

Demography: a chance or a threat for the CEECs?

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Demography: a chance or a threat for the CEECs?

Outline

- Introduction
- Description of major demographic mechanism
- Demographic changes in CEECs compared to the world and Europe in general
- Specificity of CEECs: prevalence of the lowest-low fertility often coinciding with net emigration
- Some important demographic outcomes in future
- Conclusion

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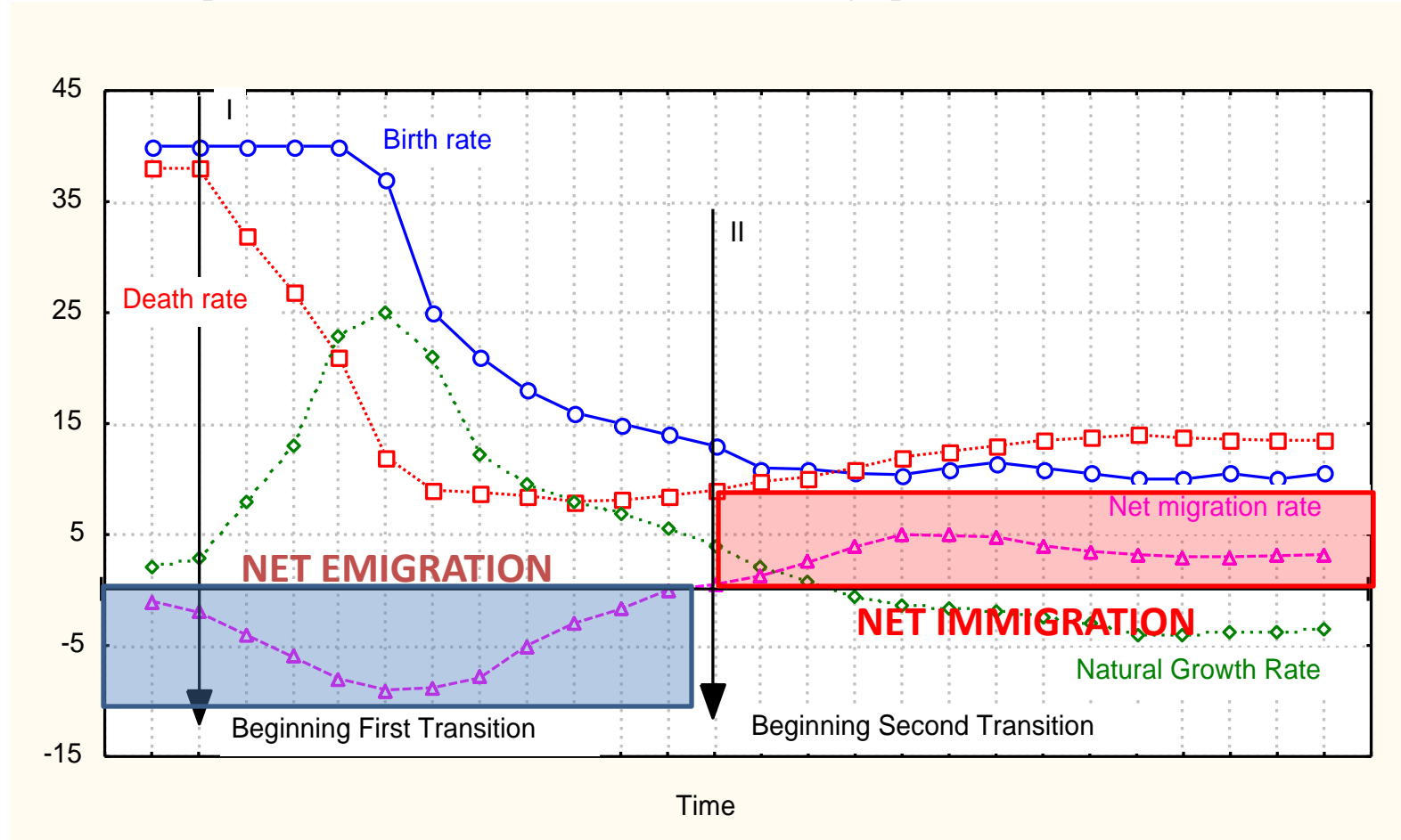
Introduction

- a chance or a threat?
- demography is always a chance – people as the ultimate resource (Julian Simon) → a long tradition in social thinking
- but it could also be a threat; so far most commonly identified in the post-colonial Third World → „population explosion“
- time dimension matters very much → under the pre-Borlaug agriculture, India was „over-populated“ and condemned to starvation and backwardness; at present, after 50 years or so, India belongs to net exporters of grain and economically fastest growing countries despite enormous increase in the population
- demographic transitions bring about temporary „shocks“ followed by adaptations, e.g. adaptation of procreative behaviours to improved survival of progeny during the demographic transition of modern times
- most recently the „trap of the lowest-low fertility“ experienced by some MDCs directly leads to a deep depopulation and excessive ageing

