

Growing Old Gracefully: How can the G7 Mitigate the Effects of its Ageing Populations?

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Executive Summary

With more people now aged over 65 than under 15 [across the G7 nations](#), the major economies in the West face a unique challenge. The task of filling the gap left by seniors as they leave the workforce, coupled with the decreased ability for an older generation to find new jobs in the age of automation, means the G7 is facing nothing short of a crisis. This policy brief explores how the 44th G7 Summit in Charlevoix handled the topic of population ageing. It provides a background to the [demographic time bomb](#) in the West and discusses why ageing populations are a problem specifically relevant to the G7. It also notes how the issue of an ageing population has been discussed at previous summits, paying particular attention to the 2016 Ise-Shima Summit in Japan at which the topic featured heavily within the context of

health. Finally it will turn to this year's summit and how Canadian Prime Minister Justin Trudeau grappled with the topic in both the lead up to Charlevoix and at the final summit.

Background

The dilemma of ageing populations presents a multitude of problems across the G7 states. The economic effects of having a large gap in the workforce as seniors leave will be worsened by the need to pay state pensions to a growing number of people. In the UK, the state pension age has rapidly increased in the last ten years and current predictions suggest [most Britons will retire in their 70s](#), if they can [retire at all](#).

Furthermore, the rise of automation poses a risk for the older generation's ability to thrive in the jobs of the future. At the moment, there are about 9 million workers in the US aged 65 and

over – this figure is [expected to triple by 2050](#). Many of these will be unable to live off their pension alone and will struggle to adapt to the so-called [fourth industrial revolution](#). Therefore, there is a real risk of a new, jobless generation emerging. Coupled with increased healthcare costs to the state, governments are likely to face huge pressure on budgets in future years.

The G7 countries are all [uniquely linked](#) by this crisis. While the problem itself does not necessarily need to be dealt with on the international stage, there is certainly an element of collaboration that makes it useful for countries to discuss it within the setting of the G7. In particular, the [soft power influence](#) of the G7 makes it more likely for the topic to be raised nationally once the agenda has been set at the international level. As [John Beard and David Bloom note](#), evidence suggests that many of the challenges associated with population ageing can be addressed by changes in policy. Yet, to date, the debate on how best to achieve this

transformation has been very narrow in scope. The G7 has the ability to take the lead in driving this debate and ensure a wealth of opinion and experience is expressed in the process.

Previous Summits

The first major reference to ageing populations at the G7 summit was in [Toronto in 1988](#), where it featured in a half-day discussion on economic issues. Evidently, the late 1980s were when concerns surrounding an ageing population first entered both the [political](#) and [academic agenda](#). Since then, frequent concerns have been raised regarding how the G7 intends to deal with its elderly without any real solutions emerging. The 2017 Taormina Communiqué discussed the [‘specific attention’](#) that needs to be paid to older workers, but did not go any deeper.

To date, the only worthwhile discussion on the topic was at the G7 Health Ministers’ meeting in Kobe in 2016, where it was framed within a larger discussion surrounding global

health. Evidently its prevalence at this summit was due to Japan's [own population crisis](#); people over the age of 65 make up 40% of its population and this top-heavy demographic creates huge challenges for government and the economy. [The Health Ministers' meeting](#) discussed the need for continued research to manage the well-being of ageing populations worldwide. Specifically, Japan committed to sharing its own knowledge and experiences in addressing population ageing with the other G7 nations. [Professor Nanako Tamiya observes](#) that the Japanese government supplements its national pension plan with 'one of the most generous long-term-care systems in the world in terms of coverage and benefits', making Japan an excellent leader in sharing its own experiences.

The 2016 Ministers' meeting also featured a comprehensive discussion surrounding dementia and dementia research, alongside the necessity for a global movement towards finding a cure. This reflects Prime Minister Abe Shinzo's commitment to the so-called

'Abenomics' revival program with an emphasis on new medical technologies, [including experimental regenerative medicine and cell therapy](#). The hope is that by commercialising technologies more quickly, the Japanese government can save money on future health care costs while spurring the creation of a valuable new industry. Therefore its G7 Presidency allowed the Japanese government to showcase its work to a selection of the world's most influential leaders while making a valuable argument in favour of investing in the elderly.

The 2018 Charlevoix Summit

In the lead up to the 2018 G7 summit in Charlevoix the themes of '[Preparing for Jobs of the Future](#)' and '[Investing in Growth that Works for Everyone](#)' made it clear that the summit would frame the issue of ageing population through a wider discussion on employability and investment. The [Ministerial briefs](#) discussed the need to close generational differences and ensure members of disadvantaged groups are able to realise their potential and

contribute fully to the economy. [The Charlevoix Common Vision for the Future of Artificial Intelligence](#) – released on the final day of the summit – also had an optimistic focus on ‘empowering the elderly’, ‘supporting lifelong learning and education’ and promoting labour market policies for ‘those at risk of being left out’.

However, it was the report on [Achieving Growth that Works for Everyone](#) that pays particular attention to creating an economic environment that supports an ageing population. It notes that while unemployment rates are at or near multi-decade lows in a number of G7 countries, access to good, well-paying jobs remains unattainable for older workers. However, it boldly states that solutions ‘lie within our reach’. It also suggests that the G7 countries can ensure that citizens have the tools they need to succeed in the jobs of today and tomorrow, but only if they invest in a wide range of educational and training opportunities including vocational learning and apprenticeships, and various forms of college and university

learning. It concludes that ‘closing gaps in access to learning among under-represented groups is vital for promoting a real and fair chance at success for all’. It was enthusing to see education and investment discussed within the context of an ageing population, as generally these discussions are only made in relation to the young.

In the [final communiqué](#), the discussion on population ageing was largely relegated beneath the issue of gender equality, which dominated most of the summit. However, ageing populations are an inherently female problem. In 2013, the UN announced that [the global sex ratio](#) was 85 men per 100 women in the age group 60 years or over, and only 62 men per 100 women in the age group 80 years over. Across the G7 countries, women are [substantially more likely](#) than men to be widowed, to live longer, to live in poor health, to deal with financial problems or live in poverty and are usually more vulnerable to discrimination. By investing in women, the G7 countries are also investing in

the vast majority of their older population. While this link should have been more explicit, the inherent connotations suggest that the global crisis is finally being dealt with.

Conclusion

Overall, the G7 approach to an ageing population has been more radical this year than in previous years. While there are few actual promises to which the leaders can be held accountable, there is certainly the general recognition of the urgency needed to deal with the global crisis. Although the topic was discussed more thoroughly in the context of health at the 2016

Health Ministers' meeting in Kobe, the inclusion of older people in the discussion surrounding jobs of the future was clearly positive. However, as with many of the issues discussed at the G7, it would have been more encouraging to see actual promises being made or policies planned. Nevertheless, one should not underestimate the soft power of the G7, and at the very least the topic remains as relevant now as ever.

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