

Ageing Societies – Trends, Challenges, Policy Options

2nd JEF/DGAP International Symposium

„How to get out of the crisis?”

Different approaches in Japan and the EU towards growth“

3 June 2014, Berlin

Dr Steffen Angenendt

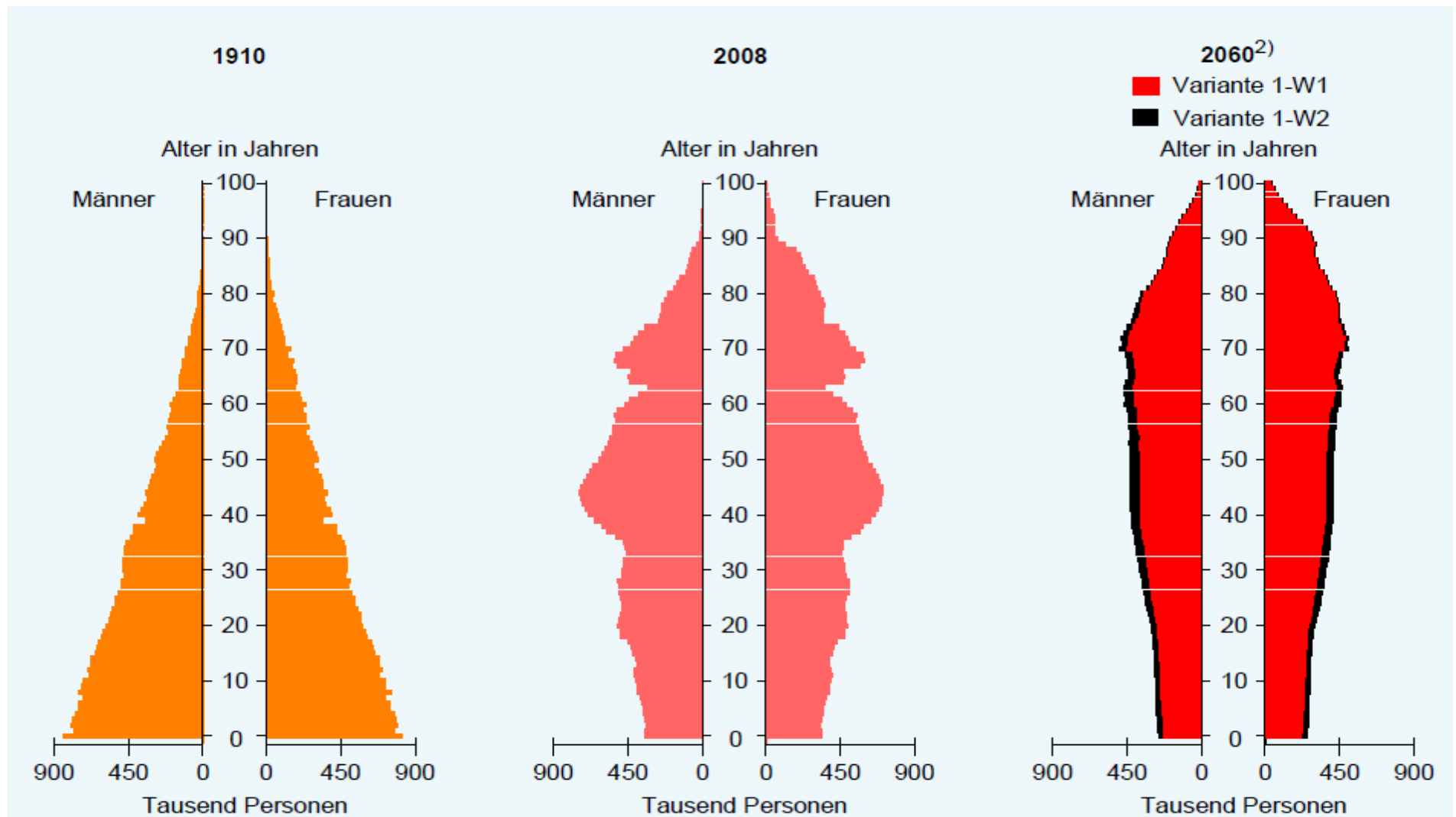
Stiftung Wissenschaft und Politik (SWP), Berlin

