

Welfare state problems due to britains ageing population



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With the raising of medical standard and the improvement in the quality of life, life span of human being is greatly extended. As time passing by, consequently, the proportion of aging population is enlarging rapidly. This threat is a real challenge to all the governments in the world, especially the welfare states. In this report there will be an analysis on the British elderly population which influences economic development and society then illustrate the British government's measures to solve aging population. On this basis there are some specific policy recommendations on this inevitable issue at the end of this report.

Outline

After the Second World War, most countries began to focus on economic construction because of the relatively stable development stage. During this period, many problems have appeared as the result of national population growth rate increasing and the population of old people is getting larger. Compared with other countries, citizens of welfare states have better nutrition, better health care and longer life expectancy. Therefore, it will push welfare states faster to step into aging society. Britain, take as an example, have gradually become concerned about the influence of aging population, such as economic issue and society issue. At the respect of economics, increasing of aging population put pressure on the British welfare system; reduce labour supply; change enterprise age structure. On the social aspect, furthermore, the impact of growing aging population is also serious, which display in political influence and poor living environment.

Evaluation

The influence of the aging population on economy

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As a developed country, British economy is still the fifth-largest in the world in 2007. However, it is argued that British economy and its global influence have reduced further in the twentieth century. The issue of growing aging population may be one of the key factors.

Labour supply reduced

The great generation of baby boomers that born after Second World War has been the backbone of today's labour market in Britain. According to statistics, however, majority of people from the baby boomers were 50 to 60 years old in 2005 and about 40 percent of the current workforce is flooding into retirement in the next 15 years (Ilmarinen, 2005). As a consequence, the large numbers of job vacancy may cause by the proportion of shrinking workforce. It means that there are more employment opportunities but fewer employees in the future. Currently, although there are many employees who are still busy working at their old age and the tendency of retiree re-employment is becoming popular in UK, it is not nearly enough to make up for the labour force shortage. Furthermore, the population of working age people is the main element, which directly decides the population of labour force. Meanwhile, the proportion of manpower is exactly the main factor that creates the total industrial output value and makes great contribution to the continual growth of the national economy. As a result, the shortage of labour force in Britain will seriously threaten economic growth and inhibits social labour productivity.

Influence on Pension scheme

Although most of elderly people may feel more confidence to spend money rather than save because of the mandatory public pension plan in UK, the <https://assignbuster.com/welfare-state-problems-due-to-britains-ageing-population/>

pension scheme is facing underfunded challenge. The acceleration of aging people makes great pressure to British pension scheme maybe the most obvious aspect. Due to the life expectancy has greatly extended, increasing number of people who reach the lawful age for retirement live on the pension. It has led to the cost of pension increase sharply and government's heavy financial burden (Robert, 2009). On the other hand, the problem of lower return on pension is also important that cannot be overlooked (Moody, 2002). At the present time, the amount of money pensioner gets per year is not only far more than the sum of the insurance money which they have paid before, but also the excess sum is continuing to rise. The taxpayer who is in working age now, on the contrary, will get fewer pensions than the sum of the insurance money they have to pay in the future. That is to say the benefits and the burden is unfair to the current taxpayers. Consequently, more and more British people will unwilling to pay the endowment insurance as the economy worse, especially young people.

Threaten to National Health Service

Most of the NHS income comes from the support of government. If the governmental finance deficit increases continuously, the NHS budget might be cut in the future. On the other hand, in general, the elderly body immunity function is the worst in all age groups. They may easy to get sick, such as heart disease, hypertension and senile dementia. As the illnesses of aging will cost much, whether NHS can handle this huge healthcare spending is still a question (Kalache & Barreto & Keller, 2005, p. 33). As shown in chart 1, " Total UK health care expenditure" is always higher than " Health expenditure in National Accounts". Besides, from the year 1997 to 2006, the <https://assignbuster.com/welfare-state-problems-due-to-britains-ageing-population/>

estimate of UK health care cost from the National Accounts has been rising year by year.

