
Introduction to the special issue on population ageing in Australia



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Paper received 2 May 2020; accepted 4 May 2020; published 25 May 2020.

It is a great privilege to have the opportunity to write an introduction to this important issue of this new and exciting journal. It is very heartening that the editors have chosen to devote an entire issue to the topic of population ageing.

Population ageing affects all of us and it impacts many dimensions of our lives. From changed family structures, workplace cultures, through to retirement support and health and aged care arrangements, households are facing unfamiliar, sometimes irreversible, complex and critical life choices. It is exerting unprecedented pressures on traditional social institutions, both in Australia and around the world. Sustained falls in fertility, sometimes to “super-low” levels, are combining with increasing life expectancy to drive global movements in labour, capital and trade in ways that are still unknown. Employers will have to learn to deal with and accommodate an older workforce. And governments under fiscal stress are reducing their commitment to pensions, health and aged care, raising new private sector opportunities and challenges for regulation and governance. These adjustments will have flow-on effects to intergenerational exchange and equity and policy formulation. As the UN has said, the phenomenon of population ageing is unprecedented, enduring, pervasive, and profound.

Research is critically required to better understand how policy and practice innovation can ease our individual and collective paths through this transition. Longer life is one of humanity’s greatest achievements. It is important that this substantial contribution to human welfare is fully leveraged by moving to policy structures and private sector activity in the best possible way. This requires new knowledge and an evidence base informed by multiple disciplines.

The need for cutting edge research related to demographic ageing is documented in the international literature. This is especially true when the focus is on increasing lifespan. In the 2016 application for renewed funding for the ARC Centre of Excellence in Population Ageing Research (CEPAR), we listed calls for a greater research effort in the World Health Organisation (2015) and the US National Research Council (2013), which emphasises the advantages of an inter-disciplinary approach to the issue. An especially useful benchmark is provided in National Research Council (2012). Chapter 10 identifies the following major research needs: demographic and health measurement and projections; capacity to work longer and longer working life; changes in consumption and saving; and modelling efforts and data needs.

And there has been at least some response on the international stage. Last year, the year that Japan, the world's oldest nation, hosted the G20 meetings, a task force was established under its auspices to examine population ageing (see, for example, Chomik et al. 2019). The World Health Organisation is promoting the 2020s as the "decade of healthy aging", leading up to the deadline for the Sustainable Development Goals in 2030. And the US National Academy of Medicine has launched a commission on a "Roadmap to Health Longevity".

But natural population increase is in some ways more important. Australia remains a young country by developed country standards. Partly, this is because social and family institutions are supportive of fertility. But if this were all we had, our population would still age quite rapidly and total population, and national income, would eventually decline. The total fertility rate sits well below replacement.

Critical to the slowing of population ageing is Australia's immigration policies, which are well targeted to keeping the population young. Australia's continuing economic prosperity depends on the maintenance of strong and well-targeted migration, and targeting depends on our international education industry. Something like half of new permanent residents in Australia have previously been students here.

Even though this is primarily a journal about Australian population, it is important to recognise the impact on this nation of international demographic forces. China is currently younger than Australia but is rapidly catching up – some estimates have China older than Australia by the middle of this century. What does this mean for China-Australia trade? For migration? For international education services? And China, while enormously important, just leads the pack of emerging economies in Asia, all of them important to Australia, where fertility has fallen sharply, and demographic transition is an established dynamic. It may well be that changes in international demography end up being more important influences on Australia's future than its own demographic change.

In the meantime, there is no shortage of relevant and important research questions. For example: How will Australia's age structure change in the future? Will COVID-19 make any difference to it? How will the fertility differential shift, and what will the social implications of the shift be? How do households learn to adjust to changing demographic realities, and how does cognitive decline in older ages affect their abilities to make major life decisions? Will product innovations help them in this challenge? How do organisations change their behaviour to facilitate greater participation by older workers? Is retiring later good for you? Does work lead to more, or less, successful ageing?

And when you turn from understanding the micro-transition better, and ask broader social and economic questions, solid evidence is even harder to find. To list a few: How will an ageing demographic affect government budgets and services, and social and economic inequality, both between and within generations? How should the government best set policies to respond to demographic change? As retirement risks, and later life risks more generally, become more important, how will markets respond? Will management of this kind of risk sit at all in the private sector, or will it remain for government to be the insurer? How can policy innovation help shape broader and better allocated age-related risk sharing and management between the public sector, business, and households?

There is at least some research on all these questions. But there are definitive answers to none of them. Special issues such as these serve to focus research attention on these unanswered questions, and in so doing, render us all a considerable service.

Acknowledgements

This research was supported by the Australian Research Council Centre of Excellence in Population Ageing Research (project number CE170100005).

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