

European Economic and Social Committee

Symposium on

**“Ageing Societies in Europe and Japan:
Active and Healthy Ageing –
Social and Economic Challenges”**



European Economic and Social Committee

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Kwansei Gakuin University

Business Challenges and Opportunities Arising From an Ageing Society



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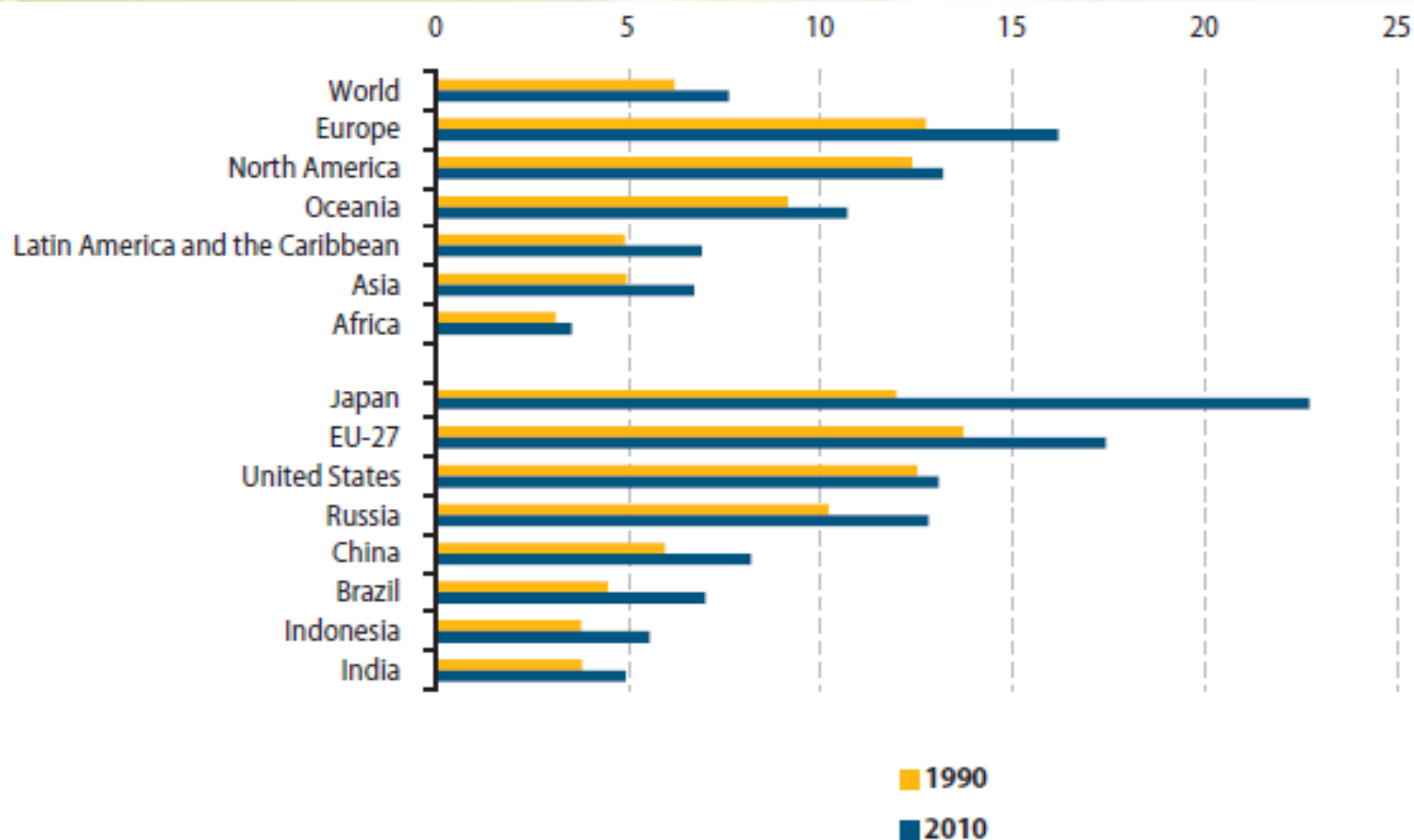
EESC-Japan Contact Group

