

HOW TO TACKLE DEMOGRAPHIC CHANGE? PAST AND FUTURE CHALLENGES

Conference

Insurance Sectoral Social Dialogue Committee (ISSDC)

Brussels, 14 June 2012

Josef Wöss (AK-Wien)



TOPICS

- **Demographic change**
 - Age groups 0-14 / 15-64 / 65+
 - Working age (20-64)
- **Dependency Ratio Calculator**
- **How to cope with demographic change?**

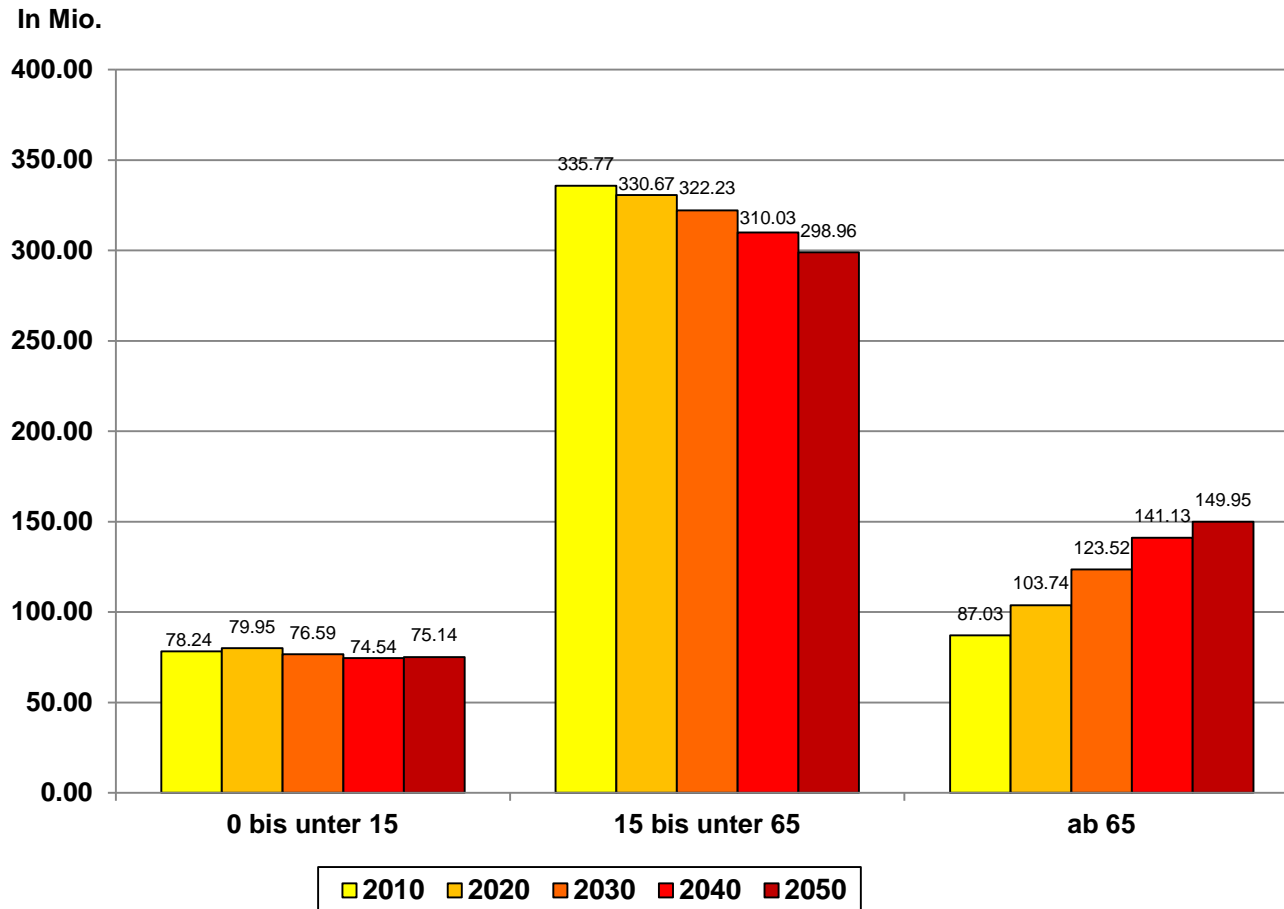


DEMOGRAPHIC CHANGE (2010 – 2050)

Annex 4

EU-27

Age groups 0-14 / 15-64 / 65+



Source: Eurostat (europop 2010); own calculations



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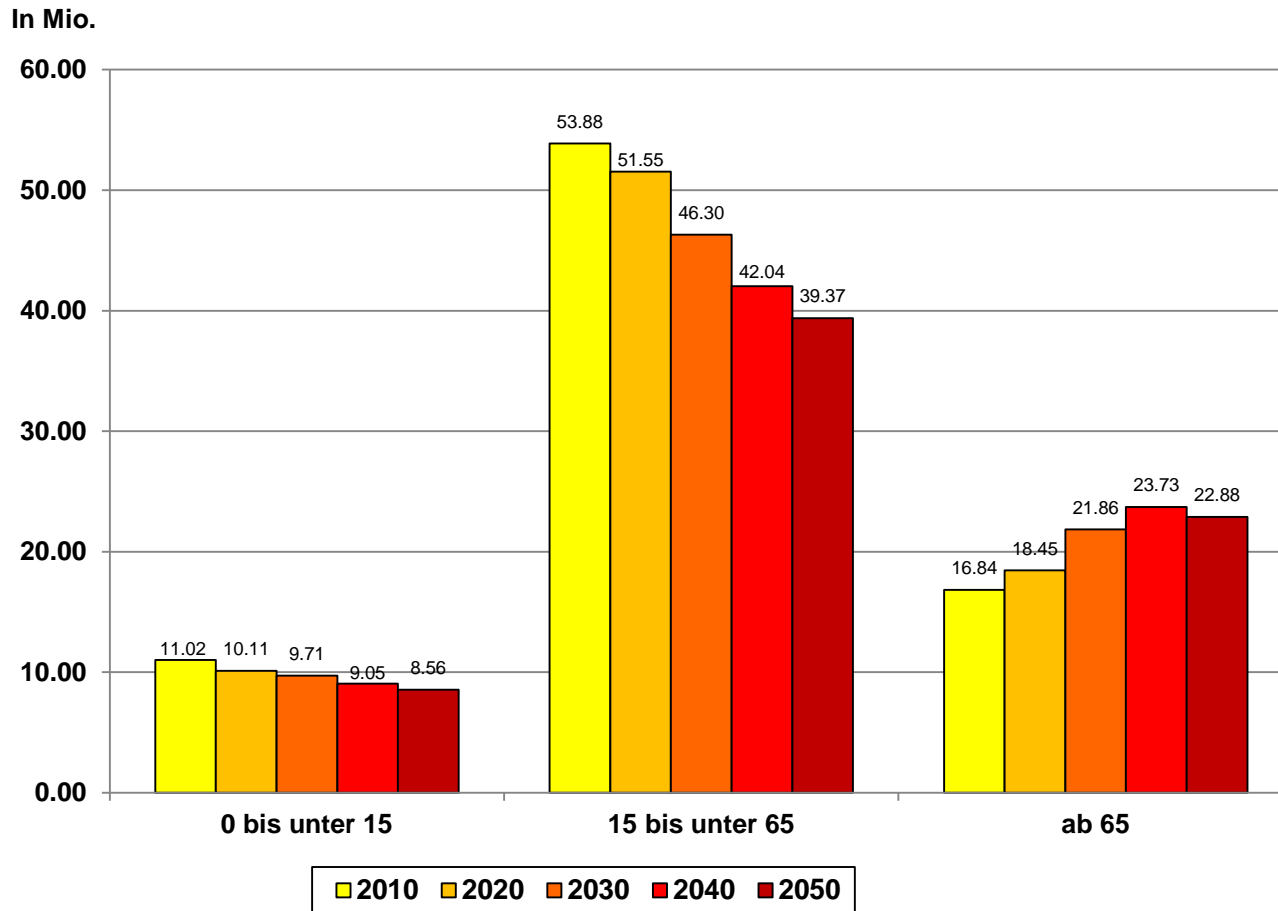
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DEMOGRAPHIC CHANGE (2010 – 2050)

