Economic crisis of opportunity? The ageing of Africa 2015–2050

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Introduction

The purpose of this brief discussion is to highlight issues of demographic changes associated with an ageing population in Africa and what, I believe, must happen to avoid the next social crisis among African nations, especially here in Ghana. However, this is not a discussion of doom, gloom and crisis, because the demographic changes that I will discuss are products of development. These are problems to overcome, for certain, but also opportunities that we hope become part of the current agenda throughout Ghanaian society instead of considered only to be a remote or theoretical concern of the future.

Since 1982 there have been four major United Nations international policy initiatives that have documented the ageing of African populations and what should become priority national policies to avoid human rights problems that have never been experienced before. The African Union, in collaboration with HelpAge International has had the 'Framework and Plan of Action on Ageing' available for application since 2002. Yet, there is little evidence that senior policy makers, government officials, or social institutions have recognised the need to act. In addition, there is little evidence that the private sector, and entrepreneurs in particular, have realised the potential for economic and business activities that will become very significant sooner than most people realise. It should not take a keen imagination to realise that a much larger population, and a population with higher proportions of adults, can create new and expanded markets throughout the private sector.

Some African countries are far from getting beyond developmental stages of failing political organisation, violence, civil war, post-colonial self-image, persistent poverty, or international efforts to encourage economic autonomy. Other African nations, however, such as Kenya, Uganda, Tanzania, most of southern Africa, Nigeria, Ghana and a few others that – given modest improvements in public health, food security, and other health-related infrastructures – could find that success in such areas translates into rapid population growth. The survival of formerly vulnerable populations and the inevitable increase in the median age of the population is usually accompanied by lower fertility rates: a combination of factors that lead to older populations. Although it has been a matter of public record for nearly 20 years that this new social dynamic is an approaching certainty in Africa, there seem to be few who are listening. As noted in the AU-HelpAge International collaboration:

> "[In Africa] Over the next 30 years (2000-2030) the population of older people will more than double in many countries...the majority of people in Africa will thus grow older and will, in all probability, live longer than previous generations....This increase in the number of older people provides a challenge for the continent as a whole, as well as for individual countries."

Such demographic transition has been seen in every developed, industrial nation during the last 60 years. Failing to respond to this dynamic would threaten

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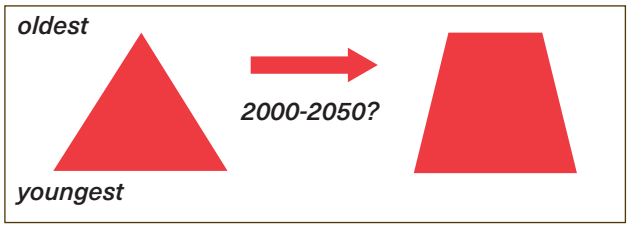
sustained economic growth and even political stability among the most affluent nations. Responding well, however, can catapult a nation to a level of human development and improved quality of life that is indeed rare in Africa today. In addition, entrepreneurs who can see what is happening will recognise opportunities that will take advantage of a new population reality. Ageing populations will demand new and different institutions and services. Such responses do not materialise into programmes and institutions without anticipation, planning and investment. This need not be a crisis, unless the public and private sectors of the developing nations in Africa wait to respond. This absolutely applies to Ghana.

One person's crisis is often recognised as another person's opportunity. In every demographic transition, we have seen economies shift from resource exploitation, to manufacturing, to service-based economies. Such transitions characterised the industrialised nations who now have outsourced large proportions of manufacturing enterprise to developing nations where lower labour expenses produce larger profits for the investors. Meanwhile within these same nations, where manufacturing was once the essential core of the economy, we have observed services to become the centrepiece of economic activity, employment and opportunity. Shifting from manufacturing to service often creates problems for workers whose lives cannot manage the change in skills and can lead to lower incomes if not accompanied by new training, education and expectations. But for those who understand the transition, investing in services ranging from health care, nutrition, transportation, housing, tourism and recreation can position entrepreneurs in very competitive places in the emerging economies.