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Description of major demographic mechanism

Schematic representation of the First and Second Demographic Transitions



Source: Van de Kaa (1999)

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Demographic changes in CEECs compared to
the world and Europe in general

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Future demographic changes in CEECs compared to the world and Europe in general

- World: population might **increase** from 6,9 mld (2010) to 10,1 mld (2100)
- Europe (without the East): **stagnation** between 440 mln and 450 mln
- Eastern Europe: **decrease** from 295 mln to 220 mln

In effect:

Share of Europe in world population (%):

| 1950 | 1980 | 2010 | 2040 | 2070 | 2100 |
|------|------|------|------|------|------|
| 8,7 | 6,6 | 4,3 | 3,0 | 2,4 | 2,2 |

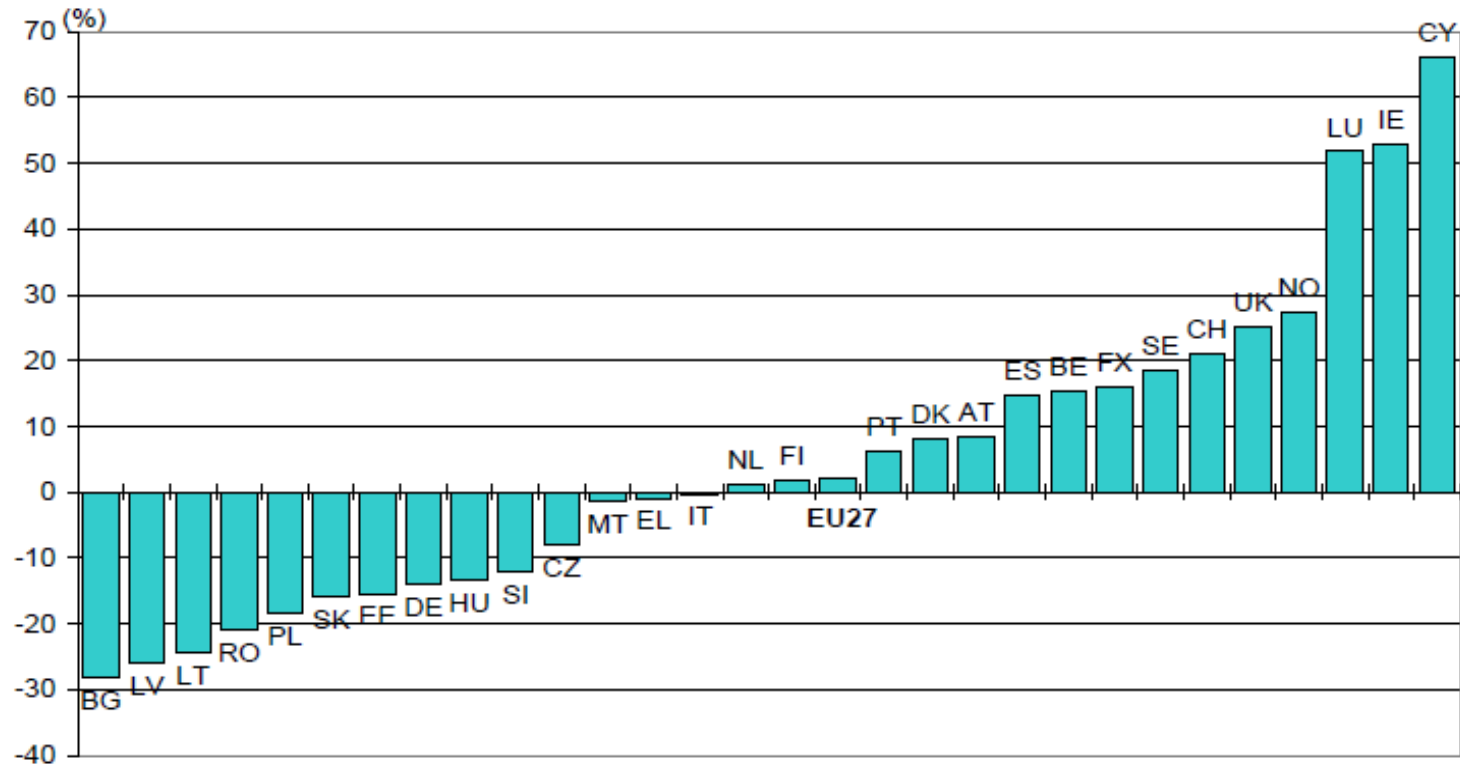
Share of Eastern Europe in European population (%):

| 1950 | 1980 | 2010 | 2040 | 2070 | 2100 |
|------|------|------|------|------|------|
| 40,2 | 42,6 | 40,0 | 36,6 | 34,2 | 32,9 |

