging in rapidly aging developing countries as well. Many countries already have taken steps towards much-needed reform of their old-age social insurance programs. One common reform has been to raise the age at which workers are eligible for full public pension benefits. Another strategy for bolstering economic security for older people has been to increase the contributions by workers. Other measures to enhance income for older people include new financial instruments for private savings, tax incentives for individual retirement savings, and supplemental occupational pension plans.

As life expectancy increases in most nations, so do the odds of different generations within a family coexisting. In more developed countries, this has manifested itself as the 'beanpole family,' a vertical extension of family structure characterised by an increase in the number of living generations within a lineage and a decrease in the number of people within each generation. As mortality rates continue to improve, more people in their 50's and 60's will have surviving parents, aunts, and uncles. Consequently, more children will know their grandparents and even their great-grandparents, especially their great-grandmothers. There is no historical precedent for a majority of middle-aged and older adults having living parents.

As the World Health Organisation study, The Global Burden of Disease, predicts that in a few decades the loss of health and life worldwide will be greater from non-communicable or chronic diseases than from infectious diseases, childhood diseases, and accidents. The study estimates that today, non-communicable diseases account for 85 per cent of the burden of disease in high-income countries and a surprising 44 per cent of the burden of disease in low- and

middle-income countries. Non-communicable diseases already account for as much of the burden of disease in low- and middle-income countries as all communicable diseases, maternal and perinatal conditions, and nutritional conditions. By 2030, according to projections, the share of the burden attributed to non-communicable diseases in low- and middle-income countries will reach 54 per cent, while the share attributed to communicable diseases will fall to 32 per cent. If we restrict attention to older ages, non-communicable diseases already account for more than 87 per cent of the burden for the over-60 population in low-, middle-, and high-income countries. The critical issue for low- and middle-income countries is how to mobilise and allocate resources to address non-communicable diseases, as they continue to struggle with the continued high prevalence of communicable diseases. Of course, a significant jump in disability numbers has accompanied the increase in longevity.

Because countries age at different paces, it is possible for the elements of production - labour and capital - to flow across national boundaries and mitigate the impact of population aging. Studies predict that, in the near term, surplus capital will flow from Europe and North America to emerging markets in Asia and Latin America, where the population is younger and cheaper and supplies of capital relatively low. In another 20 years, when the baby boom generation in the West has mostly retired, capital will most likely flow in the opposite direction. However, these studies rest on the uncertain assumption that capital will flow easily across national boundaries.

Despite the weight of scientific evidence, the significance of population aging and its global implications have yet to be wholly appreciated. There is a need to raise awareness about not only global aging issues, but also the importance of

rigorous cross-national scientific research and policy dialogue that will help us address the challenges and opportunities of an aging world. Preparing financially for longer lives and finding ways to reduce aging-related disability should become national and global priorities. Experience shows that for nations, as for individuals, it is critical to address problems sooner rather than later. Waiting significantly increases the costs and difficulties of addressing these challenges.

Questions 27-33

Complete the notes below.

Write NO MORE THAN THREE WORDS for each answer.

Write your answers in boxes 27-33 on your answer sheet.

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- The longer lives of people of today must be prepared for.
- The longer lives will affect economics, family life, old age care and health services.
- The aging population has been caused by a drop in fertility, improvements in health and 27.....; the former is surprisingly seen in many 28..... .
- One key area to consider is the age for retirement benefits to be paid - this has changed a lot recently in 29....., due to various conditions and trends.
- A lot of 30..... is required in many countries and some have already done this - usually by raising the official pension age or raising the 31..... of people still working.

- Other new financial instruments have also been launched.
- Longer life expectancy will also lead to different family 32..... living with each other more.
- There has been no previous 33..... of such a change in family demographics.

Questions 34-39

Do the following statements agree with the views of the writer of the text?

In boxes 34-39 on your answer sheet write:

YES if the statement agrees with the writer's views.

NO if the statement doesn't agree with the writer's views.

NOT GIVEN if it is impossible to say what the writer thinks about this.

34. It is no shock that low- and middle-income countries have experienced a significant rise in non-communicable diseases.

35. While the numbers of people with chronic diseases have increased around the world, the numbers of people with disability problems have reduced.

36. It is theorised that money invested short-term in Asia will later be reinvested back in the West.

37. It is predicted that problems in the international flow of capital will lead to armed conflict between some countries.

38. All the effects of population aging around the world have still not been fully realised.

39. It would be better to wait a while to see how the situation develops, as fast decisions could create problems in the future.

Question 40

Choose the correct letter, A, B, C or D.

Write the correct letter in box 40 on your answer sheet.

40. What is the writer's purpose in Reading Passage 216?

A) To provide suggestions on how developed countries can deal with their aging populations.

B) To provide an overview of the causes and effects of the world's aging population.

C) To provide potential suggestions on how to prevent the world's aging population from increasing.

D) To provide a historical analysis of the causes of today's aging population.

ANSWER
27. longevity 28. less developed countries 29. more developed nations 30. reform 31. contributions 32. generations 33. (historical) precedent 34. NO 35. NO 36. YES 37. NOT GIVEN 38. YES 39. NO 40. B