REMAPPING DEBATE Asking "Why" and "Why Not"

Too many old people

Commentary | By Craig Gurian | Aging, Economy, Population

February 1, 2011 — Too many old people.

Or, at least, too many old people as a percentage of the population. That's the message we hear all around us. As the the <u>Global Aging Initiative</u>, a project of the Center for Strategic & International Studies (CSIS), put it with satisfaction in its Oct. 2010 <u>report</u>, global aging has in the last few years finally become "a focus of growing concern."

The prospective problem? Too few workers (that's the low birth rate problem) supporting too many old people for too long a time (that's the living too long problem) costing too much money (both projected total public benefits to the elderly and projected growth in those benefits between 2007 and 2040 are placed in the report's "public burden" category).

Japan is most frequently cited as the poster child of demographic disaster. A New York Times series on Japan has described a declining birth rate and an aging population as being said by some to account for "Japan's loss of gumption," as the cause of the country's vitality having been "sapped," as a "crisis that threatens to stunt the country's economic growth, hamper efforts to deal with its chronic budget deficits and bankrupt its social security system," and a phenomenon that is "clogging the nation's economy" with what are called the "vested interests of older generations" (what others might call the desire to maintain security). Why isn't there more "vitality" in the discussion? Because of the mantra that economic prosperity can only be yielded via economic growth, and the equally rigid mindset that says that economic growth can only be yielded via population growth.

Among the "solutions" being prescribed — for Japan and other countries with falling or stable populations that, on balance, are becoming older over time — are "pro-natalist" policies. In other words, the population needs to rise.

That might sound like an odd proposition in a world where only those most determined to see-no-evil can believe that growing populations are sustainable in environmental terms.

Indeed, a smaller population could be a boon, if viewed from the perspective of fewer people competing for scarce resources (whether food, in many parts of the world, or affordable housing and jobs, as in the United States).

But lower population scenarios are almost never viewed as presenting an opportunity, just as the challenge of how to successfully support a greater percentage of older people without lowering living standards, either for them or their younger compatriots, is virtually never viewed as one worth facing and winning.

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What if we — at least in the United States — dared to imagine a different model? It would require a series of dramatic shifts. We have been deeply conditioned to treat "grow or die" as part of the natural

We have to decide whether to settle for what has become a status quo of increasing income inequality, or whether we look at distributional politics in light of how best to maximize the quality of life for an unprecedented number of people — old and young — for an unprecedented period of time. order. Almost as important, we persistently manage not to cultivate the ability or willingness to think and plan ahead over the course of 40 to 50 years.

Perhaps we could start with an easy one: has prosperity really been inextricably tied (that is, in all times, in all countries, and in all circumstances) to the stimulation of already-hyperactive consumerism? No sir.

Then, maybe, a more adventuresome question: shouldn't we be asking how to raise the living standards of young people, rather than encouraging inter-generational conflict that threatens to make life meaner for more older people? (The risk of such conflict is evident from the striking assertion in Global Aging Initiative's report that "the elderly start out well [in the U.S., the Netherlands, and Brazil] relative to the young today and keep getting better off." That the proposition of the relatively-well-off older person is irrelevant to the lived experience of many elderly people who do not live high off the hog would not keep resentment among some younger citizens from rising.)

I, for one, prefer the develoment of a raise-all-boats strategy to Global Aging Initiative's "reform" proposal that involves urging France, Germany, Italy, and Japan, among others, to reduce public pension benefits (and to stay the course in the face of the need to "overcome considerable political resistance from aging electorates"). If longer-term planning also came into play, we would realize (much to the chagrin of Baby Boomers) that the coming medium-term bulge in benefits due is not a permanent problem. That is, Baby Boomers are not immortal, and a portion of the "graying problem" (the existence of one especially large older cohort) will not need to be managed forever. A society willing to plan through (and pay for) that period need not panic that the end is upon us.

What would still be true long-term — even with each age cohort being relatively small — is that, relative to our past, more people will be alive (and, hopefully, well) in the oldest cohorts. So it is not as though a future of population stability or decline (for all the under-appreciated benefits) would automatically have a happy-ever-after ending.

In truth, the result over the long haul depends on how we answer what in some ways is a very old question. As productivity increases (and the effort of each person in the workforce goes further), we have to decide whether to settle for what has become the status quo of increasing income inequality, or whether we look at distributional politics in light of how best to maximize the quality of life for an unprecedented number of people — old and young — for an unprecedented period of time.

Are we, in the end, a can-do or a can't-do country?

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