Demographic change in the EU

- ❑ **Ageing population** (out of 501.1 million 87.1 million were aged 65 or over (1.1.2010) – **17.4%**; (in Japan it is **24.1%**):
 - ✓ **Low fertility rates:** in the EU 27 will be no higher than **1.6** for each woman in the population, well below the rate of **2.1** necessary to replace each generation. Only in **IE** and **FR** fertility rate in 2009 exceeded **2.0 children per woman**, in LV, PT, HU: 1.3 live births per women, 1.36 in DE) → high unemployment amongst young people, difficulties combining work & family life → delay starting a family
 - ✓ Increasing **life expectancy** (life expectancy at birth in the EU-27 (2009): **M – 76.7**; **F – 82.6** years): improvements in healthcare, medicine, diets, lifestyles, living conditions
 - ✓ **Women live longer**, but life expectancy gender gap is shrinking.
 - ✓ The gender gap in **healthy life years** is marginal, women will live longer but not necessarily of greater quality



Relative importance of elderly persons aged 65+ (% share of population)



Source: Eurostat (online data codes: [demo_gind](#) and [demo_pjangroup](#)) and United Nations, Department of Economic and Social Affairs, World population prospects: the 2010 revision

Demographic change in the EU

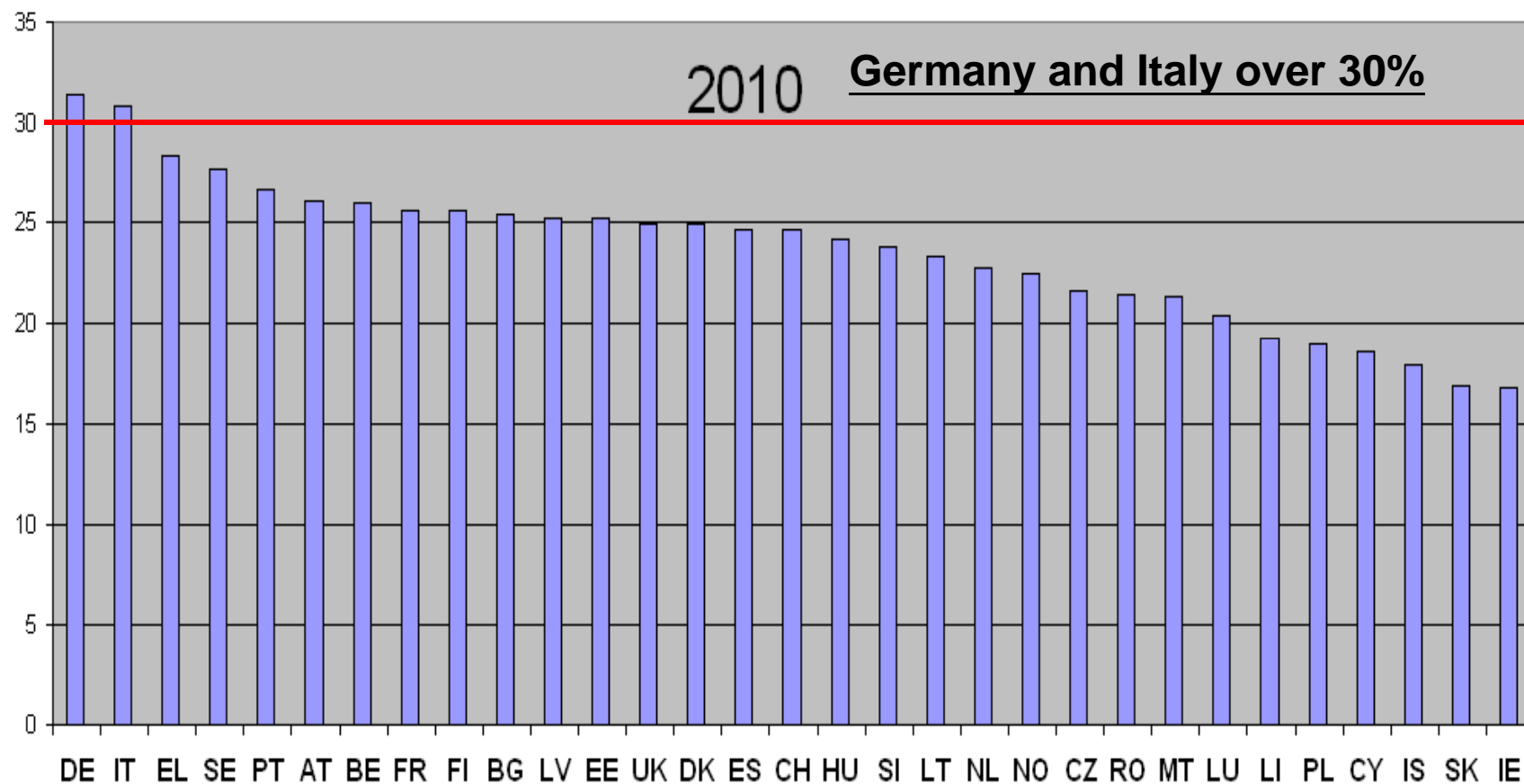
- ❑ Increasing **median age** (40.4 yrs in 2008 → 47.9 yrs in 2060)
- ❑ Increasing **old-age dependency ratios** (65+/15-64): from **25.4%** to **53.5%** in 2060):
 - in the EU-27 less than **2 persons of working age** for each person aged 65+ by the year 2060
 - increase of social expenditure (sustainability of **pensions, healthcare, institutional care**)
- ❑ **The number of people aged 80+ years** is projected to almost triple, from 21.8 million in 2008 to 61.4 million in 2060
- ❑ The older age groups will become larger than the younger ones
- ❑ We need to encourage the “**baby boom**” generation to delay **retirement**, more **migrant workers**, although immigration is decreasing
- ❑ Emigration (GR, IE, PT, ES, Baltic countries) accelerates demographic ageing, how will Greece recover if their skilled workers are moving out; economic & social impact