Annex 4

GERMANY

Age groups 0-14 / 15-64 / 65+



Source: Eurostat (europop 2010); own calculations



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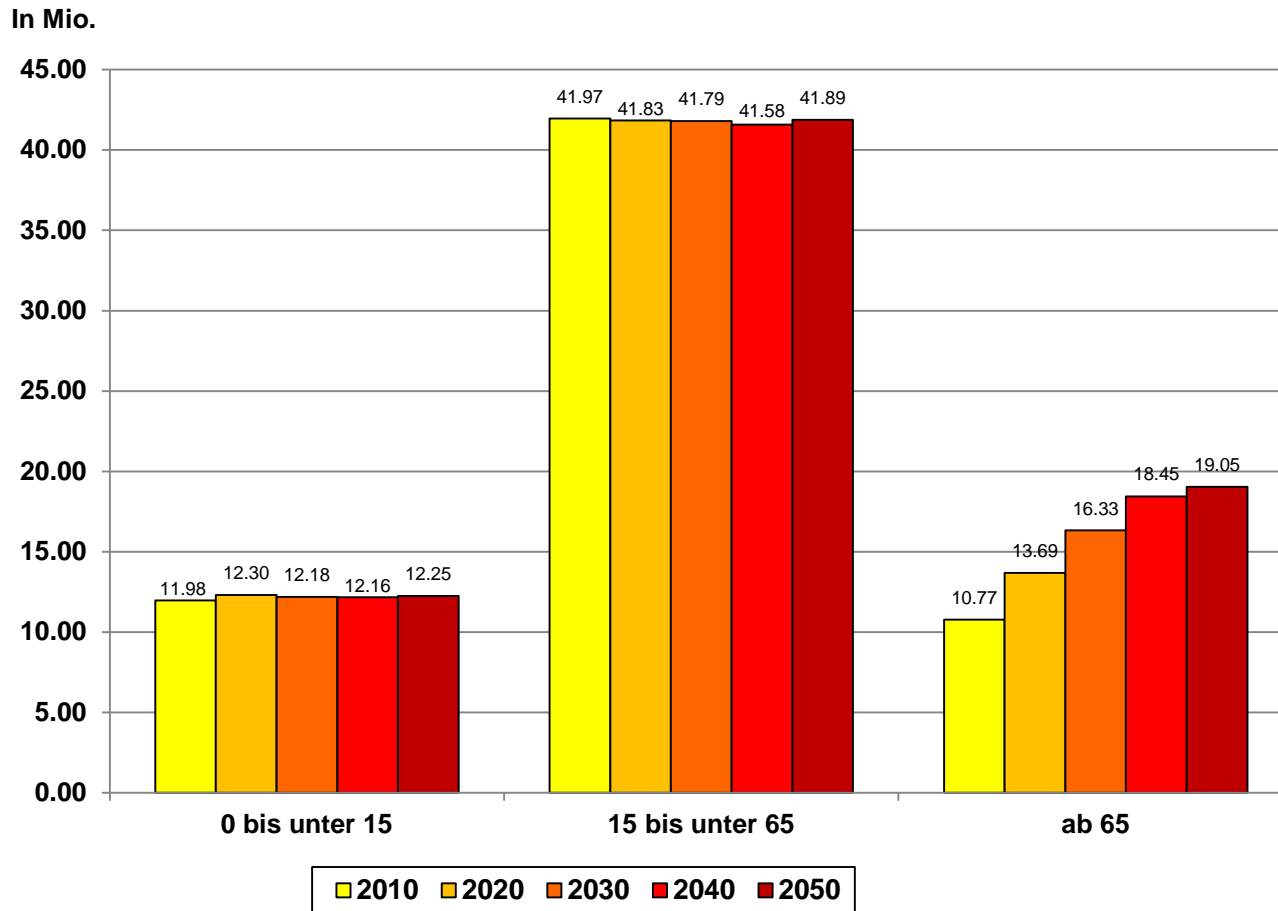
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DEMOGRAPHIC CHANGE (2010 – 2050)

Annex 4

FRANCE

Age groups 0-14 / 15-64 / 65+



Source: Eurostat (europop 2010); own calculations



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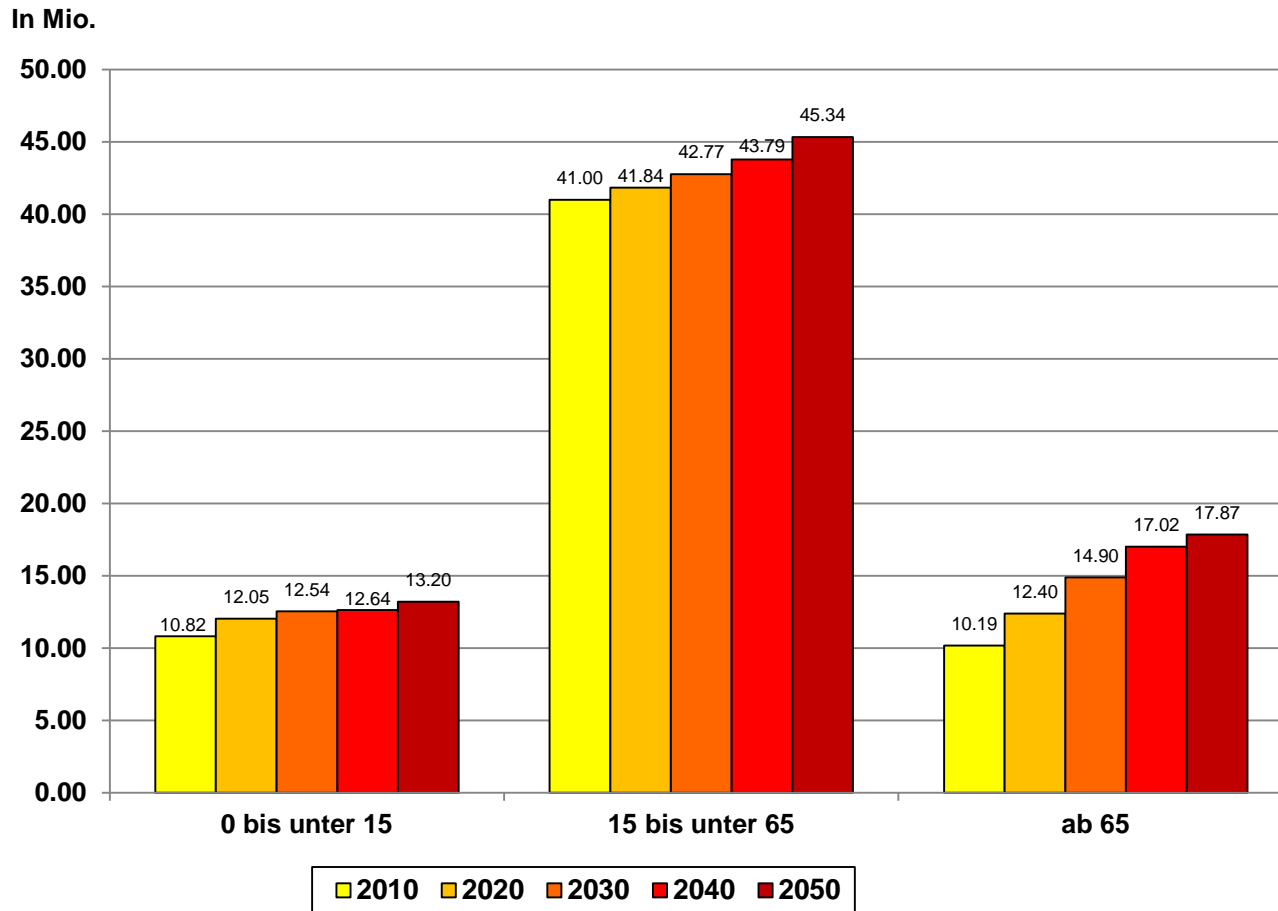
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DEMOGRAPHIC CHANGE (2010 – 2050)

