

Population

Definitions

- The **birth rate** is the average number of births per 1,000 of population.
- The **death rate** is the average number of deaths per 1,000 of population.
- The **natural increase** refers to the rise in the population as a result of the number of births exceeding the number of deaths.
- The **natural decrease** refers to the fall in the population as a result of the number of deaths exceeding the number of births.
- A country is said to be **underpopulated** if a rise in the population results in a rise in income per person.
- A country is said to be **overpopulated** if a rise in the population results in a fall in income per person.
- A country has an **optimum population** if a change in population causes no change in the income per person.
- The **density of population** is the average number of people per square kilometre.
- The **infant mortality** rate is the average number of deaths a year per 1,000 live births.

- The **dependency ratio**: Age dependency ratio is the ratio of dependents--people younger than 15 or older than 64--to the working-age population--those ages 15-64. Data are shown as the proportion of dependents per 100 working-age population. The latest value for Age dependency ratio (% of working-age population) in Ireland was 49.78 as of 2011. Over the past 51 years, the value for this indicator has fluctuated between 73.52 in 1962 and 46.30 in 2005.

- **Income per capita**: GDP divided by the total population. In Ireland in 2013 this was \$45,300 USD.

- **Net migration**: Increase in population – Natural increase
- **A population census** is a count of the population

Census of Population and Recent Population Trends

A population census (count) is taken every five years by the CSO (Central Statistics Office). There was one in April 2011 and previous to that in April 2006. The foot and mouth crisis delayed the taking of the census in 2001 and it was conducted in 2002.

- **The reasons for a census/Uses of the Census for Government**
 - **Infrastructural requirements**

- It helps the government plan for the construction of future infrastructural requirements e.g. how many primary schools; hospitals etc. are required.
- **Provision of essential services**
 - It indicates where the additional services are required and what the manpower requirements are to ensure those services are provided e.g. numbers of teachers; doctors etc.
- **Pension planning**
 - The government can predict more accurately what provision it should make for pensions in the future.
- **Demographic changes / Regional policy**
 - It provides information on demographic changes nationally. On a regional basis it helps the government plan for the future needs of the regions.
- **Qualifications of workforce**
 - It provides details of the educational qualifications; levels of training attained by the workforce which can help the government plan for future developments in education and training services.
- **The reasons for a census/Uses of the Census for Business**
 - **Future levels of consumer demand**
 - Producers can predict more accurately future demand for their goods and services.
 - **Population data**
 - Detailed information on the population such as age, gender, marital status, number of children, religion etc. is provided – and so business firms have detailed information on their markets.
 - **Labour market**
 - The data can be used by business firms to determine if they can meet their future labour requirements.
- **Impact of a rise in Population**
 - **Larger domestic market**
 - With a rising population the demand for goods and services within the country grows. This may lead to increased opportunities for investment. Firms who increase output may benefit from economies of scale.
 - **Pressure on infrastructure / economic planning**
 - If the population lives in under-populated areas then services will be more fully utilised. □ Greater pressure is exerted on the current infrastructure of the country e.g. schools, hospitals, transport etc. □ An increase in population should lead to an increase in planning by both central and local authorities for future development of infrastructure/provision of services.
 - **Dependency Ratio**

- If increased numbers are in the labour force it will lower the dependency ratio and lead to increased tax revenues for the state. **or** If the increase in population is due to an increase in the birth rate then the dependency ratio will increase requiring additional state finances.
- **Government employment strategy**
 - The numbers joining the labour market may be greater than anticipated making it important for the government to prioritise the creation of employment.
- **Land values**
 - As population density increases, available land becomes scarce and hence the price of land may increase.
- **Government finances**
 - If population increase is due to increased birth rates then increased spending on services is required i.e. education, health etc. If the increase in population is due to an increased labour force then tax revenue will increase i.e. VAT, income taxes etc. If the increase in population leads to increased unemployment then government current expenditure will increase / social welfare payments.

Emigration

Push factors are those factors prevailing within their own country which cause people to leave, for example, lack of jobs, lack of promotional opportunities for those with jobs, low pay, political or religious factors.

Pull factors are those conditions in other countries which make working and living there seem attractive. Such factors include more opportunities of employment, higher rates of pay, better social life, opportunities for more training and career development, a desire to travel and to experience life in other countries.

Since famine times in the mid-nineteenth century until the early 1990s emigration has been a persistent feature of the Irish economy. People left Ireland for various reasons, including lack of employment, lack of opportunities, high taxation at home and low wages.

The economic effects of this were mainly negative and include a reduction in the population of working age (tax payers), thereby increasing the dependency ratio, decreasing the demand for goods and services, the loss to the Irish economy of skilled and talented workers (“brain drain”), many of whom were educated at the expense of the Irish taxpayer.

One positive effect of emigration is that it acted as “safety valve” - many of those relying on state social welfare emigrated, thereby reducing the burden on the taxpayer. Irish emigrants also sent money home to their families (an invisible export) and this helped boost demand for goods and service at home.