In spite of the reform that British government attempt to relieve the social burden on aged health service by allocating the cost to all kinds of system. Nevertheless, with the further development of aging and the extended life expectancy, the national health insurance financial condition is still not optimistic.

The influence of the aging population on society

The other issue which aging population may bring is social problem. Because our society consists of human being, the way taking care of elders becomes a focused problem in current British social life.

The structure of voters

With the increasing proportion of old people, the structure of voters in the future election will change. Elderly voters may take up a dominant position, because they prefer to support the candidates who might offer many benefits to them.

The result of the British 1997 general election was to remove the Conservative Party government from office while the Labour Party dominating the House of Commons with a 178-seat majority. Table 1 above shows the age group of voters of election in 1997. It can be clearly seen that 35% of voters over 75 were most likely to vote for Conservative Party. On the contrary, only 16.8% of youth who age 18 to 25 were least likely voted for Conservative Party, moreover, 29.7% of them abstain from voting
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(Vincent, 1999). Unquestionable, Administration party plays a most important role in the development of the nation. If elderly voters occupy an increasingly important position in future elections, it will have a crucial effect on the result.

The elderly in single-person household

In Britain, children and their elderly parents live separately are very common. They have their own life style. Official figures show that there are more than 3, 500 thousand old people live alone in 2008, most of them over 65. Many of the living alone elders often feel isolated and being cut off from the society, gradually they tend to become introverted, withdrawn and unsociable. This situation bound to bring the negative influence to their physiological and psychological (Gisela, 2005). As a weak group, the elderly people live in empty-nest family needs more special care. For instance, people are more vulnerable when they grow older. If old people have an accident at home, nobody can help them. Recently, news stories had reported several events about the old man died lonely in his house for a long time. Moreover, what elders want is not the money but the rich spiritual and cultural life. They commonly felt that although single life is carefree, they finally hope to find a real home. This might be the reason why human are social animals, we cannot live alone without others. Increasing of aging population will make the problem of single-person household even worse in the future.

The impact on agriculture

With an increasing number of young people leaving the rural area to look for work in the big cities, age difference between areas becomes common.

According to Wilson (2000), due to the different age and habits between young people and old people, as the years went by elderly people may live closer to each other while younger people prefer to live in the lively area.

However, this preference might lead to a negative effect: the food production reduces gradually and the food supply is not keeping pace with demand, caused by the increasing large proportion of old people in agriculture population. British agricultural population makes up a small part of the population, most of whom are elderly. They cannot perform as good as the young people. Therefore, the aging agriculture population makes crop yields reduce, which threatens social security directly.

Conclusion

This report illustrates the problems of aging people in Britain through two primary factors, namely the impact on the economic growth and social stability. The examples provided above show that the influence of aging population can never be neglected. Meanwhile, statistics show the trend of aging population is still accelerated and becoming globalized. As countries with the satisfactory quality of life, the advanced medical level and good welfare system, welfare states are in the front-line. All in all, complaining the established fact is not the purpose, what welfare states should do is to objectively look upon the problems and try to solve them, and it is also the government's bounden duty.

Recommendation

From what have been mentioned in this report, both the economic problem and social problem are related to money. Suppose that welfare states have plenty of money, the influence of the huge group of aging population is no longer a problem. Governments can put enough money to improve the NHS; increase the budget for pension scheme; build more nursing homes. From the evidence above, one of the possible solutions might be that welfare states' government should accept more young migrant workers. At the same time, the legal retirement age should be appropriately increased. Immigrant workers are more than the cheap labour power, but also the complements to the gaps in welfare states' labour forces. Moreover, rising the retirement age can fix the budget problem and contribute to train the workers efficiently. If so, the national economy will maintain a sustained and rapid development, aging population issue can be relieved while the financial deficit is reduced. Nevertheless, it is always easier to say than to do, accept more migrant workers might bring culture shock to the society and old people prefer to retire earlier than to work longer. Governments should balance all aspects and then make the efficient policy to solve the issue of aging population.