A graphic will be instructive to visualise what is about to happen. In the most abstract sense the demographic situation will resemble the following:



The traditional population pyramid with a very large percentage of the population under 15 years of age with a small percentage surviving to old age will be transformed to a near-rectangle with a much larger percentage of the population surviving to old age and a much smaller percentage under 15. All African populations today look very much like the traditional population pyramid. Those populations most likely to enjoy economic and human development progress will become more like the figure on the right, with a proportionately larger population in older ages and reduced dominance of the youngest ages. In some places – particularly where civil wars, internal economic migration, or disease have ravaged the 16-55-year-old age groups – the population can look more like an hour glass, ⧖ with dependent populations in old age and young and a relatively small labour force in the most productive age groups. Rarely will the demographics reflect equal proportions of male and female; normally there will be more females surviving into old age than males.

Rural areas will emerge with different demographic patterns than the urban areas, especially in mega-cities such as Greater Accra. Rural areas may resemble areas where violence and war or disease have reduced the populations aged 18-50, leaving an hourglass population that has large elderly and young dependent populations with few wage earning and able-bodied adults to do the work.

Urban concentrations will be characterised by young populations, high unemployment and inadequate education, health care, transportation or housing while rural places will have concentrations of the very young who are being raised by the very old. If this becomes the permanent situation in Ghana then it will result from the nation's failure to respond now to a future condition that is predictable and well-documented. It is not too late to change this scenario to a more positive outcome. Ghana, in particular, has time to anticipate and prepare for the changes that will come. A successful response should include both public and private sectors and it will need to begin soon.

I would like to share some highlights of the relevant literature dealing with demographics and ageing in Africa. Because industrial, economic and public health development have not progressed in Africa on the same timeline as in North America or Europe, Africa is not ageing at the same rate as most developed nations. At the global level Africa represents a population base that could become a relatively young labour force. Not only does this give Africa some breathing room to get ready for the challenges associated with an ageing population, it means that industries and economic interests, worldwide, could look to African nations to provide labour that is becoming less abundantly available elsewhere.

Second, African nations need not reinvent the wheel to develop methods, strategies, and programmes for ageing populations. There are working models to emulate from many nations where there have been many years of infrastructure and social development for an ageing

society. Japan, Germany, Canada and others already have a major proportion of their population over the age of 65, with well-developed infrastructures. Over 50 years ago, these countries recognised this issue as important and it has become a reality today. Because these demographic changes will come about in Africa faster than in most other places, it is fortunate that it is not necessary to invent all potential social and political responses. In other places in the developed world, some countries are getting caught unprepared with poorly defined or developed infrastructures or unrecognised opportunities. The inevitability of an ageing society resulting from improved human development should be a clarion call for action throughout Africa.

Therefore, African countries, such as Ghana, have an opportunity to make preparations in areas such as housing, health care, transportation, age-friendly and barrier free access in commercial places, a specialised labour force, nutrition, and institutions such as hospitals, long-term care facilities, memory care facilities, senior accommodations, and how to invigorate and reimagine the ageing population as a resource instead of a problem. Old stereotypes of how families 'take care of their own' need to be addressed because mobile populations, smaller family size, and the sheer number of elderly people will make such assumptions invalid for many people who operate within the middle class, with multiple wage earners and careers, in nuclear family homes. The need for Ghana to recognise the problems and opportunities is now, while there is still time to do the research and development that must precede change. However, time is short and it does not take much examination of the current state of affairs to know that there is little intentional development for an ageing society today.

Issues of specific importance

- **The cumulative burden of chronicity** – the health care and health economics cost of medical and public health success – is the internationally calculated indicator of the adult health status of any nation. As longevity increases and the traditional, acute illnesses and other causes of morbidity and mortality are reduced, the overwhelming direction of formal health services shifts to chronic diseases. The health care load that results is good news for the people who are having longer and more productive lives. But this can translate into bad news for economic planners who failed to anticipate the shift and its significant implications for infrastructures, medical personnel and facilities, family support systems, housing, and all the other points that were raised earlier in this discussion.