Old age dependancy ratio

$(POP_{65+}) * 100$

POP_{15-64}



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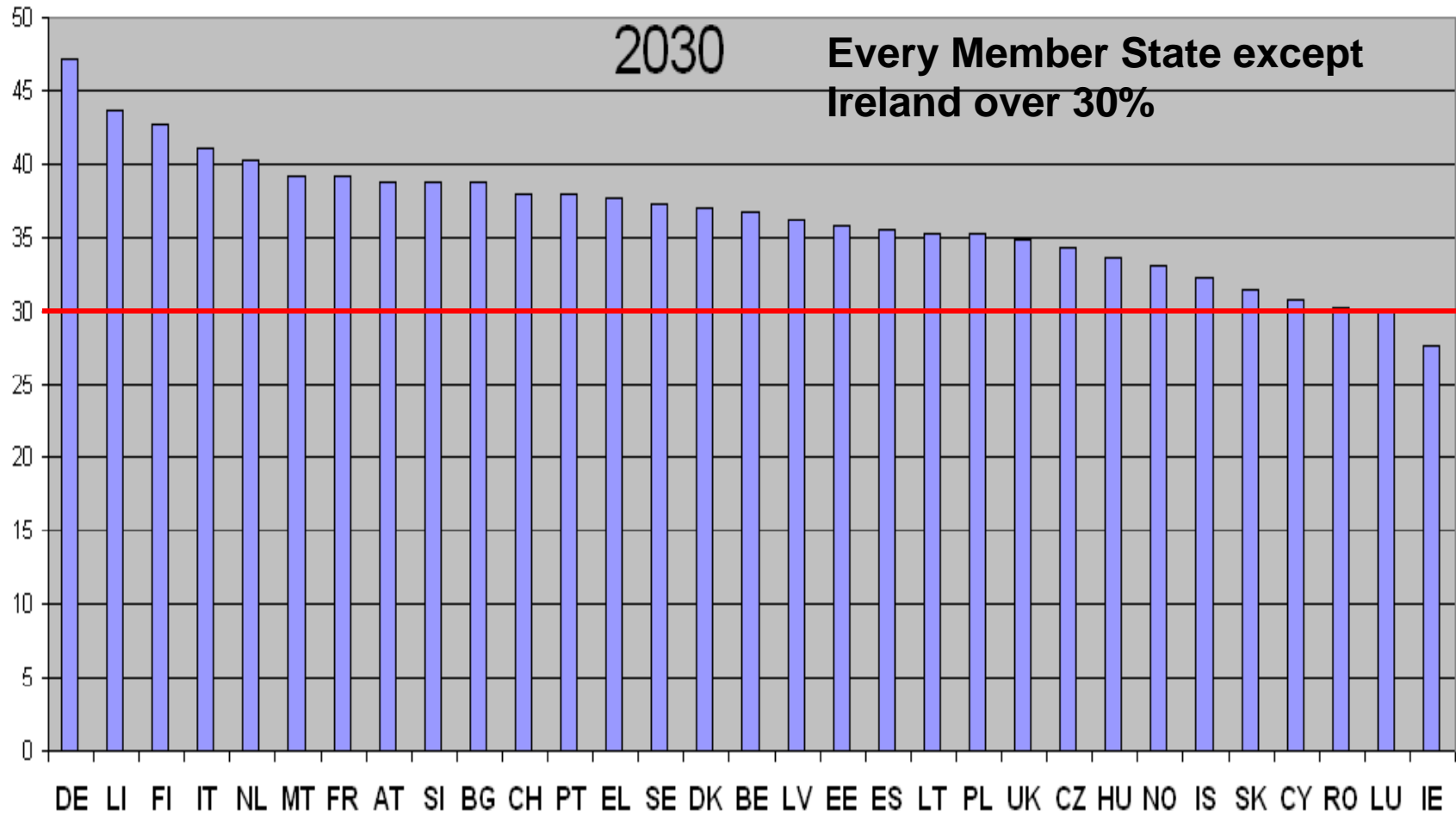
The 2012 Ageing Report

