

The Doubling Elderly: Challenges of Mozambique's Ageing Population

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INTRODUCTION

The majority of Mozambicans who are born today still has a very reduced chance to live a healthy and long life, compared to the citizens in developed countries. The average life expectancy at birth for a Mozambican is around 50 years, which is only 60 per cent of the Japanese life expectancy (83 years) and 72 per cent of the average global level (68 years). According to the National Statistics Institute (INE), it will take 30 years for Mozambique to reach the same life expectancy level as the present world average (INE 2010, p.41; UN 2011).

This research note coincides with the International Population Day, celebrated by United Nations (UN) on July 11th. IESE intends to use this opportunity to highlight some important aspects about the characteristics, dynamics, and development perspectives and challenges of the Mozambican population. This article is inspired by, and part of, a broader debate by IESE's Research Group on Poverty and Social Protection, with particular reference to the recent work published on population ageing, employment and social protection (Ibraimo 2012; Sugahara & Francisco 2011; Sugahara & Francisco 2012).

UNPRECEDENTED CHANGES AHEAD: FROM 5 TO 12 PER CENT

Although the Mozambican age structure is still very young (which is typical for a developing nation), part of the population does survive into old age. According to the projections of INE, the median age of the population is around 17 years in 2012; and the population with 18 years and more represents 52 per cent of the total population, of which 4.6 per cent is above 60 years of age. Figure 1 illustrates the evolution of the Old-Age Dependency Rate (OADR) in Mozambique between 1975 and 2070. The OADR displays the relationship between the proportion of the elderly

population, often considered economically inactive, and the working population between 14 and 65 years old¹(INE 2010).

While it is true that the percentage of elderly people, only five per cent, is still relatively low compared to other age groups, it is no less true that this population group already counts more than one million. This number is too large to ignore, especially when the Mozambican formal social protection systems (both the compulsory and complementary basic social protection), have proven incapable of coping with and assisting all the elderly people in need of such assistance.

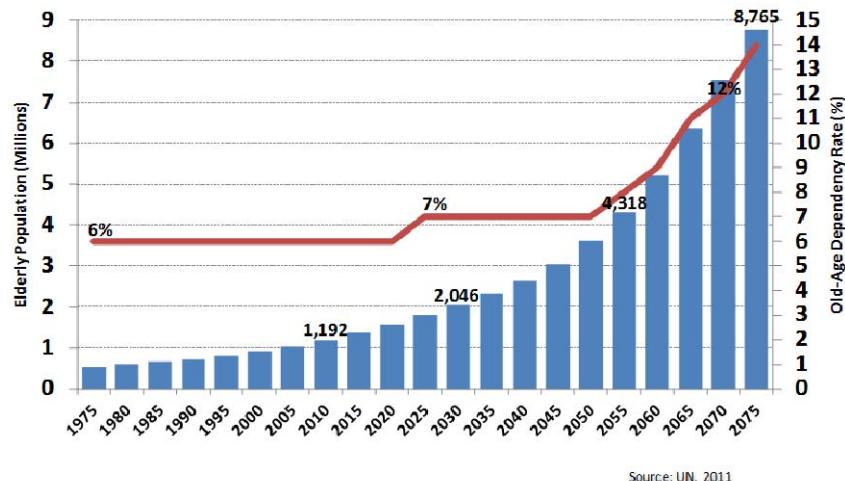
But going back to the Mozambican born, say, the current year; today we are faced with an unprecedented fact in the history of Mozambique. Those who are born in 2012 and are lucky enough to be part of the restricted group that will survive until old age will, when they reach the age of 60, be part of an elderly population that has doubled compared to today's level. That is, around the year 2072 (60 years from now), the

elderly population will represent about 12 per cent of the total population². In the next half century the elderly population in Mozambique will increase from just over a million people to about nine million in the 2070s (Figure 1). A change in the age-structure of the population from a bit above five per cent of the elderly people to more than 12 per cent when a child who is born today completes 60 years, represents an unprecedented demographic transformation in the history of Mozambique. Today's young people, the elderly of tomorrow, are generally unaware of what awaits them in the future. But to what extent are today's adults and elderly doing enough to ensure a better future for their descendants?