- **The near-old, working poor** (50-64-year-olds), especially the pensioners and those near retirement age, in a nation where pensions are a very small percentage of former income create a potentially vulnerable subpopulation. Prior to retirement it is very difficult in Ghana and similar nations to consolidate debt, retire mortgages, and reach fiscal security for most people. The emerging middle class rarely has sufficient surplus income for adequate savings or investments to sustain them throughout their retirement years. Fixed retirement ages, such as 60 in the Ghanaian public sector, creates large numbers of seasoned workers who are suddenly out of work, anticipating a long post-retirement life, and unable to sustain the quality of life that they had prior to retirement. For some civil servants, the majority of the current middle class, this can be devastating. It is clearly a cause for concern. Widows and surviving dependents of pensioners often loose the pension income and must either rely on the charity of family members or find a new means of support. The 'near-old' designation implies that these subpopulations do not yet suffer from the expected physical limitations of old age, yet they are often unable to support themselves and the larger community can perceive them to be threats to the employment of younger people.

- **The commodification of ageing** is when the longevity of chronically, medical-dependent people creates a market. Most clearly seen in the medical and health care sector, this guaranteed market can be served ethically, or exploited ruthlessly by industries such as local chemists, large pharmaceutical industries and medical or home health care equipment suppliers. Ageing is not a disease. Older persons may, or may not be more susceptible to chronic diseases than younger people; there is no essential physical definition of an aged person. Yet when 'aged' or 'disabled' as classification terms are attached to other goods, services and products the costs frequently increase. This is a process that is accelerated when third party payers, such as disability insurance, are involved. Over-the-counter prices are notoriously inflated when the recipient's insurance, rather than the recipient pays the bills.

- There are very significant **diaspora issues** that face ageing populations throughout Africa. When educated adults who have emigrated to other parts of the world for professional or economic purposes face the reality of having parents and elderly dependents back home it is unreasonable to expect most of them to return to

become traditional caretakers of the old and frail. But financial support in the form of remittances is no replacement for on-site supervision of care, daily challenges associated with physical frailty, memory loss or illness, and the expectations of both the dependents, the extended family, and the émigrés are frequently poorly expressed or misunderstood. While it might be true that the émigrés have greater resources than the family members who have been left behind, it is also true that their cost of living can be very much greater than the family back home can understand; this leads to resentment and family conflict. It is also an informal system that cannot be expected to sustain large proportions of the population for extended periods of time.

- **Smaller family sizes** are observed as a positive consequence to economic development. But if the care and keeping of the frail and very old is expected to fall on the backs of the family, then smaller numbers of children will also reduce availability of traditional domestic/family caregivers. Having large numbers of children might have been a sound economic strategy in the past, but it is a formula for poverty today. This does mean, however, that family resources can be relatively greater, per person, with smaller family units and should ultimately lead to greater investment and personal savings for retirement. The family cannot be expected to do the heavy lifting for elderly and frail dependents if two-income households become essential components of the economy. A service industry revolution must accompany the ageing of the population; this should suggest many entrepreneurial opportunities for new kinds of businesses, industries and public policies.

- **The post-WW II Baby Boomers** are not yet old enough, or chronically sick enough, to inform us of the currently ageing generation's health care needs such as long-term care. There is some evidence that better education, sanitation, nutrition and economic opportunities will be associated with longer lives for the Boomers. However, analogies between Ghana's 55-70-year-olds with similar populations in large industrialised populations would certainly be risky. We will not know what this generation-specific burden will be for another five to ten years in Ghana. Of this population, however, it is clear that a broader world view, social media and an acute awareness of the rest of the world may increase demands for services and programmes designed for the elderly that have never been widely available in Ghana before. There is every reason to believe that this age group will include large numbers of poorly supported, retired civil servants who may not be as passive or docile regarding infrastructure limitations as previous generations. The availability and acceptability of health care resources for the Boomers will be a major concern of the near future; entrepreneurs have time to get ready for what could be a big market.