Annex 4

UNITED KINGDOM

Age groups 0-14 / 15-64 / 65+



Source: Eurostat (europop 2010); own calculations



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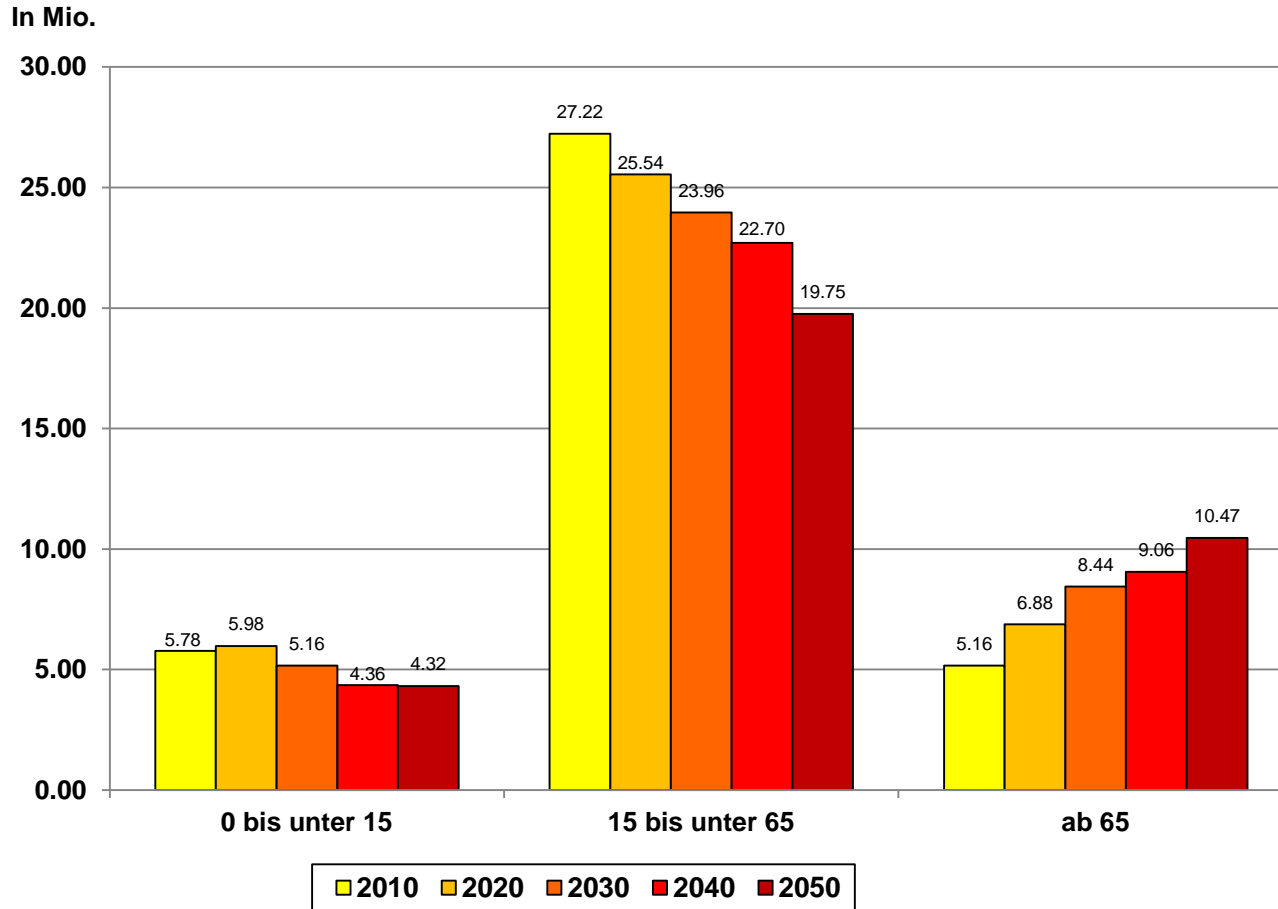
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DEMOGRAPHIC CHANGE (2010 – 2050)

Annex 4

POLAND

Age groups 0-14 / 15-64 / 65+



Source: Eurostat (europop 2010); own calculations



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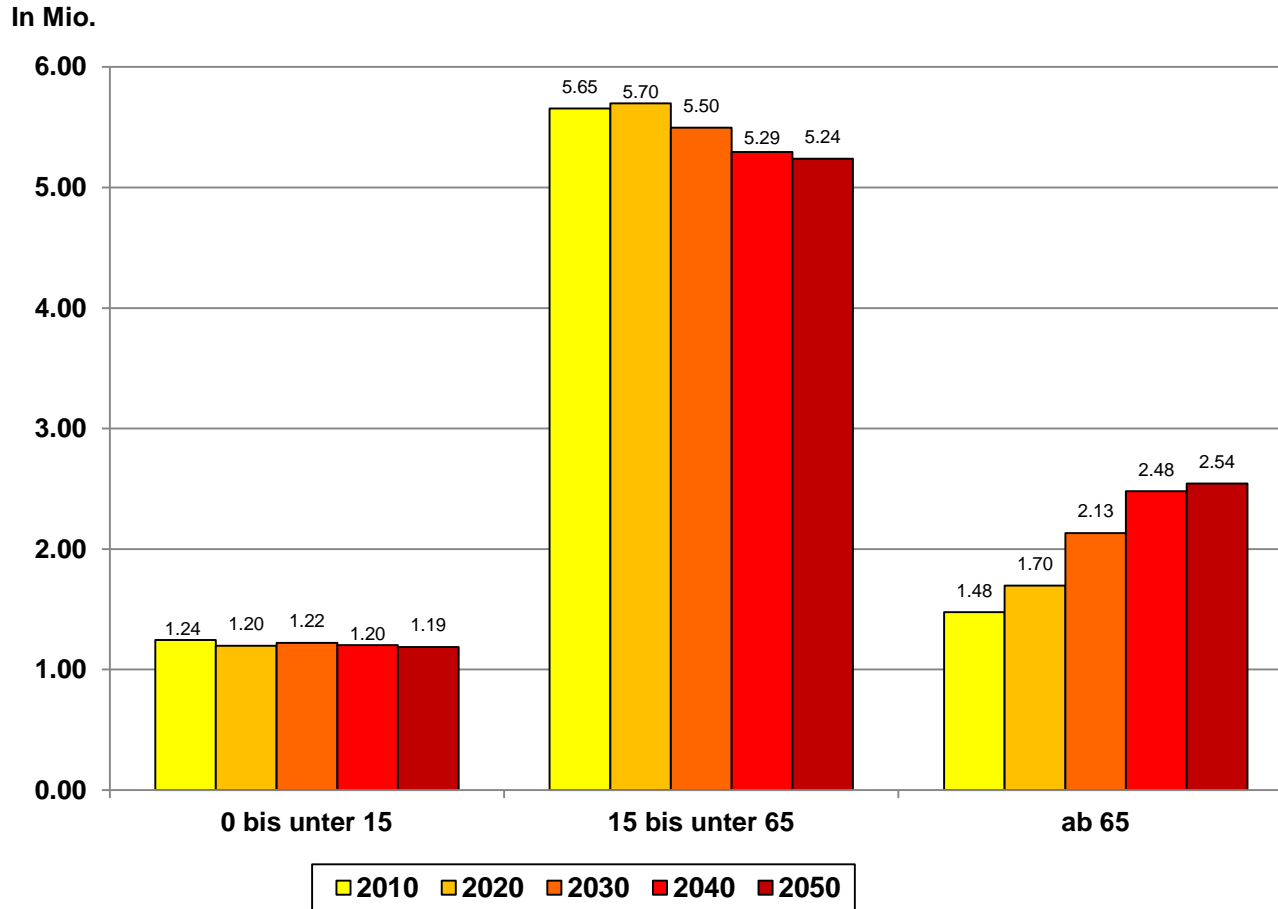
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DEMOGRAPHIC CHANGE (2010 – 2050)