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Demographic dimension of European future

Changes in population size (%), 2010-2060



In earlier period of same duration (1950-2000) population in the 'East' increased by 38% (despite negative migration balance) while in the 'West' by 29% (largely due to immigration)

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Specificity of CEECs

→ coincidence of

- strong net emigration (in some CEECs)

and

- below-replacement fertility

→ and, in addition

- prevalence of the lowest-low fertility

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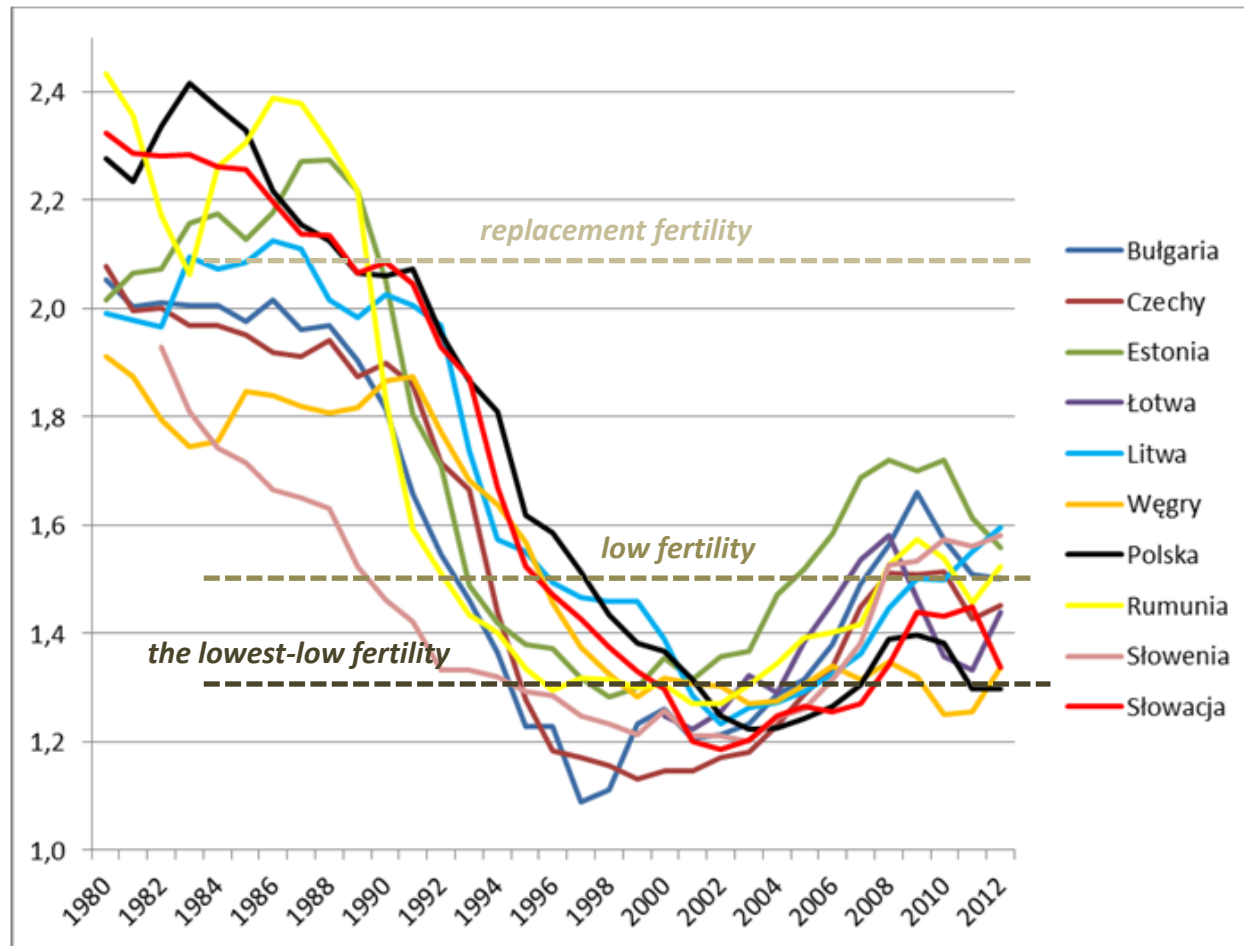
Principal reason of the demographic contraction: a deep decline in fertility

- Three critical thresholds: 2,1; 1,5 and 1,3
- 2,1 = replacement level
- 1,5 = the low fertility
- 1,3 = the lowest low fertility → → *trap of the lowest-low fertility*