SWP

Structure

1. Main demographic trends
2. Five policy challenges
3. Conclusion

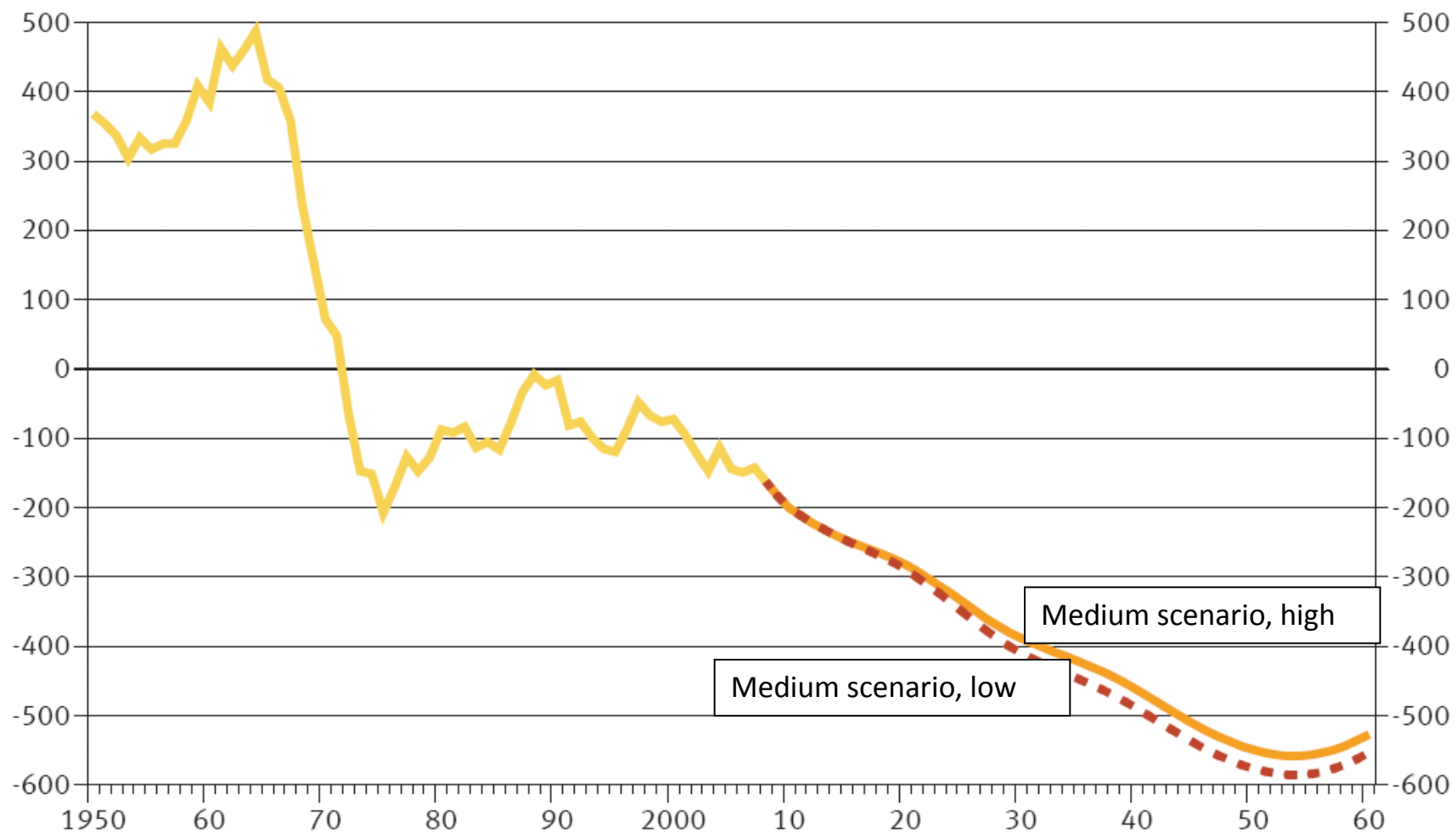
Germany's Age Structure (1910, 2008, 2060^e)



