Population Ageing in Central and Eastern Europe

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Outline

1. Introduction: Central and Eastern Europe’s transition from socialist to ageing societies
2. The relationship between socio-economic crisis and demographic change
3. The drivers of population ageing in Central and Eastern Europe
4. Resulting effects on the population structure in Central and Eastern Europe
5. Conclusions: Implications of population ageing for the CEE societies

1. Central and Eastern Europe’s transition from socialist to ageing societies
OVERVIEW

FROM RED TO GRAY

The “Third Transition” of Aging Populations in Eastern Europe and the Former Soviet Union

THE WORLD BANK
1. Intro: From 'Socialist' to 'Ageing' Societies

- 2009 = 20th Anniversary of the “Velvet Revolution” / “Peaceful Revolution” in Central and Eastern Europe (CEE) in 1989
- Since 1989, CEE **has been undergoing** transformation from ‘state-socialist’ societies / planned economies → ‘free’ societies / market economies
- Rapid process of re-organisation of social institutions (Worldbank / IMF ‘shock therapy’)
- Their people were unprepared for these changes
- Dramatic changes of people’s lives, including:
  - devaluation of degrees / qualifications
  - mass unemployment (unemployment previously unknown)
  - poverty / social exclusion
  - detoriating health care provision (former Soviet Union)
  - widening gulf between rich and poor
1. Intro: From ‘Socialist‘ to ‘Ageing‘ Societies (2)

- Uncertainty, insecurity
  - Did people change their behaviour / take different decisions?
  - Mass emigration of young Eastern Europeans to Western Europe, North America, Australia, etc.
  - **Young** people in CEE stopped having children (postponement)!

Until today, little attention paid to causes of this extraordinary fertility decline (Caldwell & Schindlmayr 2003)

1. Is there population ageing in CEE?
2. Is there a link between post-communist transformation and population ageing?

This paper argues that population ageing in Central and Eastern Europe is an (unintended) outcome of the socio-economic insecurity in the wake of the transformation of the CEE planned economies to market economies.
2. The relationship between socio-economic crisis and demographic change
THE DEMOGRAPHIC TRANSITION MODEL

STAGE ONE
(Pre-Modern)

STAGE TWO
(Urbanizing/Industrializing)

STAGE THREE
(Mature Industrial)

STAGE FOUR
(Post Industrial)

CBR, CDR RATE PER 1000

YEAR

TOTAL POPULATION

CBR, CDR, Total Population
2. Socio-economic crisis and demographic change

- Most previous research focused on economic growth as dependent variable, with demography being the independent variable (Bloom, Canning & Sevilla 2003)
- Some research evidence in developmental studies: economic hardship results in fewer children + lower investments in them (Lesthaeghe 1989; Eloundou-Enyegue, Stokes & Cornwell 2000)
- Some argued that economic crisis of 1970s encouraged low-fertility attitudes in the US (Teitelbaum & Winter 1985) and the UK (Hobcraft 1996)
- Previous studies on declining life expectancy in CEE blamed transformation process (e.g. Witte & Wagner 1995; Standing 1996; Holzer & Kowalska 1997; Philipov 2001; Rychterova & Kraus 2001)
2. Socio-economic crisis and demographic change

• Others challenged the assumption that there WAS a prolonged economic crisis in CEE in the first place – Maddison (2001) claims lack of ‘hard economic facts’ proving prolonged economic crisis in the region.

• Eurostat evidence is mixed: Czech Republic had lower unemployment rate than EU15 in mid/late 1990s – but clear evidence of rising unemployment in most CEE countries and massive drop in GDP.

• Standing (1996) pointed out that CEE lost their 3 main pillars of economic security during transformation years:
  (1) Guaranteed employment from leaving education till retirement
  (2) Social protection by means of stable low prices through subsidies
  (3) Various enterprise-based in-kind benefits (housing, childcare, health care; holiday packages)

• What matters for individual decisions, however, is perceived economic insecurity, not ‘hard facts’
3. The Drivers of Population Ageing in CEE
Drivers of population ageing

1. Mortality
   - (rising) life expectancy ➔ larger share of older people

2. Fertility
   - (declining) birth rates ➔ smaller share of younger people

3. Migration patterns
   - number and age of immigrants/emigrants
Mortality (life expectancy)
Male life expectancy at birth
(Eurostat Population Statistics 2006)
Female life expectancy at birth
(Eurostat Population Statistics 2006)
(II)

Fertility
(III) Migration
Nature and age structure of migration

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<tr>
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<th>Emigration</th>
<th>Immigration</th>
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<tr>
<td>Young migrants</td>
<td>A</td>
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<td>Old migrants</td>
<td>C</td>
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Net migration (+ immigration, - emigration)
(Eurostat Population Statistics 2006)
Net migration (+ immigration, - emigration)
(Eurostat Population Statistics 2006)
4. Resulting Effects on the Population Structure in CEE
(I)

Population share of older people

- Percentage of total population aged 60+
Proportion of 60+
(Eurostat Population Statistics 2006)
(II)
Old-age dependency ratio

= number of 65+ per 100 aged 15-64
Current and projected old age dependency ratio

2005

- 10 - 19.9
- 20 - 29.9
- 30 - 39.9
- 40 - 49.9
- 50 - 59.9
- 60 - 69.9

Source: Eurostat 2005
5.
Implications of population ageing for the CEE societies
Conclusions

This paper argued that population ageing in Central and Eastern Europe is an outcome of the socio-economic insecurity following the economic crisis accompanying the transformation of the CEE planned economies to market economies.

- It was provided evidence that CEE populations are ageing too
- It was made the case that population ageing is likely to be the aggregate outcome of individual decisions to postpone child birth + to move abroad in response to the socio-economic transformation process of the early/mid 1990s
- This was helped by improvements in life expectancy in most CEE
- Comparison with Western Europe illuminating: Western Europe is ageing too, but have (more or less) comprehensive health care, social care, long-term care, public + private pension schemes in place
Western Europe got rich before it became old.
The Central and Eastern European countries are getting old before they become rich.
Implications for the CEE societies

• Persistence of very negative stereotypes about older workers, in particularly in societies with high unemployment (e.g. Ruzik & Perek-Bialas 2005)

What can be done?

• Raise public awareness of older people’s situation!
• Utilise the EU frameworks! (NAPs ‘Social Exclusion’; NGO networks)
• Support families in providing care/support!
• Support the voluntary sector in providing information, care/support!
• Create jobs for the younger generation in CEE!
• Revive intergenerational solidarity (childcare, financial transfers instrumental support!)
Implications for future research / next steps

- Data shown today = macro data; used macro data to prove causal relationship between two macro phenomena
- Link between socio-economic context & individual decisions/behaviour plausible, but not proven beyond doubt

▶ Micro data needed to really establish link between socio-economic causes, individual behaviour and demographic change!

Micro data needed to have children in 20s  
▶ Checking micro data available in CEE (GGS, for example)
▶ Multivariate data analysis to establish that link!
Thank you all very much for your attention!
Bibliography


Bibliography


