

Ageing population and the development of Hong Kong

An ageing population refers to the phenomenon where the ratio of middle-aged and elderly residents to the total population is increasing. Hong Kong has an ageing population because there is a good healthcare system and a low birth rate. The following demonstration discusses the possible challenges to Hong Kong brought by an ageing population. Also, some examples are applied to enrich students' understanding of this typical issue.

Focus What challenges will an ageing population pose to Hong Kong?

Argument	Explanation	Example
<p>① Increasing social burden</p>	<p>Population ageing refers to the growing proportion of elderly in a place, leading to a fall in social productivity. Some of the elderly might need to rely on social welfare for a living. Thus, an ageing population constitutes a great burden on both the government and people in the labour force.</p>	<p>1. A higher age dependency ratio: Due to the shrinking ratio of the labour force to the elderly population, the labour force will bear a greater burden in the future. According to population projections, Hong Kong's labour force will drop from 58.8% in 2012 to 49.5% in 2041. The age dependency ratio will rise accordingly, from every 1,000 working-age people supporting 355 dependents in 2012, to every 1,000 working-age people supporting 712 dependents in 2041. Those in the labour force will face greater pressure.</p> <p>2. Problem of elderly living alone: Elderly living alone is the problem derived from ageing population. A social worker said apart from financial problems, the elderly also suffer from emotional problems as they live alone and have a narrow social network. Therefore, they easily suffer from depression or even commit suicide in serious cases.</p>
<p>② Weakening city competitiveness</p>	<p>Hong Kong is becoming an ageing society in which the labour force is shrinking while the dependency rate for the labour force rises. Meanwhile, the government has to allocate more resources to meet the needs of the elderly population, which takes away resources for the development of local industries. Some corporations might even relocate elsewhere because of the shrinking labour force. Hong Kong's economic development may face a slow-down.</p>	<p>Shortage of labour: According to the population projections of the Census and Statistics Department, the labour force will begin to decrease in 2018. In 2041, for nearly every three people, there will be one elderly person who is 65 years old or above. A smaller labour force will slow down economic growth, substantially weakening Hong Kong's competitiveness.</p>
<p>③ Changing social demands</p>	<p>As population ageing aggregates, political groups will ask the government to improve welfare services for the elderly.</p>	<p>Implementing retirement protection: Many organizations have demanded the government for more social security for the elderly population, such as implementing 'comprehensive retirement protection' and 'universal retirement protection', so that the elderly need not worry about their retirement.</p>

Focus Analysis Challenges → Making Suggestions

Focus For each challenge brought by the ageing population, suggest and explain a measure to deal with it.

Measure	Target problem	How the measure tackles the challenge
Improving the healthcare system	Pressure on the healthcare system	<ul style="list-style-type: none"> The government has adequate financial reserve to allocate extra resources to healthcare. In the financial year of 2015, the government allocated HKD49 billion of recurrent spending to the Hospital Authority, which is 50% more than five years ago. To meet the long-term needs for medical services, the government had started multiple hospital projects, including the first phase of the acute general hospital in the Kai Tak Development Area, Tin Shui Wai Hospital, the redevelopment of Kwong Wah Hospital and Queen Mary Hospital.
Encouraging birth	A rising age dependency ratio	<ul style="list-style-type: none"> Encouraging people to give birth can serve a means to alleviate the financial burden on the next generation caused by old age dependency. The government will review the salary tax allowance for those with elderly parents and study the possibility of implementing 15-year free education, so as to help those who want to set up their own families and have children. The government also strives to create an environment favourable to people who want to have children by carrying out family-friendly measures, such as part-time work, flexible working hours, and additional annual leave and maternity leave, and by strengthening childcare and after-school support. A higher birth rate will strengthen the labour force in the long run and reduce the age dependency ratio.
Raising retirement age	Insufficient labour	<ul style="list-style-type: none"> The government extends the retirement age of civil servants to set an example for other employers and encourage them to hire the elderly to maintain the workforce. In mid-2015, the government formulated flexible measures regarding the year of service of currently employed civil servants to allow the government to flexibly recruit for different departments according to the respective need of each, and to raise the retirement age of newly recruited clerical civil servants to 65 and that of disciplined services to 60.
Importing foreign talents	Weakened city competitiveness	<ul style="list-style-type: none"> The government loosens the arrangement of stay in the General Employment Policy, Admission Scheme for Mainland Talents and Professionals and Qualify Migrant Admission Scheme to encourage talents and entrepreneurs to come and stay in Hong Kong. The Admission Scheme for Mainland Talents and Professionals is also applicable to talents in art, culture and sports. For example, pianists Lang Lang and Yundi Li have entered Hong Kong through the scheme, which shows that it can boost the competitiveness of Hong Kong.
Encouraging active retirement	Distribution of social resources	<ul style="list-style-type: none"> The government develops life sciences to provide support for the elderly and develop products for the silver hair market to increase revenue and reduce the financial pressure on society to maintain elderly resources, such as safety bell, PE-link and ezhome. These technologies help to protect the health of the elderly and create business opportunities to generate economic returns. The Elder Academy project is implemented to enrich the elderly's retirement life and allow them to give back to society. Currently, 106 Elder Academies have been established in primary and secondary schools and tertiary institutions in Hong Kong to encourage life-long learning among the elderly.
Providing retirement protection	Social demand	<ul style="list-style-type: none"> The government raises the social allowance to increase the standard of living of the elderly in response to social demand. For example, from 2014 to 2015, recurrent spending earmarked for elderly services was over HKD6.2 billion, 15% higher than the last financial year. In addition, the government provides an old age living allowance for elderly aged 70 or above of HKD1,235 each month and increased the amount of health care voucher to HKD2,000 per year.

Students can add relevant examples from recent years to the two 'Example' columns. They can also include their own arguments to discuss this issue more comprehensively.