Source: Sachverständigenrat 2011

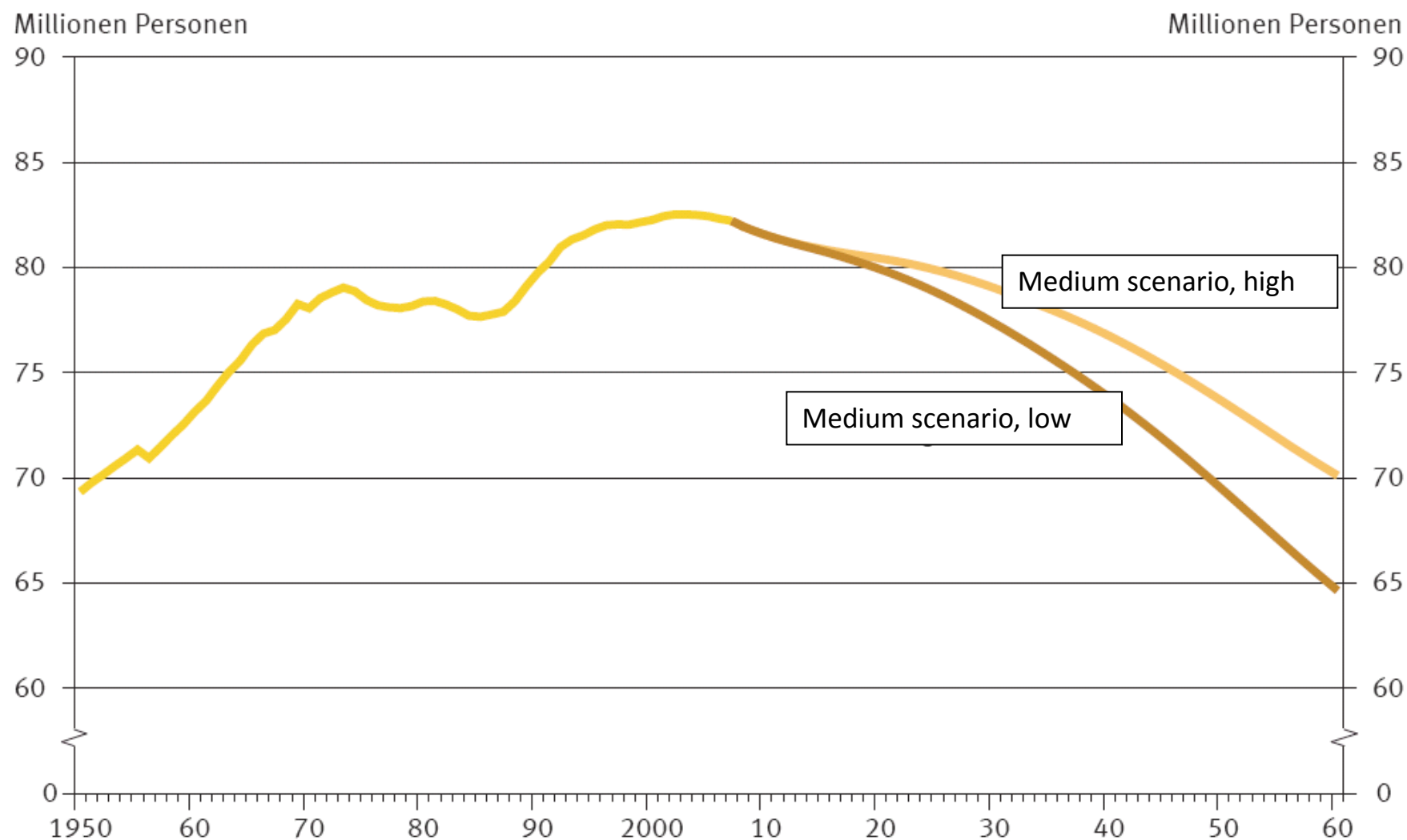
Population decrease, Germany, 1950-2060^e