- Long duration of the fertility slump

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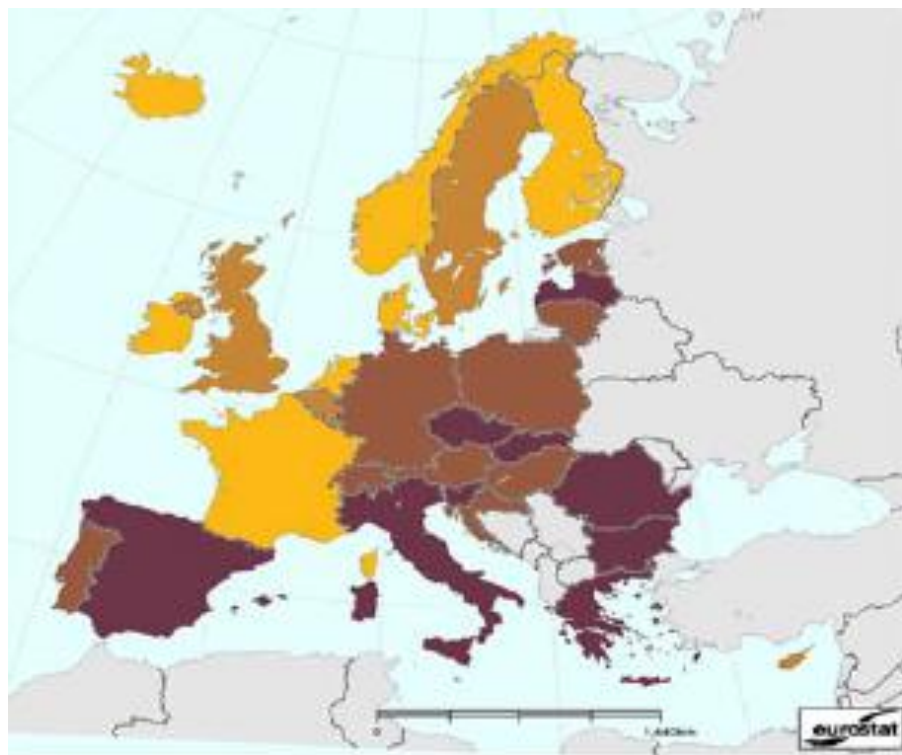
TFR in CEECs, 1980-2012



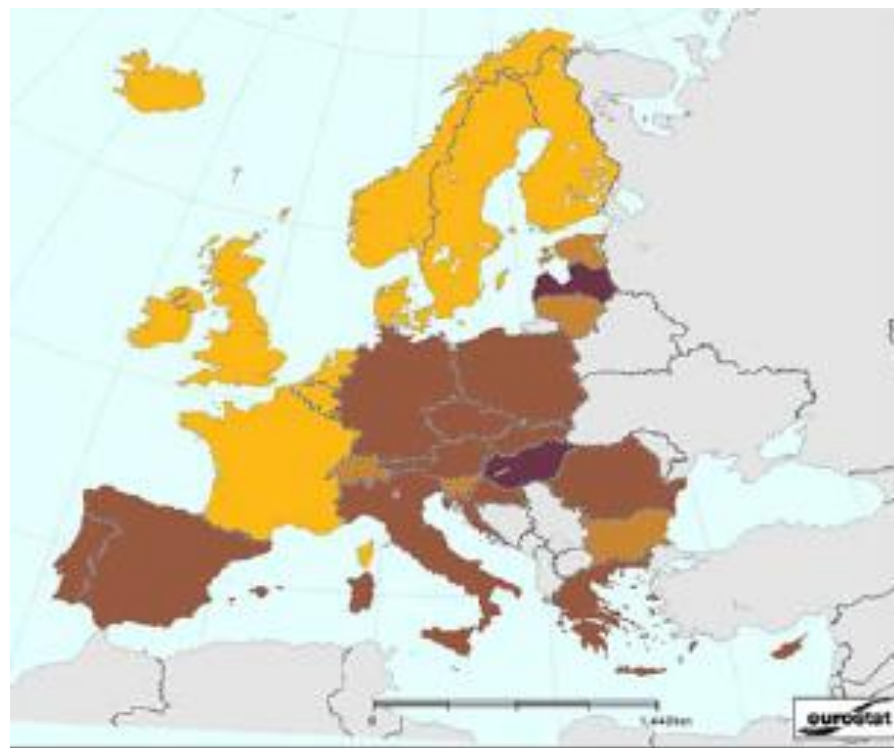
Source: Mig/Ageing; CMR (2014)

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recently a slight improvement in CEECs