Mozambique in a Regional Context

Recent studies published by IESE have highlighted the incipient nature of the demographic transition in Mozambique. That is, the transition away from an old demographic regime, characterized by high birth and mortality rates and slow population growth (Francisco 2011). However,

Figure 1: Elderly Population and Old-Age Dependency Rate, Mozambique 1975- 2075



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¹ Conventional indicators of economically active and inactive population allow international comparisons, but for particular cases such as Mozambique they fail by neglecting the involvement of a significant group of children and elderly in the workforce.

²This demographic change would be even more significant if we used the official classification of the elderly population in Mozambique, for women 55 +, and 60 + for men (Conselho de Ministros 2002). However, to facilitate international comparison, we will use the classification of elderly as people aged 60 and more years old.

assuming that the current transition keeps on in a slow pace in future decades, as the facts in this research note indicate, the age structure and composition of the population will change significantly.

Figure 2 highlights the expected number of years required for the elderly population to increase its proportion over time and how this change compares to some neighbouring countries. It took more than 70 years (period not represented in this figure) for the proportion of people with 60 years and more to surpass 5 per cent of the total population. However, after that, a more rapid acceleration is expected: It will take about 20 years to reach six per cent; 10 years to reach seven per cent; and only five years to reach eight per cent. That is, during the next half-century the share of elderly in the population will grow exponentially. This fact is consistent with the successive doubling of the elderly population, as shown in Figure 1. For more information about the importance of the exponential function and the doubling of the Mozambican total population, see Francisco (2012).

Figure 2 also allows us to observe changes in Mozambique in comparison with some neighbouring countries. South Africa, Zimbabwe and Swaziland have registered more rapid changes than Mozambique. This is particularly true for South Africa, which is more accelerated in the process of demographic transition, urbanization and economic growth. By 2070, the portion of elderly people in South Africa is expected to reach 21 percent, corresponding to the current level in developed countries.

In short, even when predicting that this process of change occurs slowly (this is in a human and individual perspective, because from an evolutionary point of view this sort of change is very fast), it becomes clear that even in Mozambique, the population ageing process is not as far away as people may imagine. In the context of the southern Africa Mozambique already has the third largest contingent of elderly people (Sugahara & Francisco 2011).

Doubling Challenges: Prevention is better

than cure

What kind of policies should be adopted to ensure that Mozambique really benefits from the population doubling? If the majority of the elderly lacks a comfortable, dignifying life and is forced to work to ensure its livelihoods, what will happen in half a century, when the elderly count nine million? In the particular context of Mozambique, the challenges posed by population ageing are intertwined with the overall challenges the country, but as we have argued both challenges are fully compatible. There is however a big risk that the elderly population will become more and more voiceless and under-represented; this may happen if we fail to grab the opportunity we referred in our article from 2011, and if Mozambique falls in the trap of repeating mistakes made by richer countries, but now in a more adverse context. In Europe, the OADR is becoming the indicator that most worries economists because of the pressure it exerts on the economically active population. This is not the case in Mozambique, because the OADR is still low and, contrary to most developed countries, the majority of elderly Mozambicans (more than 80%) continues to work in old age and survives without any support from public social security (Vos et al. 2009: 90). The conversion of elderly in "dependents" implies that formal financial mechanisms exist. In Mozambique, at present the financial systems, both formal and informal, provide access to less than 25 percent of the adult population (Vletter et al. 2009). Less than five percent of the over 12 million people that are conventionally classified as economically active have access to any kind of formal social protection, contributory or non-contributory (Francisco et al. 2011, p.308). We still cannot predict what will happen to the Mozambican economy over the next 25, 45 or 65 years. The fact that Mozambique has significant reserves of valuable natural resources (and this has been known for decades, even if recently new discoveries indicate that the potential is much larger than previously thought) has not been enough to change the conditions of extreme misery and poverty which affects the majority of

the population. Up until now the Mozambican population has only been able to use these natural riches to guarantee a precarious subsistence.

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Figure 2: Percentage aged 60 or over - Selected Countries

