

Population Ageing and Its Economic Challenge for European Countries

*Jana Langhamrová**, *Kornélia Cséfalvaiová***, *Jitka Langhamrová***

* Department of Statistic and Probability, ** Department of Demography
University of Economics Prague, Czech Republic

Introduction

It seems almost conventional that Europe is facing the process of population ageing. This demographic progress means serious consequences and challenges for the European economy, healthcare and national policies. Issues connected to population ageing are indicated by two mutually reinforcing trends – the declining fertility rates and the increasing life expectancy at birth. At present, the populations of economically developed societies live much longer than before, and as the life expectancy is increasing steadily, healthy life expectancy is increasing at the same time. The reasons are partly connected with the progress of health care systems and the development of social and cultural environment.

The aim of this paper is to analyze the process of population ageing in selected European countries. Furthermore, it deals with the efficient utilization of the workforce of older people in the labour market. In this connection, it is important to note that the increasing proportion of older people in the society does not necessarily mean a crisis situation.

Part-time job as one form of flexible labour market

The job market can be evaluated from many different views. The issue of the labour market is a complex mechanism that can have a serious impact on the whole economic process. If the labour market is flexible, it is undoubtedly able efficiently respond to any fluctuations in the economy and increase its competitiveness. With a variety of alternative forms of jobs there are new opportunities for use of employees, application of flexible working hours, maybe reducing of labour costs, etc.

Among the less common forms of employment can be included, for example, part-time work, flexible working hours, work from home or sharing one job of more workers. For persons voluntarily employed any of the above mentioned forms of work contract, this situation brings new opportunities for reconciling work and private life, the possibility of a different lifestyle. Among these groups of people would probably be able included students and graduates, mothers with young children, people with physical limitations or long-term unemployed. For them are more flexible forms of employment undoubtedly very welcome. We are talking about a certain efficient use of labour potential that these groups with no doubt have for the labour market.

The experience of Western Europe shows if the labour market is more flexible, than should be lower unemployment and higher labour productivity.

Measures

Life expectancy at age 65

Majority of developed countries are facing the increasing life expectancy at birth. It is important to analyze the life expectancy at age 65 in relation to the population ageing and its economic consequences on the labour market. Results are presented in the figure 1 for selected countries.

Seniors in the labour market

Recently, many seniors wish to remain in the labour market. One of the objectives of this study is to highlight the percentage of seniors having a part-time job. Creating appropriate job opportunities for seniors should be the key point of interest for countries confronting demographic ageing.

Results

Population ageing is likely to require more people in European countries to work to an older age to satisfy the demand for labour and to preserve social and pension systems. Extending working life is the subject of interest of national and public policies.

Table 1 includes the percentage of senior men and women having part-time job with respect to total employment and the percentage of people aged 15-64 with part-time job in Western and Eastern Europe. It points out the differences in employment rates for both sexes.

Table 1: Percentage of persons aged 15-64 with part-time job in selected European countries (in %)

	Men	Women
Belgium	9,2	43,3
Germany	9,0	45,1
Portugal	7,0	13,7
Czech Republic	1,8	8,5
Slovakia	2,6	5,6
Hungary	4,4	8,8