Total fertility rate
Average 2000 - 2002



Total fertility rate
Average 2009 - 2011

...but far from enough

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TFR 2012

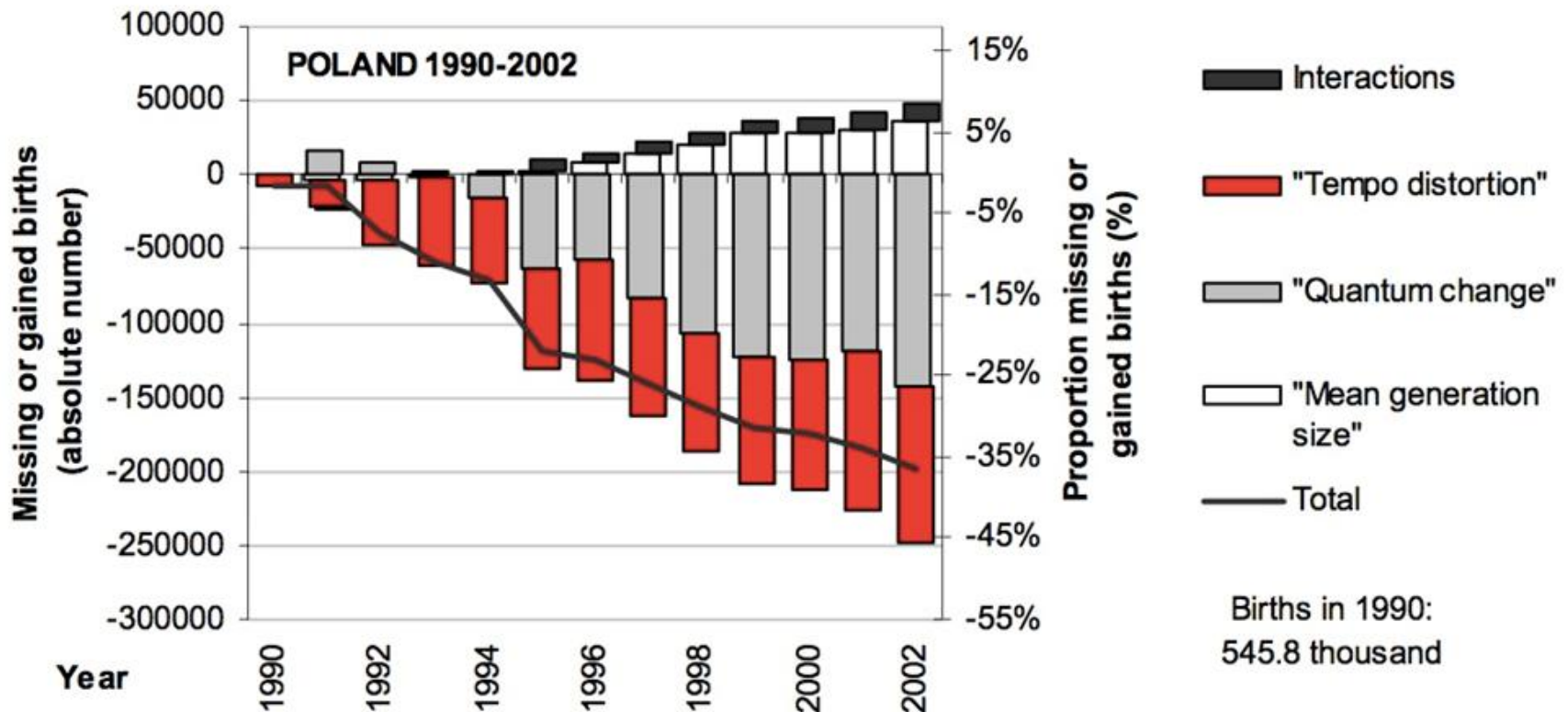
UE-28 average = 1.57

| TFR | country |
|-------------------------|---|
| below 1.35 | Greece, Hungary, Poland (1.30), Portugal (1,28), Slovakia, Spain |
| 1.35-1.49 | Austria, Cyprus, Czech R., Germany, Italy, Latvia, Malta |
| 1.50-1.59 | Bulgaria, Croatia, Estonia, Lithuania, Luxembourg, Romania, Slovenia |
| 1.60-1.69 | |
| 1.70-1.89 | Belgium, Denmark, Finland, Netherlands |
| 1.90 & above | France (2.01), Ireland (2.01), Sweden, United Kingdom |

Source: Eurostat

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Factors of fertility decline: the case of Poland (1990-2002)
Decrease in the no. of births attributed do its principal factors