Gap between new-born and death cases



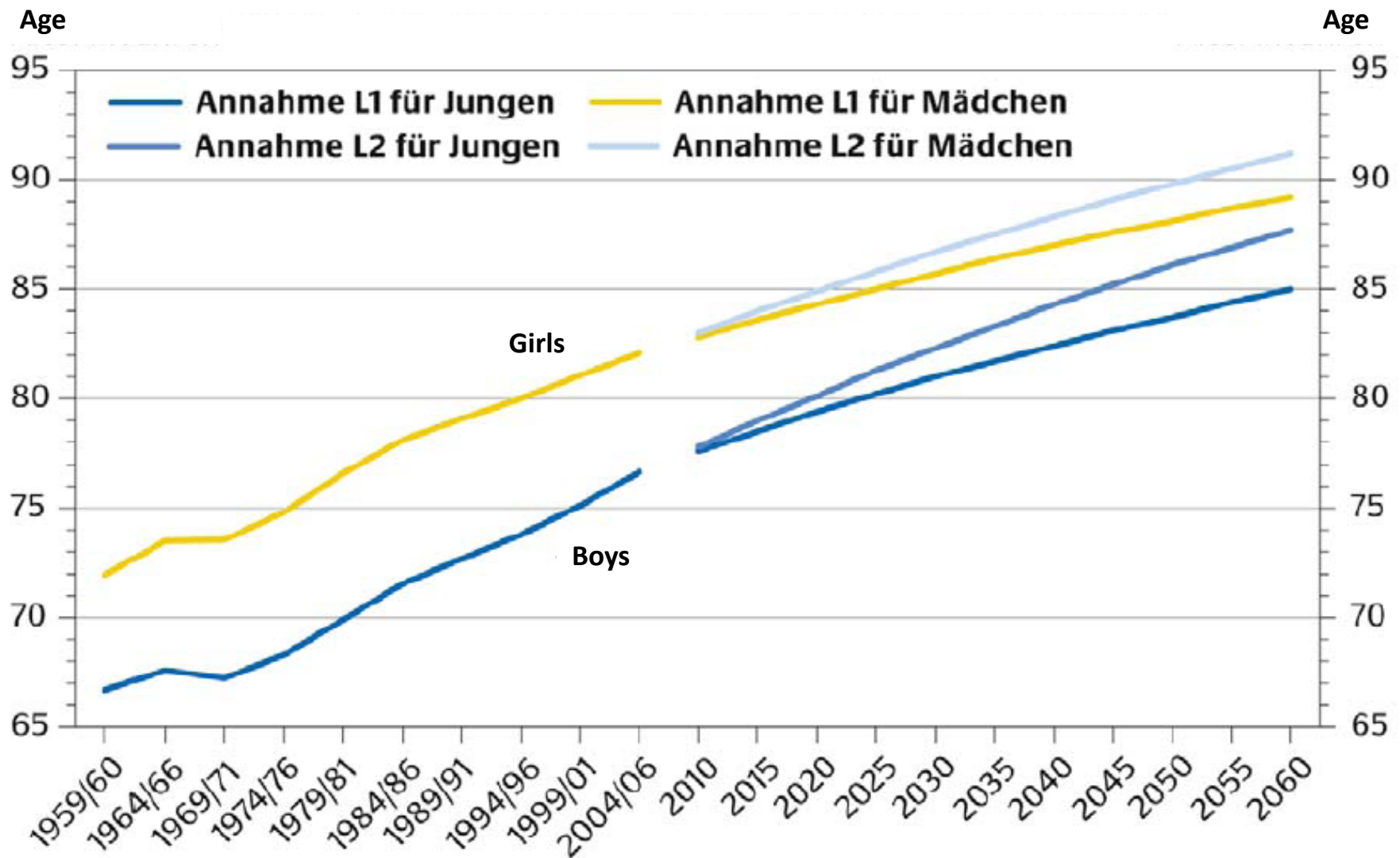
Source: German Federal Statistical Office