Source: Eurofound

Old age dependancy ratio

$\frac{POP_{65+}}{POP_{15-64}} * 100$

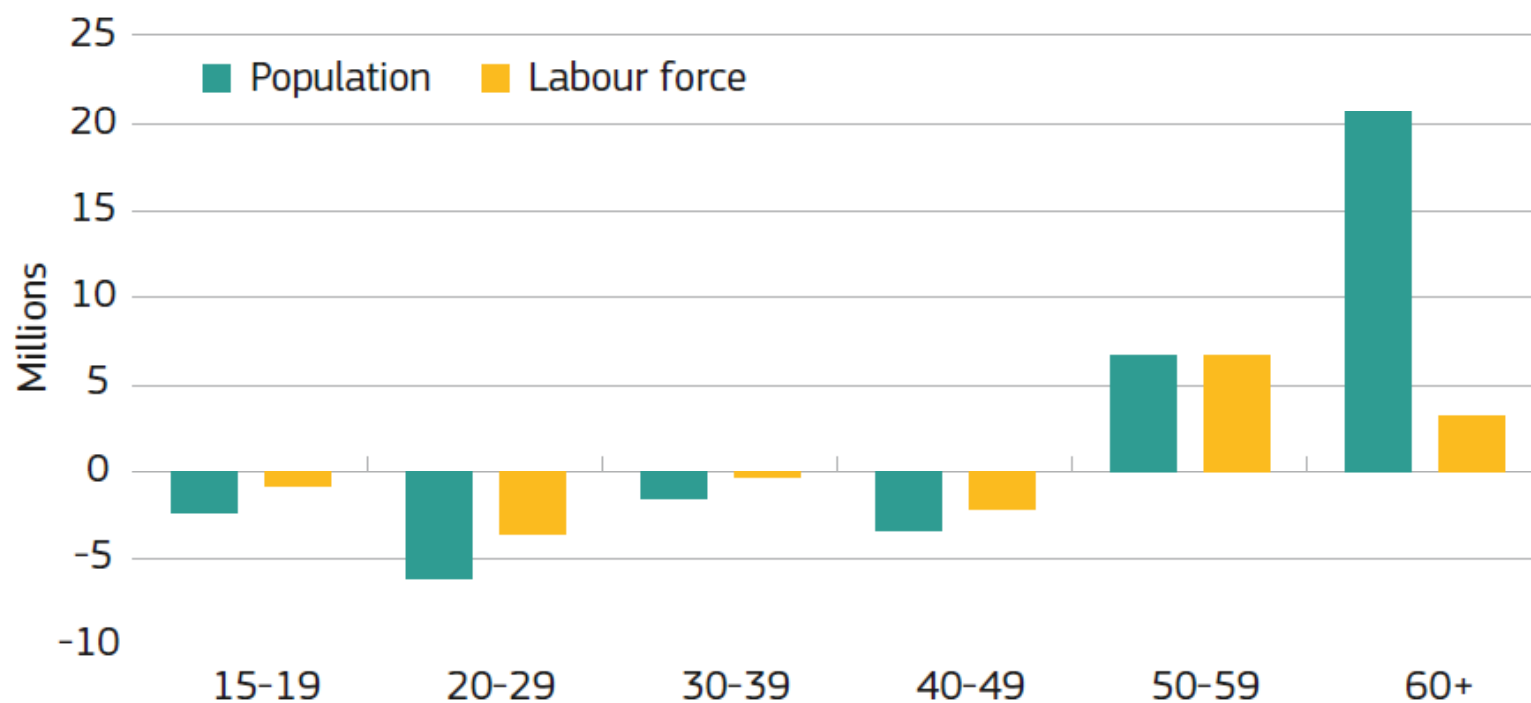
POP15-64



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Source: Eurofound

Changes in population and workforce 2010-2020 by age group

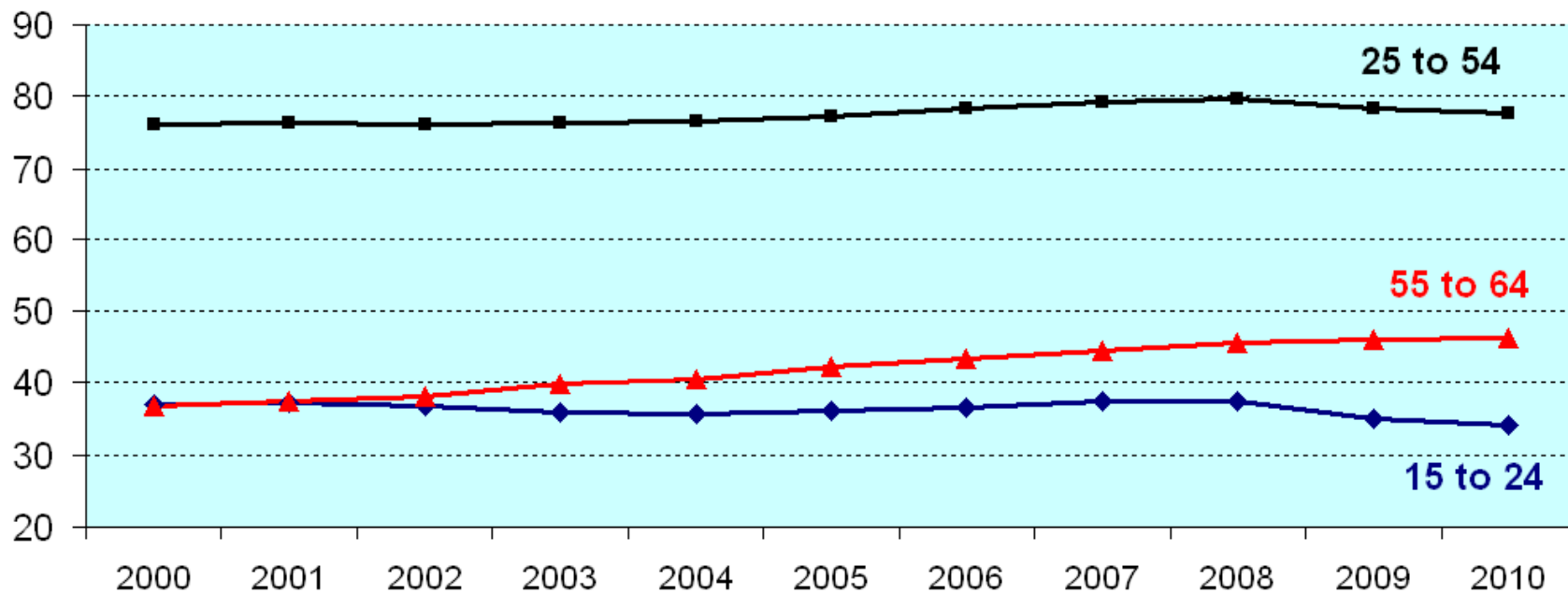


Source: CEDEFOP 2010 (http://www.cedefop.europa.eu/en/Files/3052_en.pdf).