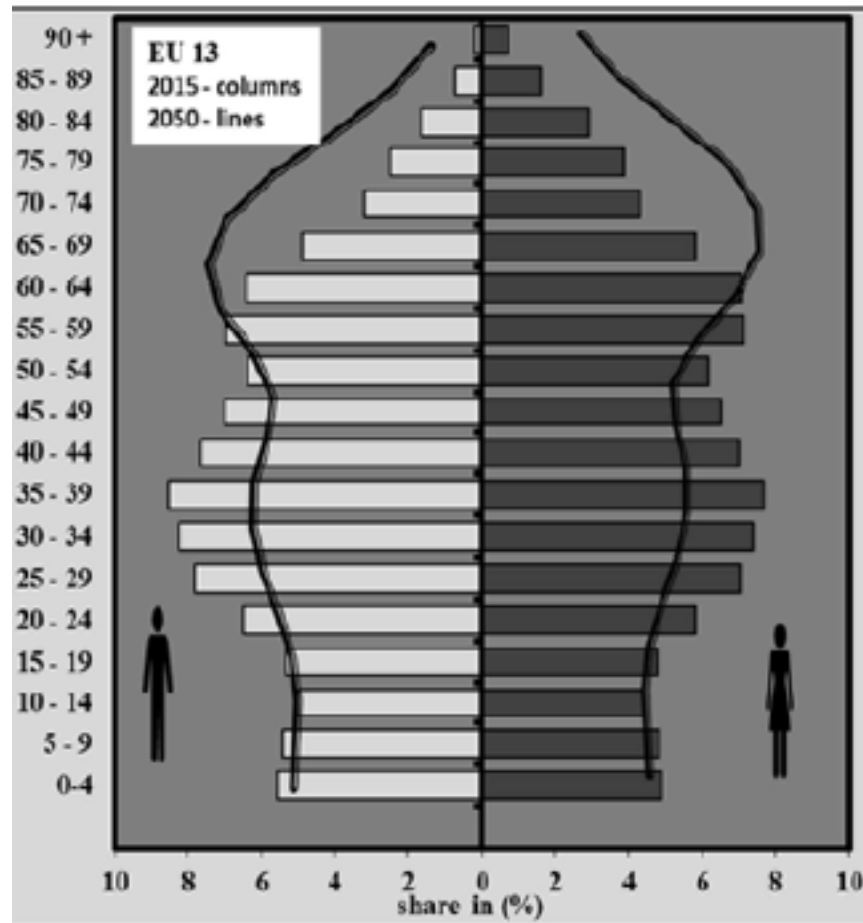


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Some important demographic outcomes in
future

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Fundamental change in age composition