Annex 4

AUSTRIA

Age groups 0-14 / 15-64 / 65+



Source: Eurostat (europop 2010); own calculations

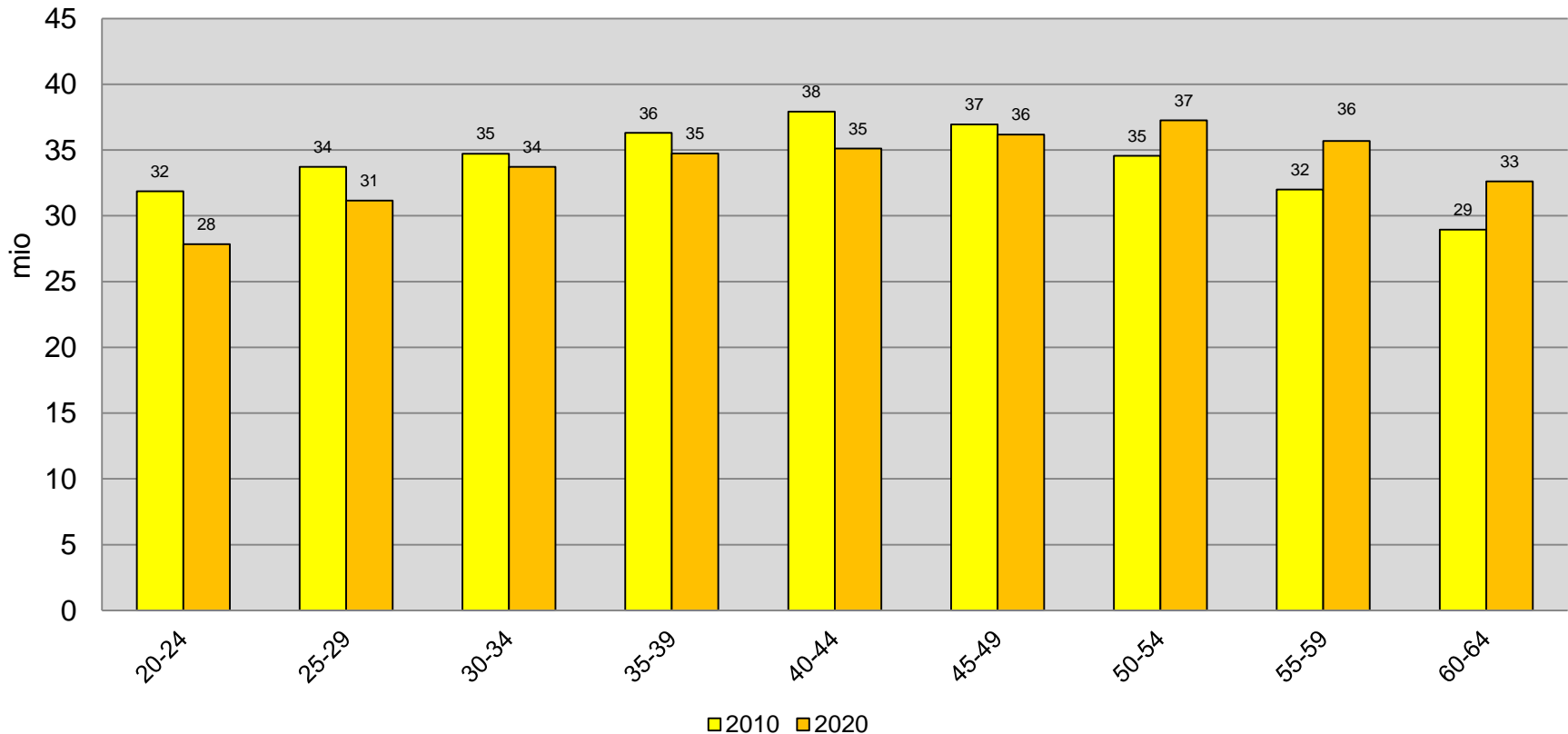


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EU-27

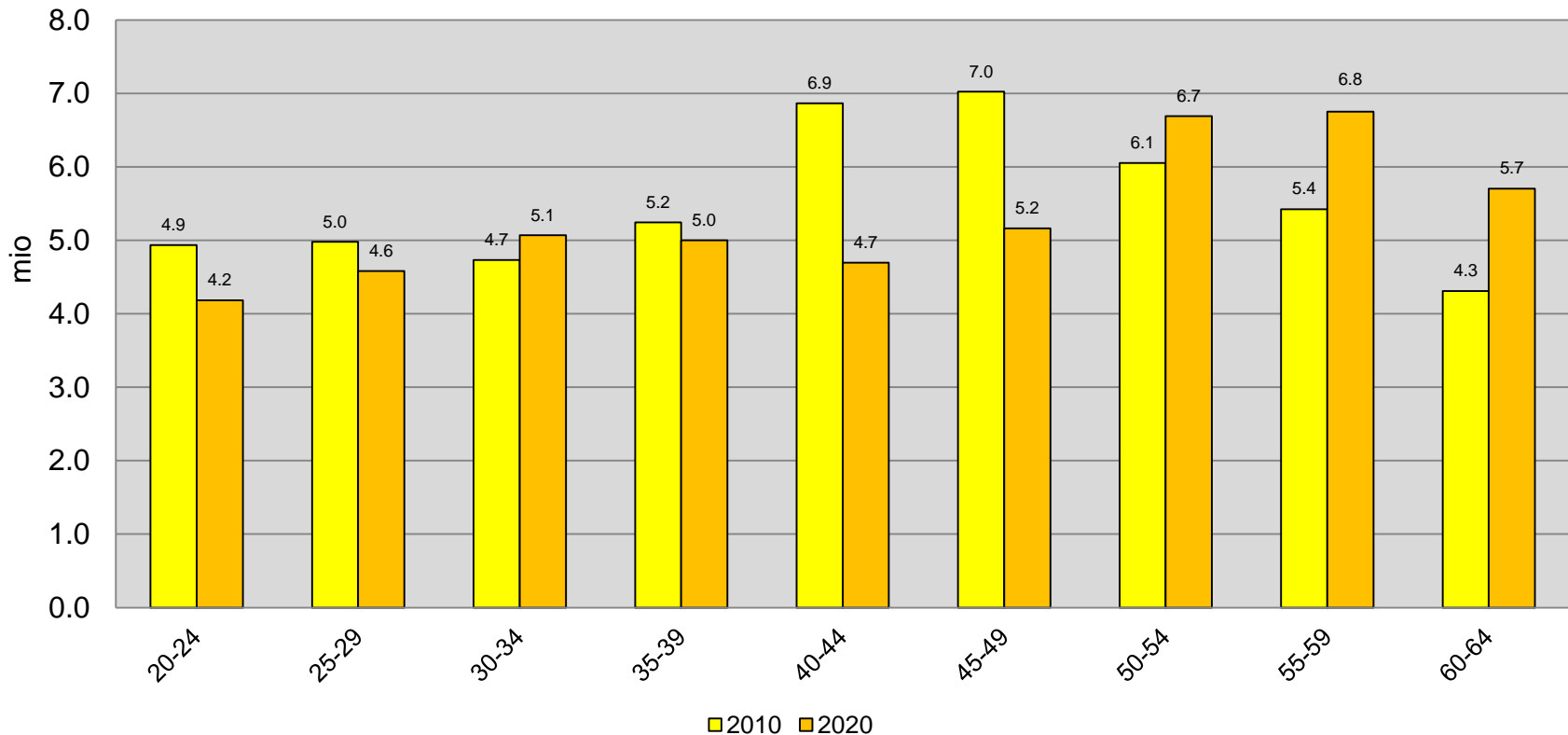
Working age / 5 year brackets (20 – 64)



Source: Eurostat (europop 2010)

GERMANY

Working age / 5 year brackets (20 – 64)



Source: Eurostat (europop 2010)