- Even a casual visitor to Ghana will see the fundamental inadequacy of all **infrastructures** for an ageing population. If that visitor lives in a well-developed nation, such as Sweden or Canada where ageing has been a recognised target for public and private development for many years, then the anaemic state of readiness for ageing residents in all essential domains of housing, health care, transportation, public service accessibility and social supports in African nations becomes obvious. There is unacceptable public transportation throughout metropolitan areas and virtually none in rural areas. There is a paucity of barrier-free living spaces; most houses have inappropriate multi-floor designs, hard and smooth flooring that invites falls by the infirm, or housing that seems to breed steep staircases. There is no supportive housing for memory or personal care dependencies and institutional long-term care facilities for people who need such care don't exist. All of Ghana's hospitals are designed for acute care, episodic services, not for chronic disease management. There are few – if any – trained geriatric physicians, nurses, social workers, or age-sensitive professionals in finance, banking, nutrition, or other essential areas. While each of these current deficiencies in readiness for a clear and obvious market can be taken as failures, it is also true that each provides an opportunity for someone to respond to the call and gear up to provide such services, personnel and creative design solutions for the future. Sooner will be better than later, both to respond to social needs and for purposes of entrepreneurial success.

- **The migration of working aged Ghanaians to cities** to chase the myth of economic opportunity is a very serious problem that has to be dealt with in its own right. However, areas that have been left – the vast majority of Ghana's landmass – are areas where ageing populations struggle without the labour force needed to tend the crops, repair the dwellings, or in any way to prosper. Rural health care services are largely ceded to mission-based hospitals and clinics, and therefore dependent on international charity. Such programmes tend to focus on traditional charitable themes, especially maternal and child health, immunisation

projects, and the very slow development of potable water and sanitation. Throughout rural Ghana all of these areas need basic improvement. In the medical sector the shortages of all levels of skilled personnel for rural Ghanaians is better described as a void. But what personnel are in greatest shortage when the population has little experience with ongoing medical care for chronic medical problems? Medical care for the elderly should emphasise primary care and the need for nursing, medical, and technical geriatric specialists in rural locations. Associated with this it is important to realise that proximity to care is critical for the management of chronic illness. Age-friendly transportation becomes as much of a hindrance to getting medical care as medical direct costs for clinical services or drugs. In some places the private sector has stepped in to provide services that have traditionally been offered only in hospitals or clinics. Private chemists and pharmacist could offer immunisation, blood tests for a wide range of chronic conditions, geriatric equipment and appliances, and referral services. This is an opportunity for the business community. Telemedicine development could address some of these deficiencies as well, by linking service providers and patients or families on the internet for disease management and monitoring.

Finally, this brief discussion is not designed to be an exhaustive litany of Ghana's development needs for a future population demand as much as to stimulate creative and entrepreneurial thinking that can both solve problems and respond to opportunities before circumstances become crises. There will be a need for substantial social education and rethinking public policy and business priorities to respond adequately to an ageing Ghanaian population. It will be important to make the economic status of communities more evenly matched among regions, cities, towns and cities. The widespread distribution of the elderly will require Ghana to address the cruel disparities of the 'haves' and 'have-nots' and to aim at decency and adequacy of care for the oldest members of the society. Just as there is a fundamental change in the nation's demographics, there will be a need for public health and economic education to raise the consciousness and acceptability of broad social change that will affect all age groups and family systems.

There are remarkable opportunities for social and business entrepreneurial responses in Ghana that could give age-sensitive status to this nation. Ghana has, in the past, claimed credit for freedom, independence and human development. The ageing of society, in my opinion, is a chance for Ghana to demonstrate a leadership role among African nations. To the students of Ashesi, it is important to realise that doing good does not need mean that you, yourself, become poor in the process. NGO investment is not the only way to effect change for good. Public-private/for-profit and non-profit partnerships are essential for social development, a balance of power and a vibrant economy. I trust that Ashesi's community of scholars is up to the task.

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