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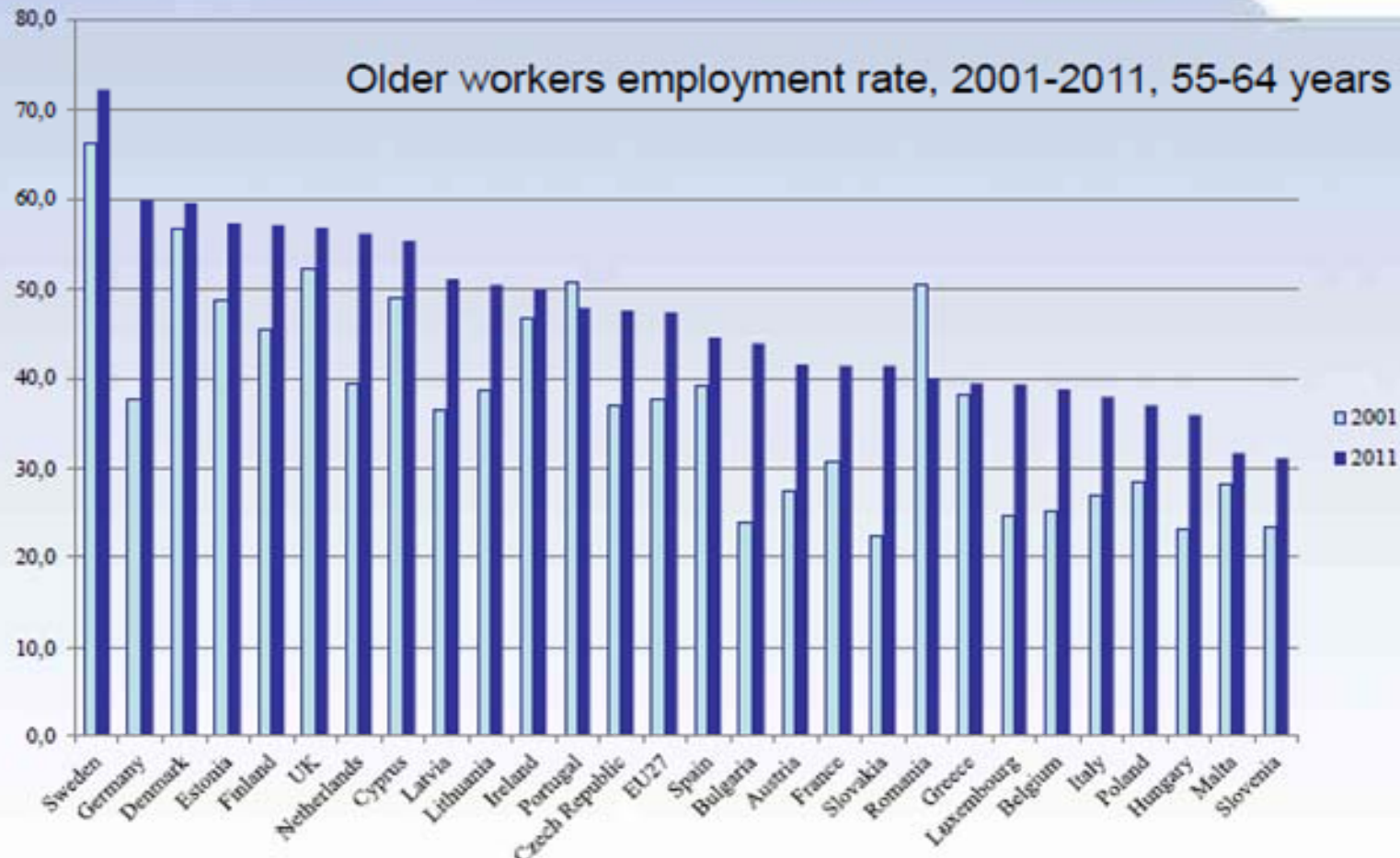
Employment by age 2000-2012