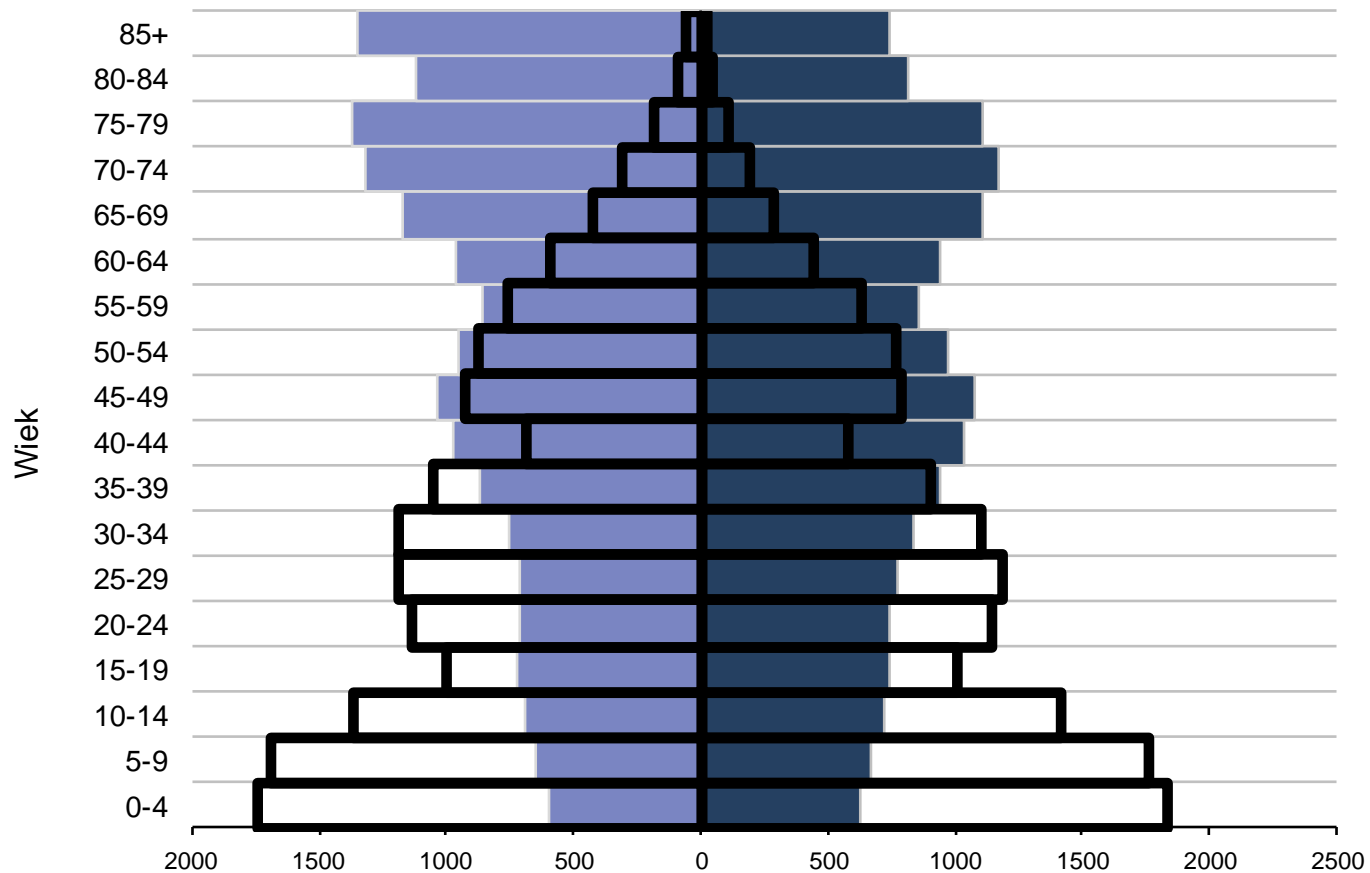


Projection of age structure pyramids in new member states of the EU (2015 and 2050)

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A country-specific illustration: Poland, 1960 vs. 2060

Population of about the same size (appr. 32 mln); entirely different age composition



■ Mężczyźni, 1960 ■ Kobiety, 1960 ■ Mężczyźni, 2060 ■ Kobiety, 2060 (w tys.)

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A loss in potential labour supply

European regional differences in the change in working-age population (15-64 years), in the future (million persons)

| Region | 2010 | 2060 | change | | 2100 |
|----------|-------|-------|---------------|--|-------|
| Europe | 505.3 | 392.0 | -133.3 | | 355.8 |
| | | | | | |
| Eastern | 211.0 | 137.0 | -74.0 | | 118.5 |
| Southern | 103.6 | 78.1 | -25.5 | | 68.0 |
| Northern | 65.2 | 68.6 | +3.4 | | 68.4 |
| Western | 125.4 | 108.4 | -17.0 | | 100.8 |

Source: based on UN projection

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A loss in working-age population (WAP), 2010-2060

| Country | Change in WAP (million) | Change in WAP (%) | | Change in total population (%) |
|----------------|-------------------------|-------------------|--|--------------------------------|
| Bulgaria | -2.3 | -44.2 | | -27.6 |
| Czech Republic | -2.1 | -28.8 | | -7.8 |
| Hungary | -2.1 | -30.4 | | -13.0 |
| Poland | -10.9 | -40.1 | | -19.4 |
| Romania | -5.8 | -38.9 | | -21.0 |
| Slovakia | -1.5 | -38.5 | | -16.7 |
| | | | | |
| European Union | -50.7 | -15.4 | | +2.1 |
| | | | | |
| United Kingdom | +4.9 | +9.5 | | +25.1 |

Source: based on Eurostat projection

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Median age: now and in 45 years

| 2010 | | | 2060 | | |
|----------------|--------------|-------------|----------------|--------------|-------------|
| Rank | Country | Median age | Rank | Country | Median age |
| 6-7 | Bulgaria | 41.4 | 1 | Romania | 52.4 |
| 6-7 | Slovenia | 41.4 | 2 | Latvia | 51.9 |
| 13 | Latvia | 40.0 | 3 | Poland | 51.2 |
| 15-16 | Hungary | 39.8 | 6 | Slovakia | 50.7 |
| 17-18 | Estonia | 39.5 | 7 | Hungary | 50.5 |
| 19 | Czech R. | 39.4 | 10 | Bulgaria | 49.6 |
| 20-21 | Lithuania | 39.2 | 13 | Slovenia | 48.7 |
| 23 | Romania | 38.3 | 14-15 | Czech R. | 48.1 |
| 24 | Poland | 37.7 | 14-15 | Lithuania | 48.1 |
| 25 | Slovakia | 36.9 | 17 | Estonia | 47.3 |
| average | EU-27 | 39.8 | average | EU-27 | 47.2 |