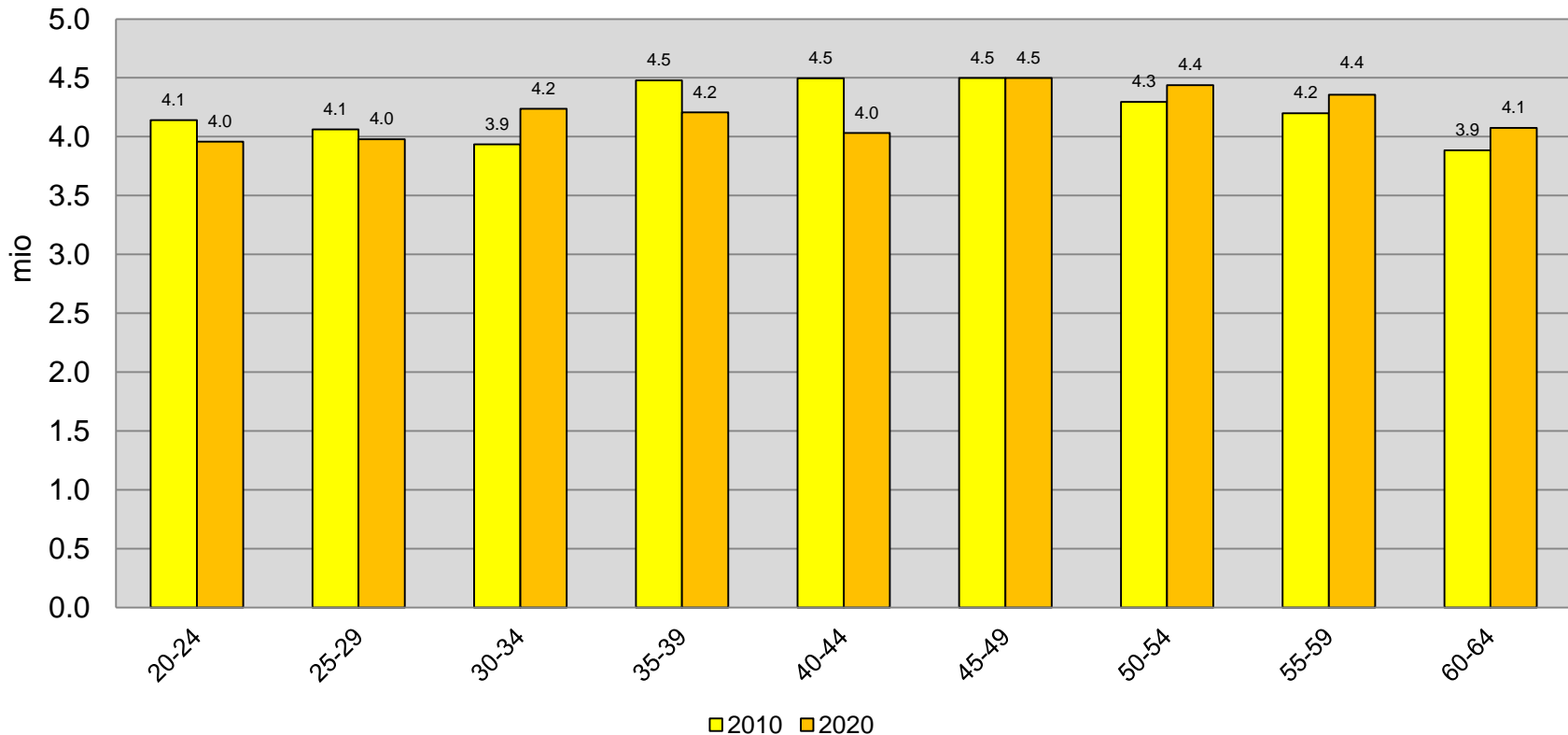


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FRANCE

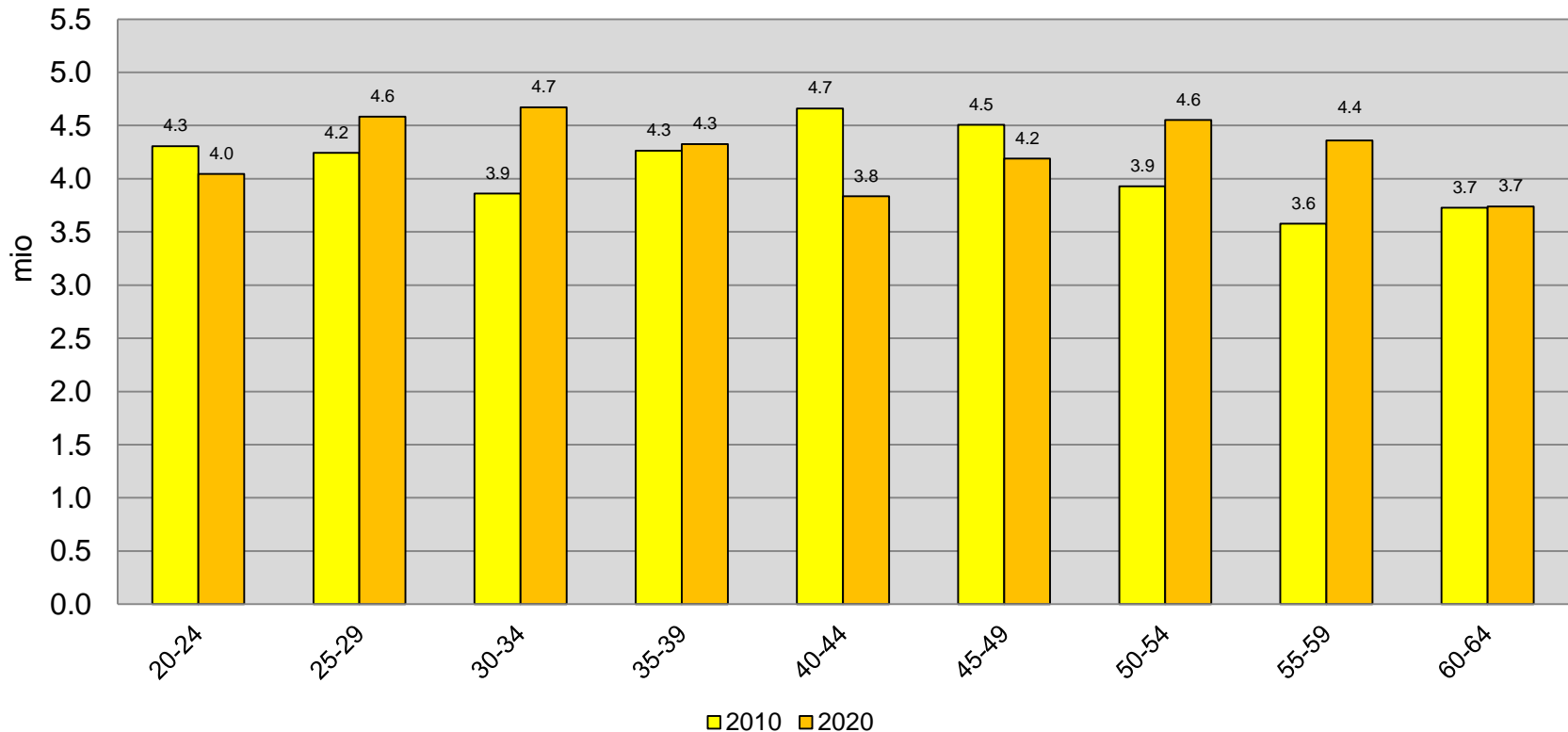
Working age / 5 year brackets (20 – 64)



Source: Eurostat (europop 2010)

UNITED KINGDOM

Working age / 5 year brackets (20 – 64)



Source: Eurostat (europop 2010)