Population in Germany, 1950-2060^e



Source: German Federal Statistical Office

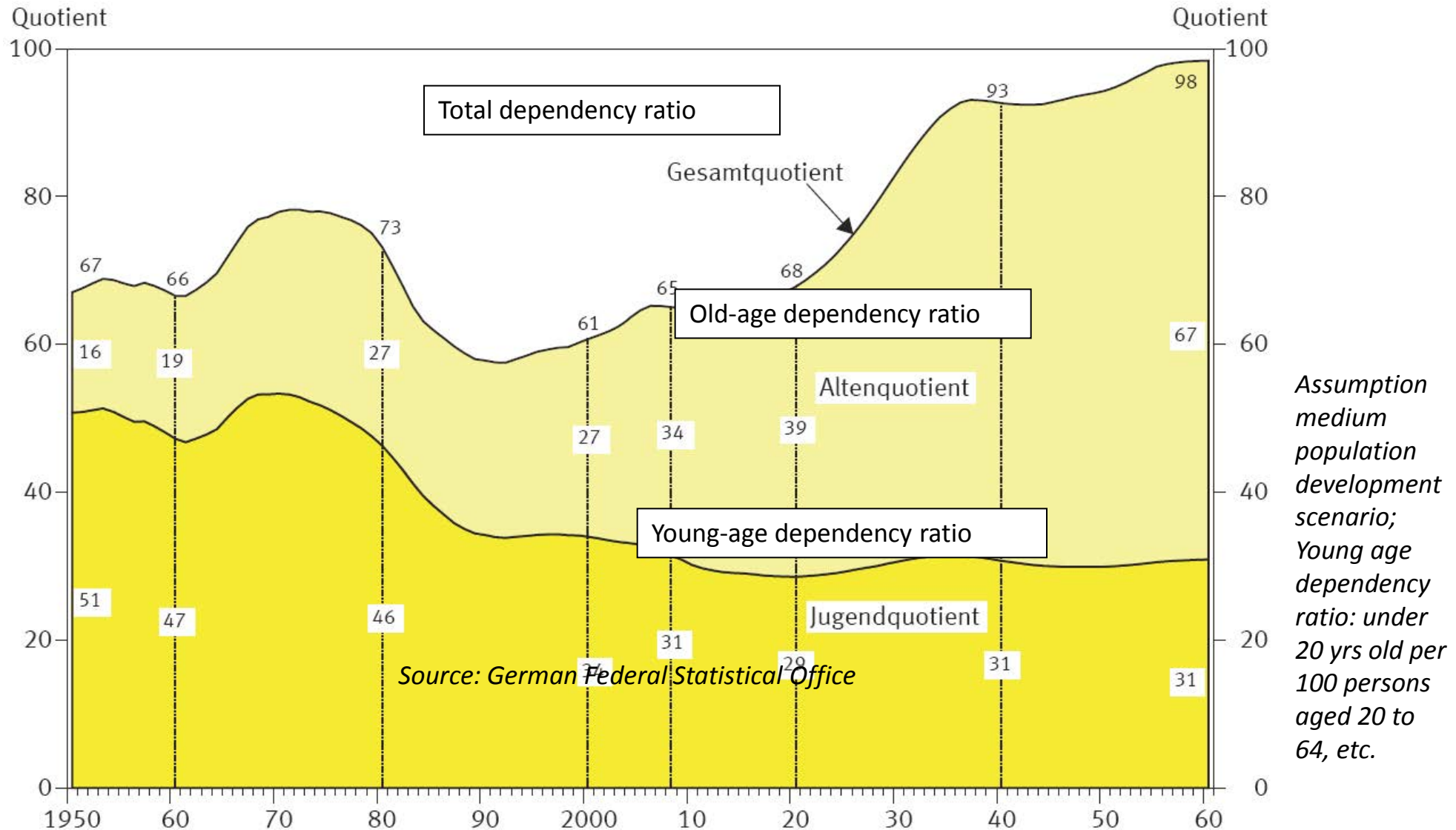
Life expectancy at birth, Germany, 1960-2060^e (in yrs)