Source: based on Eurostat

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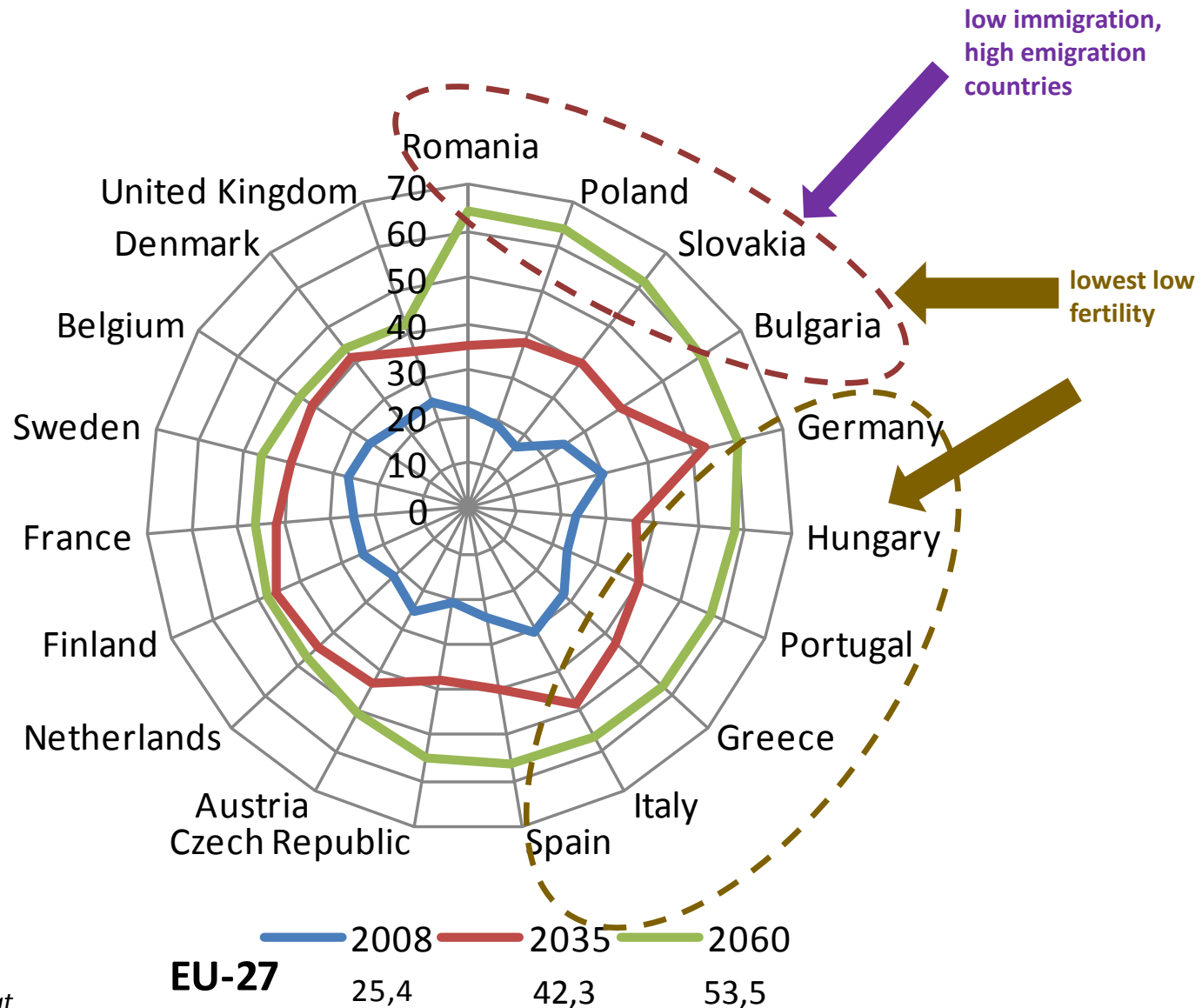
Old-age dependency ratio (x100): now and in 45 years

| 2010 | | | 2060 | | |
|----------------|--------------|-------------|----------------|--------------|-------------|
| Rank | Country | OADR | Rank | Country | OADR |
| 10 | Bulgaria | 25.4 | 1 | Latvia | 68.0 |
| 11-12 | Estonia | 25.2 | 2 | Romania | 64.8 |
| 11-12 | Latvia | 25.2 | 3 | Poland | 64.6 |
| 16 | Hungary | 24.2 | 4 | Slovakia | 61.8 |
| 17 | Slovenia | 23.8 | 5 | Bulgaria | 60.3 |
| 18 | Lithuania | 23.3 | 7 | Hungary | 57.8 |
| 20 | Czech R. | 21.6 | 8 | Slovenia | 57.6 |
| 21 | Romania | 21.4 | 12 | Lithuania | 56.6 |
| 24 | Poland | 19.0 | 15 | Estonia | 55.5 |
| 26 | Slovakia | 16.9 | 16 | Czech R. | 55.0 |
| average | EU-27 | 23.6 | average | EU-27 | 52.4 |

Source: based on Eurostat

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Old-age dependency ratio, 2008, 2035 & 2060



Source: based on Eurostat

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Conclusion

- shrinking human resources (a deep decline in population size, especially in its working-age segment) and an advanced ageing pose serious political problems that call for resolution
- is demography a chance or a threat? → rather a challenge
- in CEECs it seems more demanding than elsewhere in the UE
- in order to cope with that challenge the societies of CEECs will need to adapt (and in fact, to pioneer in adapting) to the demography-related changes, needs and requirements in such areas as: public health, care for the elderly, family and intergenerational relations and social cohesion, structure of household demand and consumption, public finance, work and economic activity, and, finally, various public policies.

Thank you!