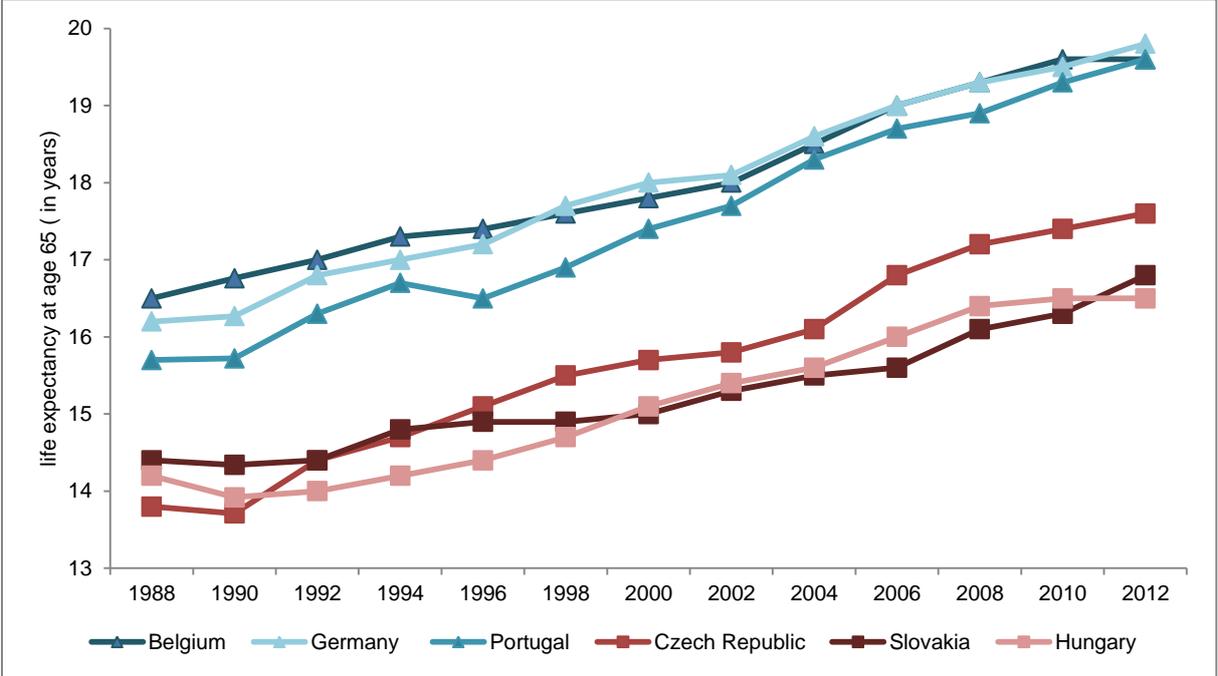
Source: Eurostat Database

Concerning part-time employment as a percentage of the total employment, both for men and women aged 65 years and over, the most visible increase in the period 2002-2012 was observed in Belgium (16,8 %), Germany (12,1 %) and Portugal (9,1 %). On the other hand, in Slovakia and in Hungary part-time employment rates for both men and women were lower in 2012 than in 2002 (decrease by 17,5 % in Slovakia and by 2,4 % in Hungary). From the results it is necessary to focus on the subgroup of older employees because in the future we can expect increasing employment rates for older workers in comparison to other age groups. The proportion of older employees is increasing in majority of countries facing population ageing.

In today's ageing societies where there is an increasing demand for care services in the European countries, qualified care workers will be needed to take care of future needs of

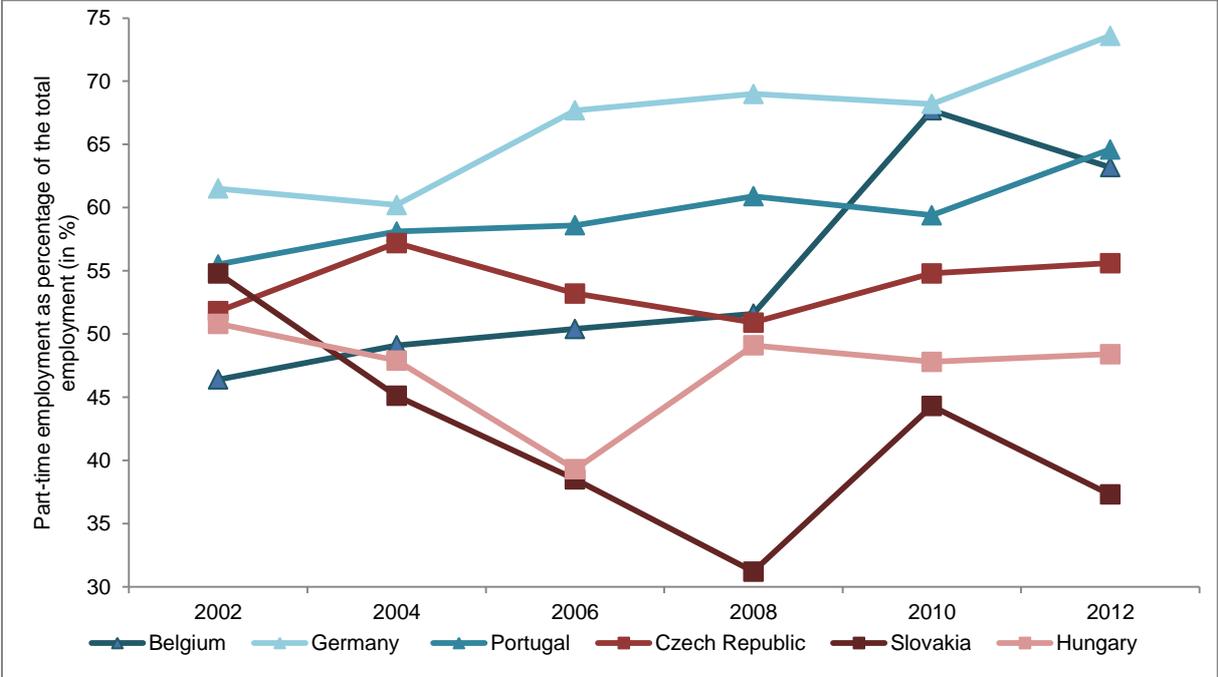
seniors. Home-care services and social services play an important role in European social policies.

Figure 1: Life expectancy at age 65 in selected European countries in the years 1988-2012



Source: Eurostat Database

Figure 2: Part-time employment as a percentage of the total employment for people aged 65 and older



Source: Eurostat Database

Conclusion

The aim of this study is to reflect the increasing life expectancy at age 65 for European countries in conjunction with the ageing society. Next results could be obtained in the percentage of older people acting in the labour market in the field of part-time jobs. Countries that are a part of Western Europe show higher productivity of their inhabitants aged 15-64 and over 65 years than the Eastern part of Europe where the proportion of seniors employed part-time is lower. It should be discussed why are often some age categories discriminated in the labour market and the national governments should enable more part-time job opportunities mainly for mothers with children and seniors. Seniors have often financial problems and shorter working hours may help them to satisfy their specific needs and to remain an active part of our society.

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