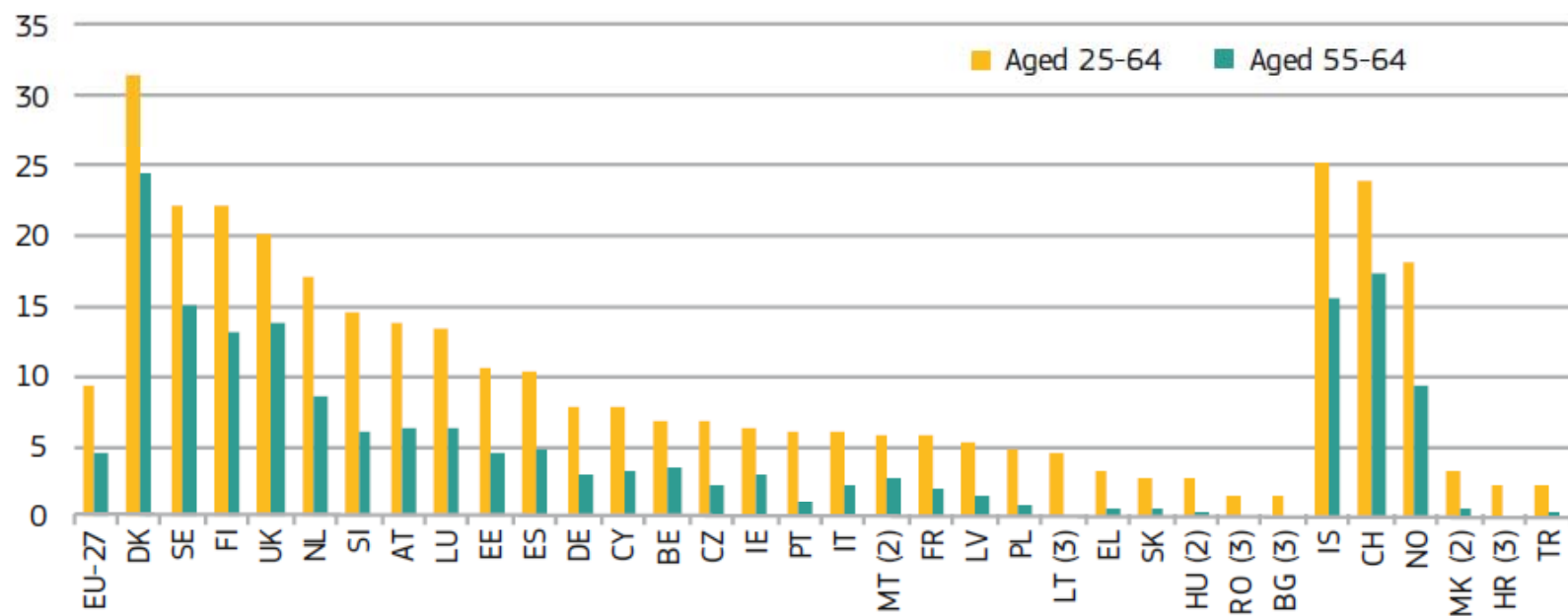
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European Labour Force Survey

