

[Longevity: The demographic disruptor](#)

What we need to understand about demographic change in South Africa

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WE NEED TO TALK: AGEING IN SOUTH AFRICA

Economic upliftment will affect the long-term care of South Africa's ageing population

As we pointed out in *Benefits Barometer 2016*: ['Benefits models fit for South Africa'](#) last year, South Africa doesn't have an age problem, it has a youth problem. But the topic of ageing in Africa allows us to examine some of the complex issues we need to grapple with as South Africa teeters between being a developing and a developed nation.

If policy is going to meaningfully lead change, not just clean up after change has occurred, we need to look beyond the 'milestones of ageing' – retirement and death – to understand how we age over the years. We must examine how the dynamic of ageing is unfolding in the lives of South Africans and within cultures that are in transition.

Here is what you probably know

The culture of traditional burials The headline in the Financial Mail says it all: 'Grim Reaping'. In South Africa, death is a R9 billion-a-year business¹. Nearly a third of our population (18.9 million people) owns some form of funeral cover². The number-one financial product pick for many South Africans is funeral policies³. The explanation for this is that funerals are an important custom in many South African cultures. But culture has a certain transience to it. It evolves as geopolitical and socio-economic influences quietly shift its foundations. The fairly recent introduction of the 'after-tears' celebration, with its additional costs, confirms just how fluid (and commercial) cultural burial 'traditions' are becoming.

The 'retirement experience'

The other 'big business' for addressing ageing is retirement funds. Retirement savings in South Africa currently amount to R4.4 trillion, an accumulation of assets that could only have been reached because of policymakers' insistence that if an employer does offer a retirement fund (or funds) to employees, it is mandatory for all employees to participate in the fund.

Glossy brochures of silver-haired couples strolling on beaches or walking down country lanes imply a lifestyle we could have if we simply kept our retirement savings invested over the full course of our working lives. This obsession with the 'retirement experience' may also be cultural, but it's decidedly more of a developed-world phenomenon, which may explain why it's not given more serious attention by savers on this continent.

The reality beyond the milestones

Somewhere in between these two stylised worlds lies a much starker reality that has not received enough airtime. Between retirement and death is a process of ageing that demands a variable support system. The problem is that support system may well be on the cusp of change. In light of demographic changes, it may be either absent or ill-equipped to deal with the complex financial questions that we face. This is what this chapter will explore.

Here is what we haven't talked about enough

How has our experience with ageing fundamentally changed?

At the close of the Second World War, the United Nations released its Universal Declaration of Human Rights. The leading nations of the world declared that 'the right to life' should be one of civilisation's most cherished values. What the declaration was a bit less clear on, though, was: *a right to life for how long?* Modern medicine held out a promise of near miracles. Would a 150-year life not be well within our grasp in another few decades? Perhaps our reality will turn out to be something slightly more prosaic.

As Yuval Noah Harari points out in his riveting narrative, *Homo Deus*: “In truth, so far medicine hasn’t extended our natural life span by a single year. Its great achievement has been to save us from premature death, and allow us to enjoy the full measure of our years⁴.”

For most of our 100 000 years of existence the average lifespan of human beings has been 30 years⁵. The notion that we could use medical technology to tinker with our own mortality is really only a few decades old⁶. Go back to a US of 1790 and you will find that people over 65 represented less than 2% of the population. Today, 14% of the population of the US is over 65⁷.

Our increasing longevity is owed to far more than just a great leap forward in medical science, though. Running parallel to the explosion in medical insights was a social process that led to better sanitation, cleaner water, fewer toxic substances, and adequate housing. Towards the end of the last century there was also a powerful educational push on the role diet and exercise played in making our bodies more physically resilient to sickness and ageing.