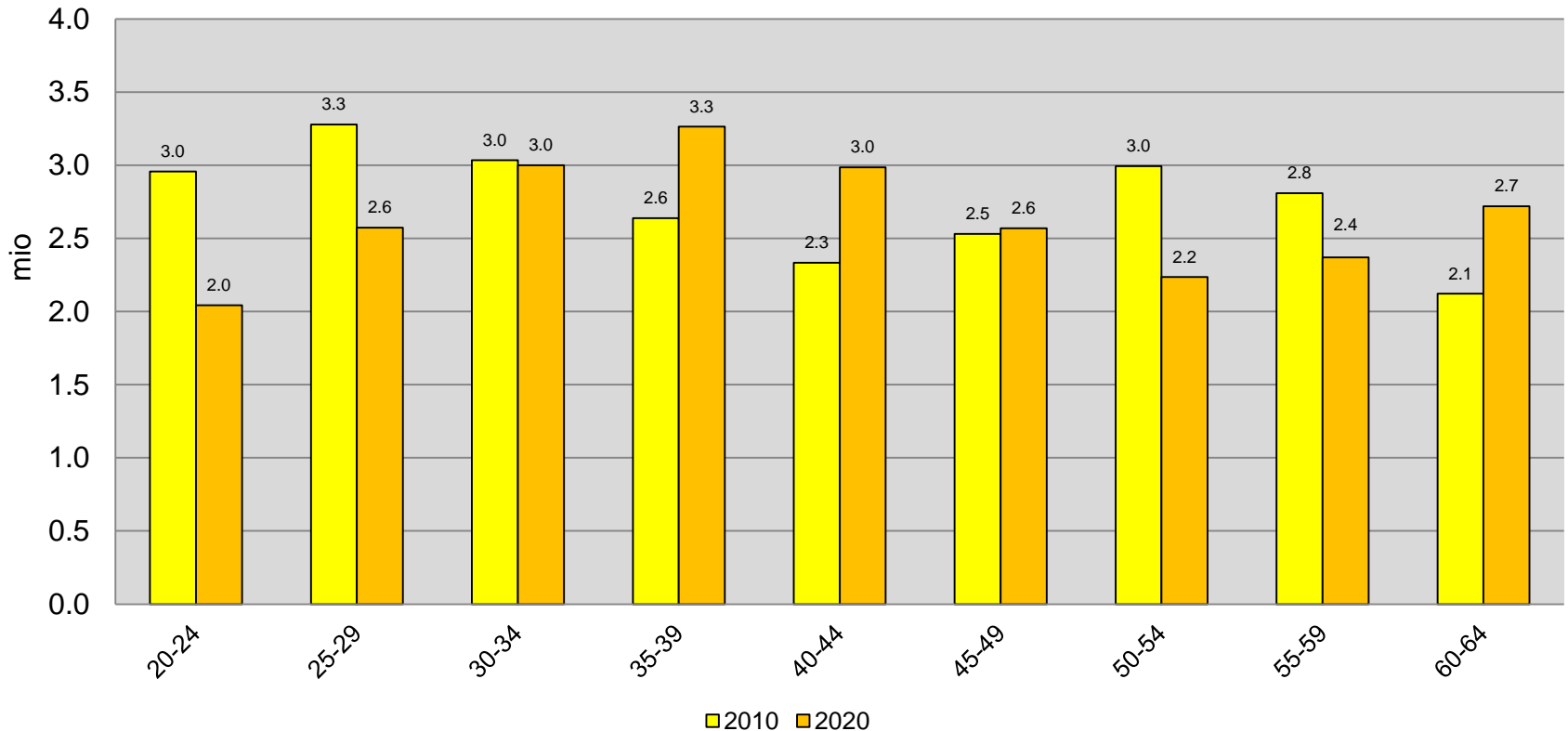


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POLAND

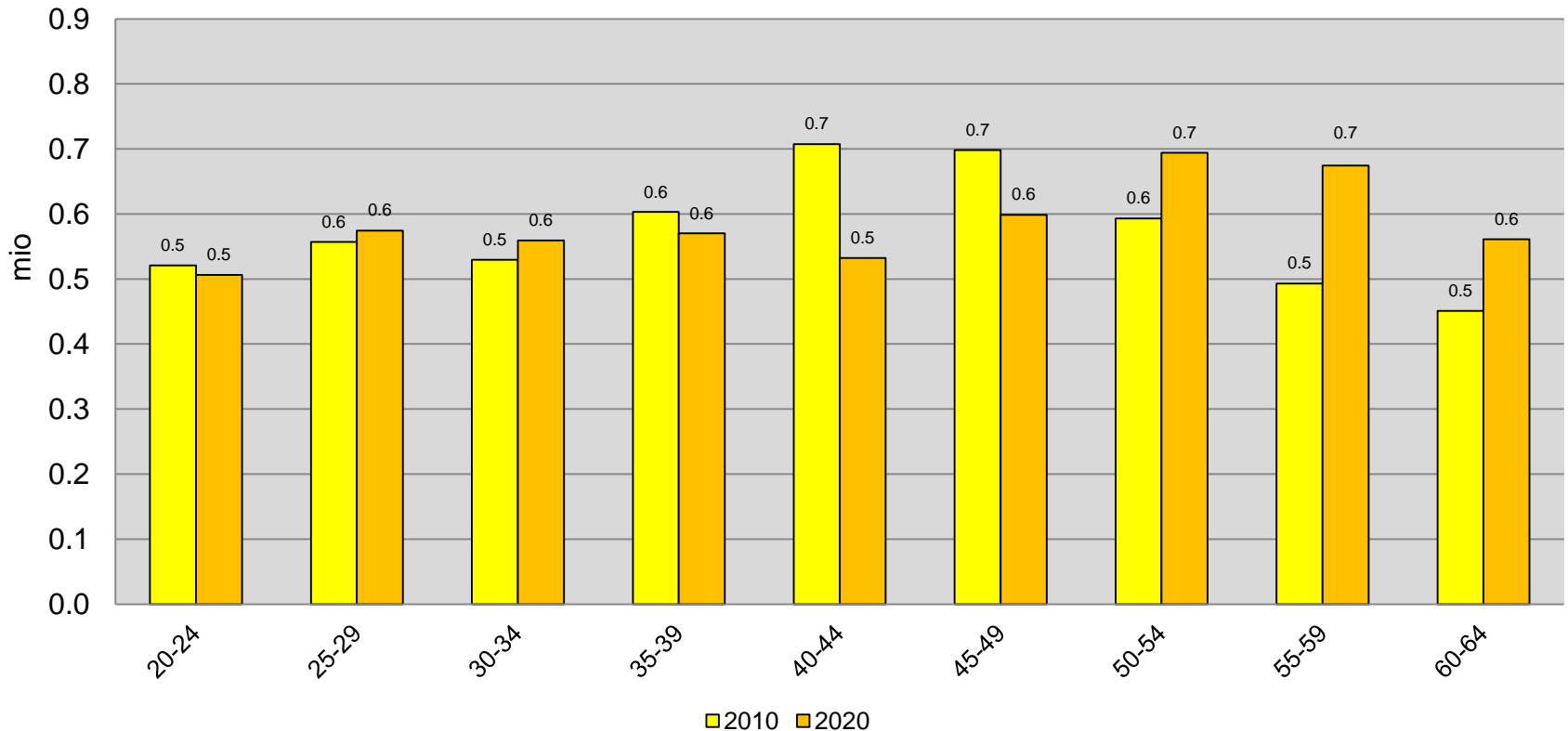
Working age / 5 year brackets (20 – 64)



Source: Eurostat (europop 2010)

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Working age / 5 year brackets (20 – 64)



Source: Eurostat (europop 2010)



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POPULATION AGEING - MEDIAN AGE (1970 – 2010)

	1970	1990	2010	2030	2050
D	34.0	37.6	44.2	48.8	51.2
FR	32.5	34.7	39.8	42.7	43.9
UK	34.3	35.8	39.5	40.9	41.7
PL	28.3	32.2	37.7	45.3	50.8
AT	33.9	35.6	41.7	45.5	47.8

Source: Eurostat, Statistics in Focus 23/2011



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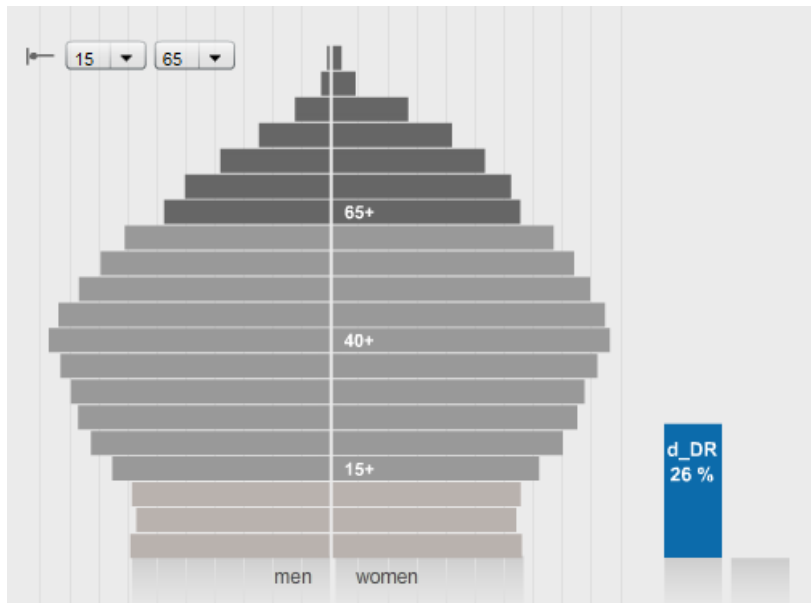
Dependency Ratio Calculator

