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)

EU-27

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

Source: Eurostat (europop 2010); own calculations
DEMOGRAPHIC CHANGE (2010 – 2050)
GERMANY
Age groups 0-14 / 15-64 / 65+

Source: Eurostat (europop 2010); own calculations
DEMOGRAPHIC CHANGE (2010 – 2050)
FRANCE
Age groups 0-14 / 15-64 / 65+

Source: Eurostat (europop 2010); own calculations
DEMOGRAPHIC CHANGE (2010 – 2050)
UNITED KINGDOM
Age groups 0-14 / 15-64 / 65+

Source: Eurostat (europop 2010); own calculations
DEMOGRAPHIC CHANGE (2010 – 2050)

POLAND

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

Source: Eurostat (europop 2010); own calculations
DEMOGRAPHIC CHANGE (2010 – 2050)
AUSTRIA
Age groups 0-14 / 15-64 / 65+

Source: Eurostat (europop 2010); own calculations
DEMOGRAPHIC CHANGE (2010 – 2020)
EU-27
Working age / 5 year brackets (20 – 64)

Source: Eurostat (europop 2010)
DEMOGRAPHIC CHANGE (2010 – 2020)

GERMANY

Working age / 5 year brackets (20 – 64)

Source: Eurostat (europop 2010)
DEMOGRAPHIC CHANGE (2010 – 2020)

FRANCE

Working age / 5 year brackets (20 – 64)

Source: Eurostat (europop 2010)
DEMOGRAPHIC CHANGE (2010 – 2020)

UNITED KINGDOM

Working age / 5 year brackets (20 – 64)

Source: Eurostat (europop 2010)
DEMOGRAPHIC CHANGE (2010 – 2020)

POLAND

Working age / 5 year brackets (20 – 64)

Source: Eurostat (europop 2010)
DEMOGRAPHIC CHANGE (2010 – 2020)

AUSTRIA

Working age / 5 year brackets (20 – 64)

Source: Eurostat (europop 2010)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>D</td>
<td>34.0</td>
<td>37.6</td>
<td>44.2</td>
<td>48.8</td>
<td>51.2</td>
</tr>
<tr>
<td>FR</td>
<td>32.5</td>
<td>34.7</td>
<td>39.8</td>
<td>42.7</td>
<td>43.9</td>
</tr>
<tr>
<td>UK</td>
<td>34.3</td>
<td>35.8</td>
<td>39.5</td>
<td>40.9</td>
<td>41.7</td>
</tr>
<tr>
<td>PL</td>
<td>28.3</td>
<td>32.2</td>
<td>37.7</td>
<td>45.3</td>
<td>50.8</td>
</tr>
<tr>
<td>AT</td>
<td>33.9</td>
<td>35.6</td>
<td>41.7</td>
<td>45.5</td>
<td>47.8</td>
</tr>
</tbody>
</table>

Source: Eurostat, Statistics in Focus 23/2011
Dependency Ratio Calculator

AGE STRUCTURE 2010–2050 (EU-27)

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)
Dependency Ratio Calculator

DEMOGRAPHIC vs. ECONOMIC DEPENDENCY
2010 (EU-27)

2010
demographic dependency ratio: 26%

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

Dependency Ratio Calculator

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%

\[ d_{DR} = \text{demographic dependency ratio: population 65+ relative to 15-64} \]
\[ e_{DR} = \text{economic dependency ratio: pensioners (old-age, early retirement, disability) and unemployed relative to people in employment} \]

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%

\[ d_{DR} = \text{demographic dependency ratio: population 65+ relative to 15-64} \]
\[ e_{DR} = \text{economic dependency ratio: pensioners (old-age, early retirement, disability) and unemployed relative to people in employment} \]

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
Un fortunately, 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
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
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
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
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