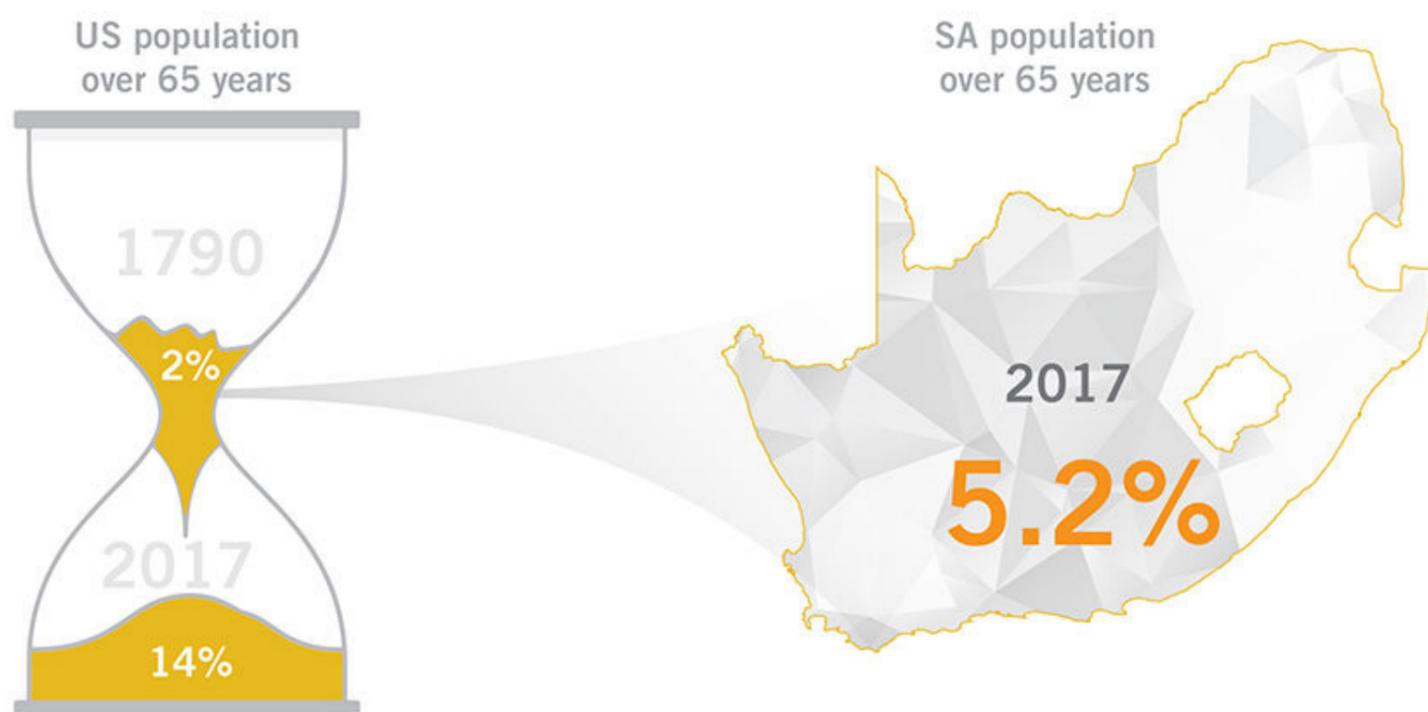
These developments did more than just extend our time on earth. They also fundamentally changed what it would be that we would die from. It was not the Four Horsemen of the Apocalypse – war, famine, conquest and pestilence – that would determine our fate. Now, thanks to modern science, we will more likely die from our body simply wearing out or from the abuse we have inflicted on it ourselves (those non-communicable lifestyle diseases, such as obesity, that we talked about at length in *Benefits Barometer 2016*: '[Benefits models fit for South Africa](#)').

Harari’s eloquent history lesson reminds us just how real this fact has become when he states: “For the first time in history, more people die today from eating too much than from eating too little; more people die from old age than infectious diseases; and more people commit suicide than are killed by soldiers, terrorists and criminals combined. In the early 21st century, the average human being is far more likely to die from bingeing at McDonald’s than from drought, Ebola or an al-Qaeda attack⁸.”

To what extent has South Africa followed a similar path? In the next section we examine where Africa stands with regard to the shifting sands of ageing.

EXTENDED LIFESPAN

Population over 65 as percentage of total population



Source: Gawande (2015) Source: Stats SA, 2015

References

- 1 The estimated size of the South African funeral market (excluding insurance).
- 2 'Inside South Africa's unscrupulous business of death', *Financial Mail*, April 27-May 3, 2017. p. 20.
- 3 *Benefits Barometer 2016*
- 4 Harari, YN. 2015. *Homo Deus: A Brief History of Tomorrow*. London: Harvill Secker.
- 5 Gawande, A. 2015. *Being Mortal: Illness, Medicine and What Matters in the End*. London: Profile Books, p. 32.
- 6 *Ibid.* p. 9.
- 7 *Ibid.* p. 32.
- 8 Harari (2015), p. 2.

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