AGE STRUCTURE 2010–2050

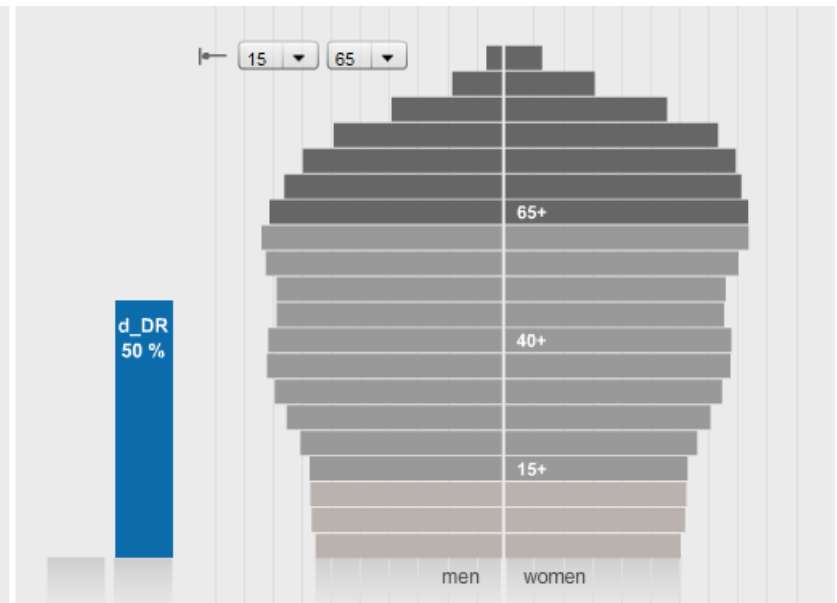
(EU-27)

Annex 4

2010
demographic dependency ratio: 26 %



2050
demographic dependency ratio: 50 %



d_DR = demographic dependency ratio: population 65+ relative to 15-64

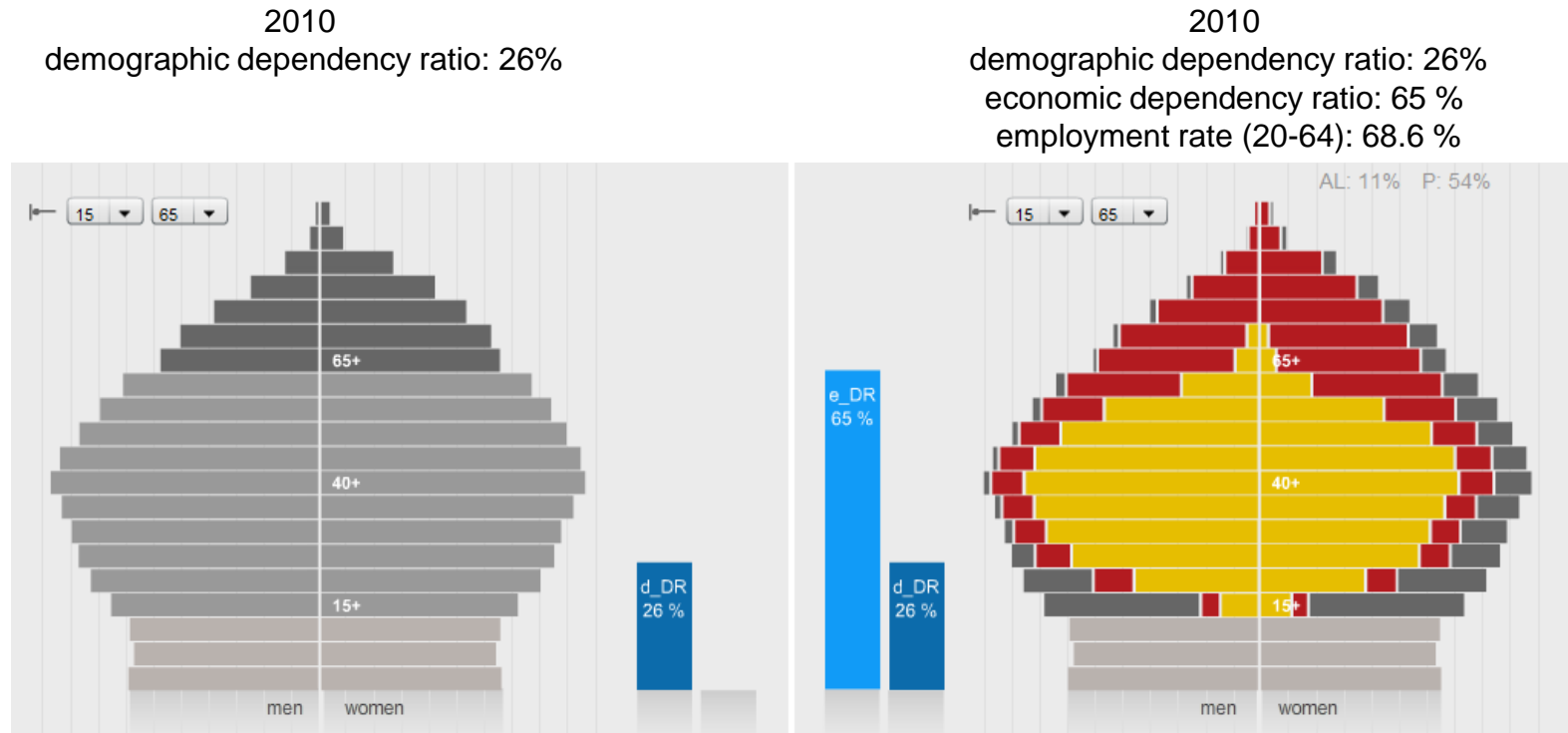
Source: AK-Wien / Dependency Ratio Calculator (data: europop 2010)



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DEMOGRAPHIC vs. ECONOMIC DEPENDENCY 2010 (EU-27)



d_DR = demographic dependency ratio: population 65+ relative to 15-64

e_DR = economic dependency ratio: pensioners (old-age, early retirement, disability) and unemployed relative to people in employment

people in employment
 pensioners and unemployed
 neutral - housewives/husbands etc. (right picture)



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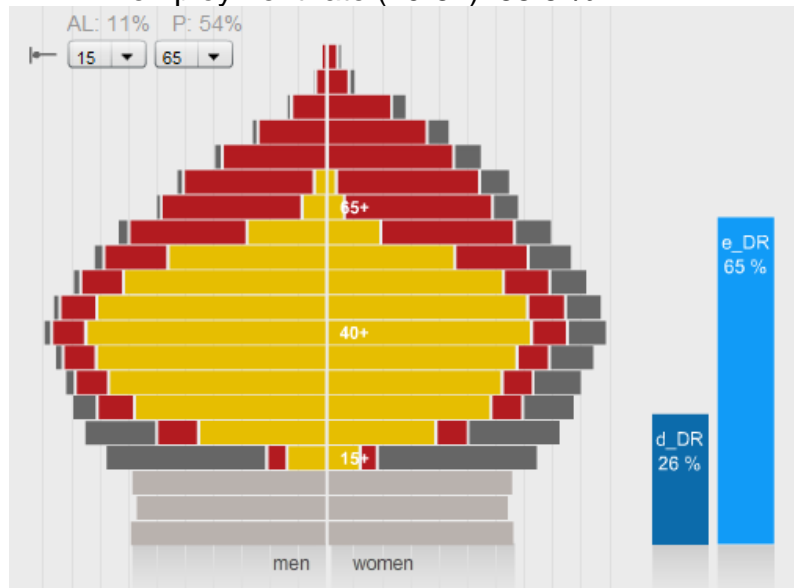
Source: AK-Wien, Dependency Ratio Calculator (database: Eurostat – europop 2010 / Labour Force Survey 2012; EU-Commission – Ageing Report 2012; own calculations)