- **Push Factors Affecting Irish Emigration**
 - **Economic recession in Ireland**
 - This has resulted in increasing unemployment and with fewer available job opportunities people are emigrating / FDI is relocating to low cost economies.
 - **Wage rates in Ireland**
 - Wage rates in Ireland are falling. This means that the standard of living is declining and so people are seeking a better standard of living abroad.
 - **Rising levels of taxation in Ireland.**
 - The introduction of the various income levies / new taxes have resulted in a reduced standard of living. Those people who are mobile may seek a higher standard of living abroad.
 - **Prospects for economic recovery**
 - Some people are concerned for their future in Ireland and see their prospects as poor. They are seeking opportunities for a better lifestyle elsewhere e.g. Canada / Australia / USA.
- **Push Factors Affecting Irish Emigration**
 - **Job opportunities abroad**
 - Those people who can are emigrating to find available jobs in those countries where vacancies exist e.g. Canada; Australia.
 - **Develop skills abroad**
 - Some skilled workers, as part of their professional development, emigrate to develop their skills.
 - **Better standard of living**
 - The possibility of better pay rates, lower taxes and a better lifestyle is attracting younger people to emigration.
 - **More optimistic outlook / Existence of Irish networks abroad**
 - Some people are emigrating because the outlook abroad is more positive and the existence of Irish communities makes emigration easier.
- **Disadvantages of Emigration**
 - **Higher dependency ratio**
 - The active population is probably leaving leading to higher dependency ratio and the need for the government to finance this increasing dependent population.
 - **Opportunity costs**
 - The state loses out on its investment in the education/training of these citizens. Ireland may be educating workers for foreign countries.
 - **Loss of skills within the economy / “Brain Drain”**
 - Lose those workers / graduates who have acquired skills which are the skills needed to help the economy towards economic growth. The “brain drain” may deprive the economy of much needed skills.

- **Smaller domestic market**
 - As the domestic market contracts there may be reduced opportunities for investment by businesses / entrepreneurs.
- **Upward pressure on Irish wage levels**
 - The highly trained and skilled workers are more mobile thus they leave. To try to retain these workers firms may have to increase wage levels.
- **Advantages of Emigration**
 - **Unemployment reduced**
 - Those people who emigrate may have been unemployed if they stayed in Ireland. This reduces the strain on the government finances to fund increasing social welfare payments.
 - **Emigrants returning to Ireland**
 - Emigrants when they return may help those companies involved in tourism such as airlines, pubs etc. Emigrants may also send home finance to their families and in the long term return home with newly acquired skills.
 - **Contacts / Export opportunities**
 - The people who emigrate may be willing contacts for Irish exporters who may be anxious to find markets abroad. Irish emigrants may set up business providing jobs to new emigrants, improving skills and providing an outlet for Irish exporters e.g. O'Neill's GAA jerseys.
 - **Demand for state services**
 - With a declining population the demand for state service may decline e.g. schools, health care, transport etc
- **Advantages of Immigration**
 - **Migrants bring with them their skills and talents to the Irish workplace:**
 - This represents a “brain drain” for their home countries, however. For example, a Latvian doctor who trained and qualified in Latvia at the expense of the Latvian education system and who moves to Ireland to work is a bonus to our economy, as he/she cost the Irish taxpayer nothing to train. However the person represents a loss to the Latvian health system.
 - **Migrant workers fill positions in which there are labour shortages,**
 - e.g. the tourist industry, healthcare, IT, construction. There was a shortage of Irish people available to fill these jobs during the Celtic Tiger, so it was essential that employers can fill such vacancies with migrant workers.
 - **Migrant workers increase the demand for goods and services:**
 - Migrant workers spend some of their wages on Irish goods/services. This is good for businesses, and helps create further employment.
 - **Migrant workers pay taxes:**

- Government revenue increases as a result. The increase in the population has increased the demand for housing as demand for new homes and properties rise. The construction industry in particular benefited from this as well as people with homes to sell or rent.
- **Disadvantages of Immigration**
 - Repatriation of wages:
 - Many immigrants send money home to their families in their own countries. As a result, money leaves the Irish economy.
 - Competition with Irish people for jobs:
 - The Irish economy needed migrant workers during the Celtic Tiger period. However, now that the country is experiencing an economic recession and job losses, Irish people find it harder to get work as they compete with migrant workers.
 - Increased social welfare payments in the future:
 - Now that unemployment is rising, both Irish people and foreigners require social welfare.
 - Increased pressure on services:
 - For example, the rising population has put increased pressure on public transport.

Economic Implications of an Aging Population

- **Pressure on provision of state pensions**
 - The government must encourage individuals through tax incentives to avail of private pensions in order to reduce the pressure on the government to provide state pensions.
- **Possible increased tax burden**
 - With larger numbers of people over 65 the dependency ratio may increase, resulting in the need for higher taxes on the workforce to fund services for older people.
- **Increased government expenditure**
 - The government may spend a greater proportion of its revenue on the provision of services for the elderly such as; medical care, free transport, nursing homes.
- **Changing pattern of demand**
 - Demand for those goods and services required by older people will increase e.g. nursing homes; medication etc.
- **The participation rate falls**
 - As more people reach retirement age, the supply of labour may be affected. Some may wish to work part-time. Some may retire.
- **Reduced mobility of labour**
 - As people get older they are less like to move to a different location in search of work.

World Population

The world's population is currently over 7.2 billion. Much of the growth in the population occurs in less developed countries. Some of the reasons for the increases in the population include:

- **Birth rate higher than death rate**
 - As the birth rate exceeds the death rate there is a natural increase in the world's population.
- **Health care**
 - Advances in health care technology and medicine have led to fewer people dying from illnesses. The availability of antibiotics and access to vaccines has led to the elimination of many diseases such as measles and tuberculosis.
- **Government policies**
 - Better sanitation has led to fewer diseases being spread through water. Development of safe drinking water leads to less contamination. Access to medication for various illnesses.
- **Increased agricultural productivity**
 - Improved agricultural practices have led to fewer famines, allowing farming to sustain much larger numbers of people. Improved fertilizers and pesticides increase crop yields and reduce crops lost to pests thereby increasing the supply of food.
- **Increased life expectancy**
 - Advancements in health care and improved standards of living are allowing people live longer.
- **International migration**
 - In the developed regions population growth is largely due to high levels of international migration.