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Challenges and opportunities of population ageing

Population ageing and the decline in the working-age population have become an increasing concern. As Andres Vikat, Chief of the UNECE Population Activities Unit, clarifies, the so-called demographic bonus is gradually coming to an end. This change has important and far-reaching implications across all spheres of society, including on economic and social development, sustainability and equity. UNECE works on mainstreaming ageing to ensure that the issue is not forgotten or ignored when devising policies in any area.



What is population ageing?

It's the result of the interplay of longer lives and fertility decline. It's part of a long-term development called the demographic transition, which leads from a regime of high mortality and high fertility to one with low mortality and low fertility. As the large generations born during the time of high fertility are living longer, and the subsequent generations born at the time of fertility decline are smaller, the population as a whole is ageing. All countries experience this process sooner or later. The most frequently used indicators to demonstrate this are the percentage of people above a certain age (60 or 65), and the median age of the population.

How is society affected by population ageing?

The number and proportion of older persons in society

increases, so the total resources required to meet their needs are growing. Literally all spheres of society need to adapt to this change. The patterns of intergenerational relationships are changing as well. Nowadays, it is quite common that there are four generations in a family, and grandparents may have very few grandchildren. The public image of older persons also needs to be rethought, from depicting idle or dependent people who are a burden to public finances to the idea of them actively participating in society and contributing to its development.

There was a ministerial conference on ageing in 2002 in Berlin. Why a new ministerial conference in León this year?

The Berlin Conference adopted the UNECE Regional Implementation Strategy for the

Madrid International Plan of Action on Ageing, which includes a concrete catalogue of measures in the form of ten commitments. After five years, it is time to review how member States have implemented these commitments. The León Conference is thus a conference of review and appraisal of the Madrid Plan and the Berlin Strategy. Now, in the context where the consequences of ageing are becoming increasingly evident and the need to react more acute, the León Conference will also chart an agenda of further actions.

What are the major achievements since the Berlin Conference?

The level of knowledge about ageing in the government agencies has increased. Although Governments don't report very frequently that they mainstream ageing, ageing is now considered across a wide range of policy actions. Many countries have implemented reforms. Social protection systems, health and the labour market are the areas that have received the most attention. At a local level and at the so-called grass-root level, various non-governmental organizations play an important role in dealing with the specific concerns of different age-groups.

What do you expect from the León Ministerial Conference?

It would make the UNECE countries further understand the importance of adjustments to demographic change and make it visible to everybody that ageing is by no means an abstract phenomenon somewhere in the future, but is right next door and

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requires action now. Since Governments have increasing knowledge of good practices in various policy areas, we also expect that they will gain inspiration from the exchange of experiences between each other. The ministerial declaration that the conference is expected to adopt should demonstrate the renewed commitment of Governments to act on issues arising from demographic change, and identify the overall priority directions.

What are the major issues of the León Conference?

Reforming the systems of social security, health and care, adjusting the labour market, promoting active participation and collaboration across generations, and, overall, considering population ageing throughout government actions. The central idea promoted by the Conference and reflected in its title is the move towards a society that is for all ages. This would mean adopting a life course perspective in policy interventions which would allow people to reach old age in better health and security. It would also be sensitive to intergenerational justice, considering that adjustments to the increasing number of older persons today are not made at the cost of the future generations that are currently young or middle aged.

With growing life expectancy, is there a new mark of old age?

In many countries the retirement age is 65. However, given that in developed countries an average 65 year-old still has 15-20 years ahead, this age is not perceived as old. In statistics, 80 or 85 has been used as a mark of oldest old population, among whom the need for care and support is very much higher than among the 65-85 years olds. Populations of 85 and above are growing at a very fast rate in Europe and North America. At the León Conference, we're not going to define new age ranges within which people could be considered old, but we will talk about the need to make the ages at important life course transitions, such as retirement age, more flexible, according to the needs of individuals and society.