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ECONOMIC DEPENDENCY 2010 – 2050 STANDARD-SCENARIO (EU-27)

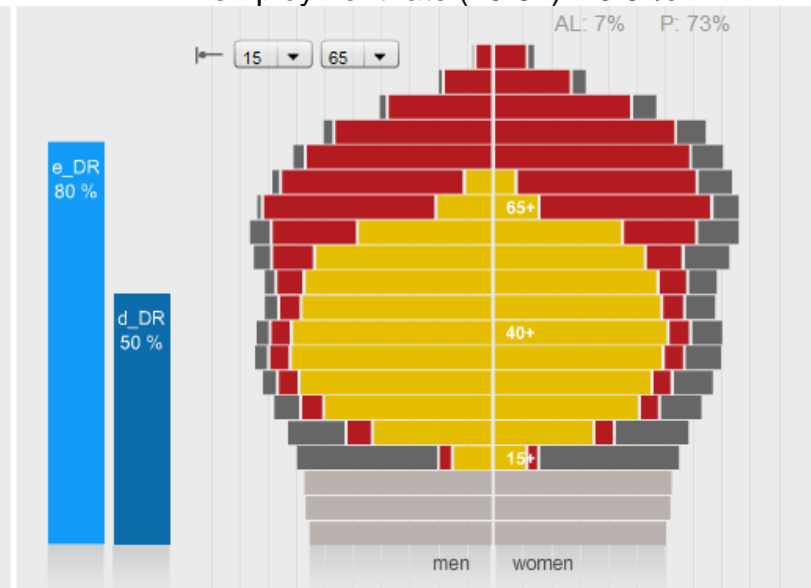
2010

demographic dependency ratio: 26%
economic dependency ratio: 65 %
employment rate (20-64): 68.6 %



2050 - „Standard-Scenario“

demographic dependency ratio: 50%
economic dependency ratio: 80 %
employment rate (20-64): 73.6 %



d_DR = demographic dependency ratio: population 65+ relative to 15-64

e_DR = economic dependency ratio: pensioners (old-age, early retirement, disability) and unemployed relative to people in employment

people in employment
 pensioners and unemployed
 neutral - housewives/husbands etc.

Source: AK-Wien, Dependency Ratio Calculator (database: Eurostat – europop 2010 / Labour Force Survey 2012; EU-Commission – Ageing Report 2012; own calculations)



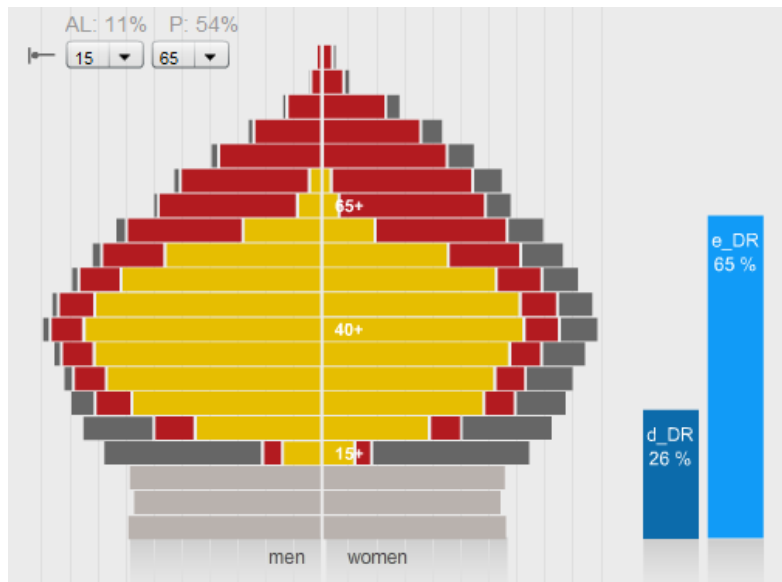
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ECONOMIC DEPENDENCY 2010 – 2050 EU-2020plus-SCENARIO (EU-27)

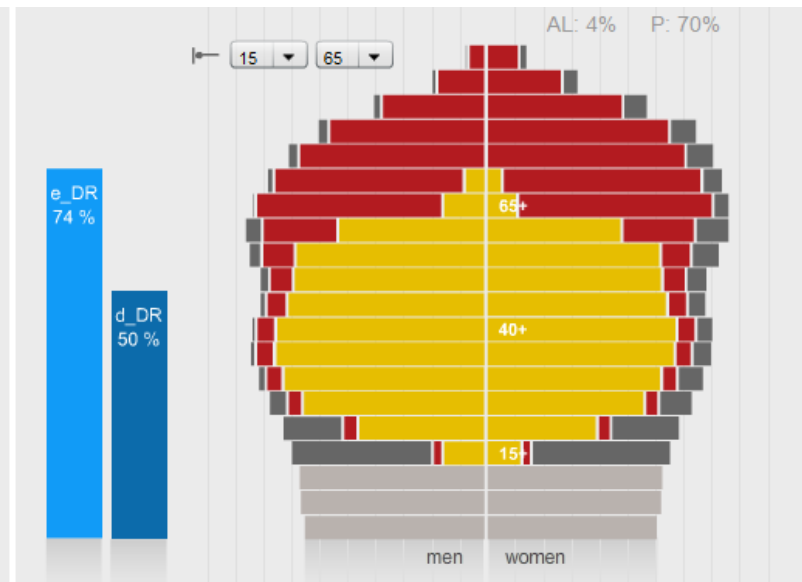
2010

demographic dependency ratio: 26%
economic dependency ratio: 65 %
employment rate (20-64): 68.6 %



2050 - „EU-2020plus-Scenario“

demographic dependency ratio: 50%
economic Dependency Ratio: 74 %
employment rate (20-64) : 80 %



d_DR = demographic dependency ratio: population 65+ relative to 15-64

e_DR = economic dependency ratio: pensioners (old-age, early retirement, disability) and unemployed relative to people in employment

people in employment
 pensioners and unemployed
 neutral - housewives/husbands etc.



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EU-COMMISSION WHITE PAPER ON PENSIONS (2012)

ANALYSIS

„The ageing challenge is often illustrated by the doubling of the old age dependency ratio ... Yet the real issue is the economic dependency ratio, defined as the unemployed and pensioners as a percentage of the employed.“

„Many countries have considerable scope for improving the future adequacy and sustainability of their pension systems by raising employment rates, and this not just in the higher age groups“

RECOMMENDATIONS

Unfortunately, the key recommendations of the White Paper do not reflect this analysis - mobilizing existing employment potential in all age groups is not among the key recommendations



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DEMOGRAPHIC CHALLENGE

- **(Fast) Increasing no. of people aged 65+**
- **Declining no. of people of working age
(in most countries)**
- **Ageing workforce**
- **Low birth rates**
- **Growing life expectancy**



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LABOUR MARKET CHALLENGES

- **Under-employment, unemployment, inactivity**

EU-27: 215 mio in employment (incl mini-jobs) / 336 mio of working age

- **(Gender) Inequalities**

EU-27: participation rate 64.5 % (women) and 77.7 % (men)

- **Changing needs**

(new technologies, globalisation, etc)

- **Increasing mental health problems**

(increasing share among disability)

- **Early exit from the labour market**



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HOW TO COPE WITH AN AGEING WORKFORCE?

- **Education / Training / Re-Training**
- **Reconciliation of employment and family life (improving labour market integration of parents, esp mothers)**
- **Health protection / good working conditions**
- **Adequate jobs for older workers
(adaptation of workplaces and work organisation)**
- **Social Dialogue**



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HOW TO COPE WITH DEMOGRAPHIC CHANGE?

Mobilizing existing employment potential

- in all age groups
- with quality jobs

is the most effective strategy with which countries / companies can prepare for population ageing



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