Employment rate of older workers



Participation in education and training, 2009 (%)⁽¹⁾



Source: Eurostat (online data code: trng_ifs_01).

(1) During the four weeks preceding the survey.

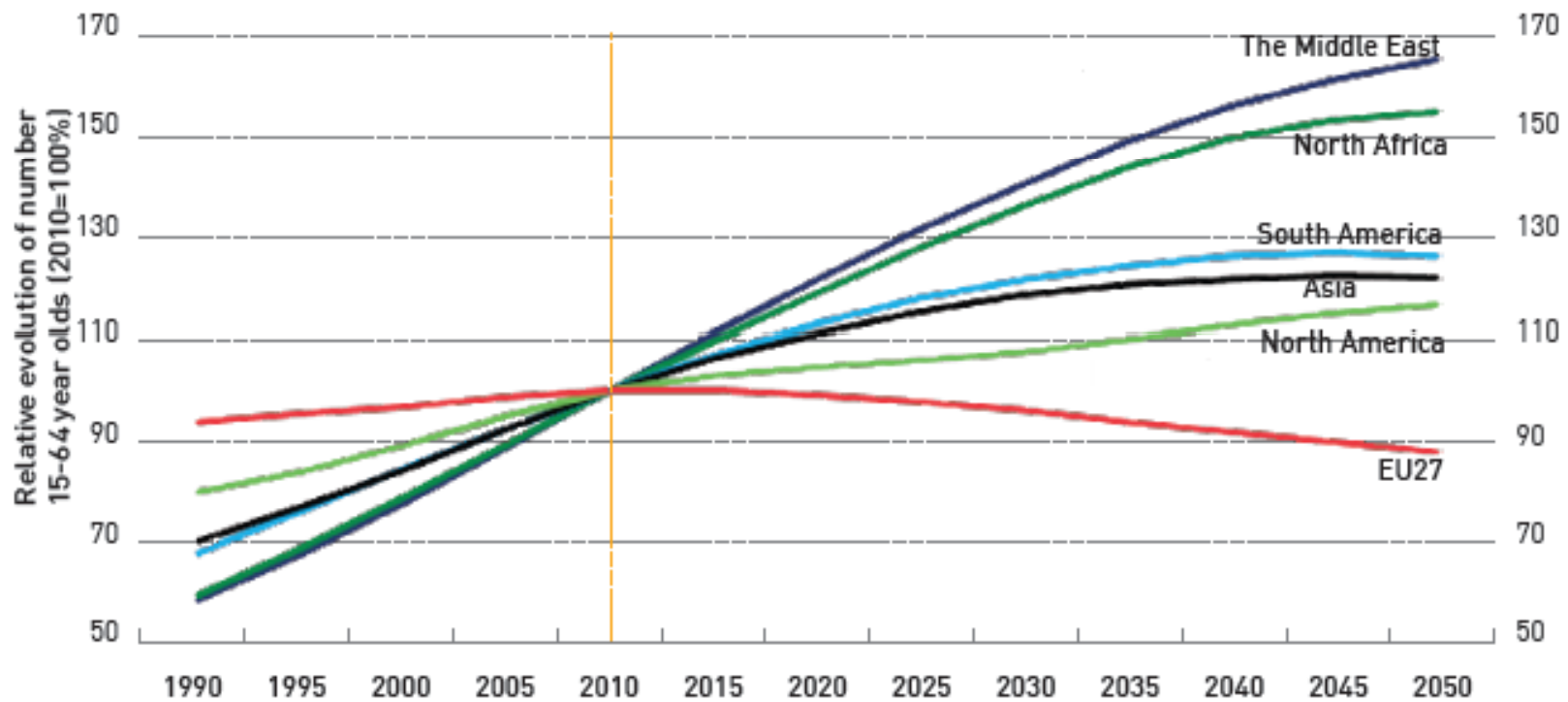
(2) Data for the age group 55-64 is unreliable.

(3) Data for the age group 55-64, not available.