Is population ageing considered a problem?

It's more of a challenge and an opportunity than a problem. Ageing itself is part of the natural course of demographic development. Society has to adapt to that change, and it becomes a problem when timely action for adaptation is not taken. As the ageing process is predictable and gradual, it also allows gradual adaptation that is usually much less costly than emergency actions taken as a last resort.

What are the major challenges of population ageing?

The last 45 years could be described as a "demographic window of opportunity" or "demographic bonus" in Europe, as the proportion of working age population has been relatively large compared to the proportion of children and older persons. The social support system adapted for that period won't suit the population age structure that is about to come. Small birth cohorts born at a time of low fertility start entering the labour market, but they are too few in number to replace the large cohorts that exit the labour market. Structures related to labour, health care and social security need reorganization. It is also a challenge to keep people of all ages integrated into society and to provide ways of participation. Mainstreaming ageing is therefore labelled as one of the important priorities to ensure that ageing is not forgotten or ignored when devising policies in any area.

Are there additional challenges in some countries?

Yes, for example in Eastern Europe, the Caucasus and Central Asia, countries that find themselves in transition to a market economy. In some of

these countries, considerable ageing of the population is underway, while they haven't accumulated the wealth and resources that the market economies of the West did during the "demographic window of opportunity". It's more difficult for them to deal with several transitions at the same time. On the other hand, the population ageing in several Central Asian and Caucasian countries still mainly concerns the decrease in the number of children as compared to the working age population, and the share of older persons in the population is starting to increase from a low level. For them, the challenges characteristic of the "old" countries of the West are not that imminent at this time.

What are the opportunities of population ageing?

Firstly, ageing pushes society into making use of its underused human potential. A society cannot sustain its living standard when a rapidly growing proportion of its members are dependent on the contributions from others and when their possibilities to participate and contribute according to their abilities are limited. As people live longer, older persons have



accumulated expertise, knowledge and experience to an extent that was not possible in earlier times, and can therefore contribute a lot. The provisions many countries have made to integrate older persons and their organizations into the policymaking process and to encourage those who wish and can stay in their jobs longer serve as good examples. Secondly, ageing pushes society into making all service provisions and systems more efficient. A typical example is turning away from expensive institutional care to care at home. The support structures within the family and kin networks are rediscovered as important, so governmental support can be directed towards keeping up family relationships. For example, helping people who take care of their old relatives with their work schedules, or compensating them for the caring time.

There's a lot of discussion about the consequences of demographic change, but how can we actively influence demographic development?

The process of ageing as such would take place irrespective of policy measures. However, Governments usually want to avoid extreme situations. For example, a further decrease in fertility may lead to economically very unfavourable age distributions, under which maintaining the existing quality of life may not be possible even when consolidated adaptive measures are taken. The UNECE is coordinating a Generations and Gender Programme, which leads to policy-oriented data collection and analysis that can help Governments develop policies related to family, fertility, intergenerational relationships and gender relations. Alleviating the strain between work and family life by developing a system of day-care for children, for example, would be one of the measures in this direction. It can enhance quality of life by allowing both partners in the family to participate in the labour market, facilitate gender equality in the labour market, and, as the experience of several countries has shown, help avoid the decline of fertility to very low levels.

Looking to the future, what will the main focus of the ageing issue be in the coming years?

Efforts should be made to adapt social protection systems, labour market, health and care. These are the areas where the increase in the number of older persons is very directly related to the sustainability of public finances. However, it will be crucial to pay attention to issues that go beyond those motivated by fiscal concerns. It is important to achieve a change in the mindset, which means loosening assumptions on stereotypical roles for different stages of life, in favour of more flexible views that accommodate the active participation in society of people of all ages. Population ageing will be going on for many decades and the current stage of demographic bonus will not return in a foreseeable future. So Member States must not only make adjustments over the next five years, but ones that are sustainable in the long run.

For more information:
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