Ageing of the workforce

Relative development of working age population for EU-27 and other parts of the world



Source: Europop2008, Eurostat



The main questions:

1. How to attract investment, remain competitive and foster economic growth with an ageing & shrinking working age population?
 - 1.1 How to transform challenges related to the ageing population into opportunities?
2. How to provide adequate pensions, healthcare and other services for increasing number of older people?
3. How to enable older people to remain independent & active citizens...?



Demographic change: challenges & opportunities

CHALLENGES

- LABOUR & SKILL SHORTAGES
- PRODUCTS & SERVICE DEVELOPMENT

FUNDING & SUSTAINABILITY OF
PENSIONS,
SOCIAL SECURITY &
HEALTH CARE SYSTEMS

EDUCATION:
NEED TO RETAIN & UPDATE SKILLS

POLICIES: employment, fiscal, social, ...

OPPORTUNITIES

HEALTHIER AGEING ENABLES
EXTENDED PARTICIPATION

SILVER ECONOMY



Demographic change: main challenges:

- ❑ Increasing imbalance between working population and the retired
- ❑ Increased average age of the workforce, fewer young, more migrant workers
- ❑ **Shortage of labour and skills** hampers economic growth, competitiveness, innovation capacity & standard of living:
 - EU's working age population will decline by **50 m by 2060**
 - **replacement demand** due to **retirements: 73 m** over the period 2010-2020 (Cedefop)
 - physics, mathematics, engineering, health, life science, teaching professions
- ❑ Need to increase **labour participation for all age groups**, and boost **productivity**,
- ❑ More migrant workers
- ❑ Need to increase investments in **innovation & new technologies**
- ❑ To remain sustainably **competitive**, European companies will have to adapt their **employment** and **HR policies** to an **ageing workforce**, and to develop innovative **products** and **services** for the silver economy



Solutions for compensating labour shortage:

- Greater workforce participation of female workers, young, elderly, persons with disabilities (incentives if appropriate)
- Prolonging working lives** (incl workers of “baby boom” generation)
- Improve **productivity** and **empowering older employees** through investing in lifelong learning (LLL): upgrading, updating of skills
- Reform of pension systems, raised retirement ages (effective retirement age), reviewing tax- and benefit systems
- Age-friendly work places
- Migration
- Increasing investments in R&D and developing technological solutions for compensation of shortage of labour in certain sectors (nursing, farming)



What can employers do to promote employment of older workers?

- Age friendly management (flexible working and retirement options – partial retirement);
- Age-friendly **HR policy**: improve **employability** through investing in continuous **skills development** of all age groups, schemes for **intergenerational knowledge transfer**, re-skilling programmes at mid-career points, personalized career development paths
- Promote healthy lifestyle, good health & safety measures at work
- Companies (SMEs), too, need training regarding active aging in employment (best practices of management of diversified teams)
- Help seniors to set up their own business and invest in companies



Transforming challenges into new opportunities:

- ❑ Additional jobs (health & social care sector, recreation services, ...)
- ❑ Boosts innovation, R&D,
- ❑ New clusters (bio- and nano-technologies...)
- ❑ Creation of new markets, innovative products/services (“silver economy”):
 - ICT-based innovative solutions (delivery of health & care services, facilitates LLL, access to e-services, smart houses, facilitates social inclusion);
 - Robotics
 - Medical field & pharmacy
 - Housing
 - Nutrition
 - Tourism

Companies:

- 55+ is a significant consumer group with growing purchasing power
- Product & service development:
 - * needs of older consumers,
 - * re-thinking sales & marketing



The European Year for Active Ageing & Solidarity

Between Generations 2012 : <http://europa.eu/ey2012/>:



Policy makers & CSOs work together:

- to raise **awareness** of the **ageing process** & the **contribution older people can make to society**,
- promote active, healthy ageing & intergenerational solidarity** in :
 - **Employment** (longer working lives)
 - **Active participation in society** (active citizenship, volunteering, entrepreneurship, caring (parents, spouses, grandchildren))
 - **Independent living**

Methods: *reviewing policies, tax- and benefit systems; *integrating EY2012 objectives in organisation's work programme; *awareness raising events & exchanges of good practices

SPs and CSOs have an important role to play:

- **BUSINESSEUROPE** : "Age Management Policies in Enterprises in Europe" project
- **EESC Coordination Group for the Active Ageing & Solidarity between Generations** (conferences, hearings; adoption of relevant opinions...)





**Ageing is inevitable –
growing old in mind and attitude is optional!**



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THANK YOU VERY MUCH FOR YOUR ATTENTION!

DOOMO ARIGATO GOZAIMASHITA!

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