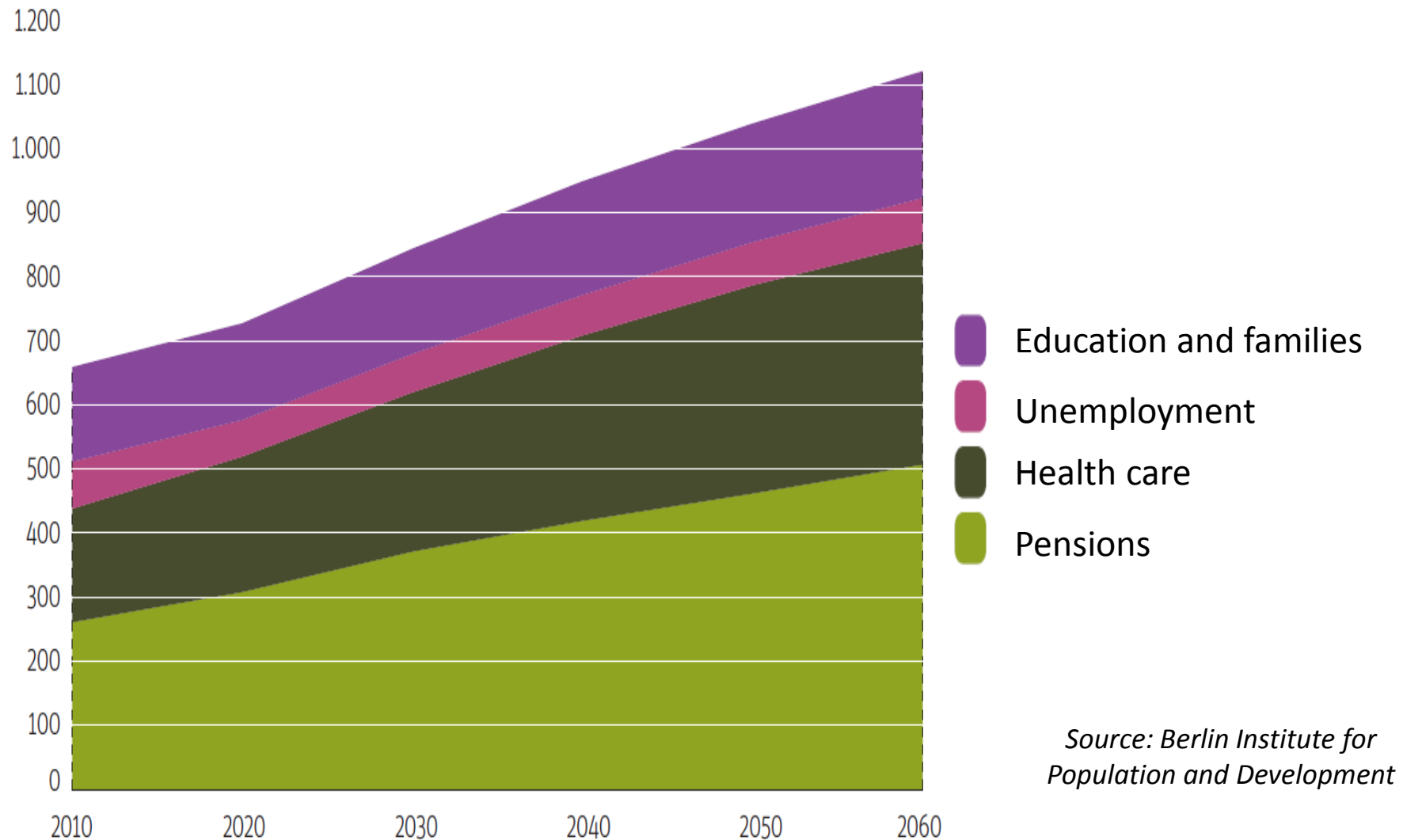
Source: German Federal Statistical Office

Challenge #1: Increasing dependency ratios & social spending

Young- and old-age dependency ratio in Germany, 1950-2060^e

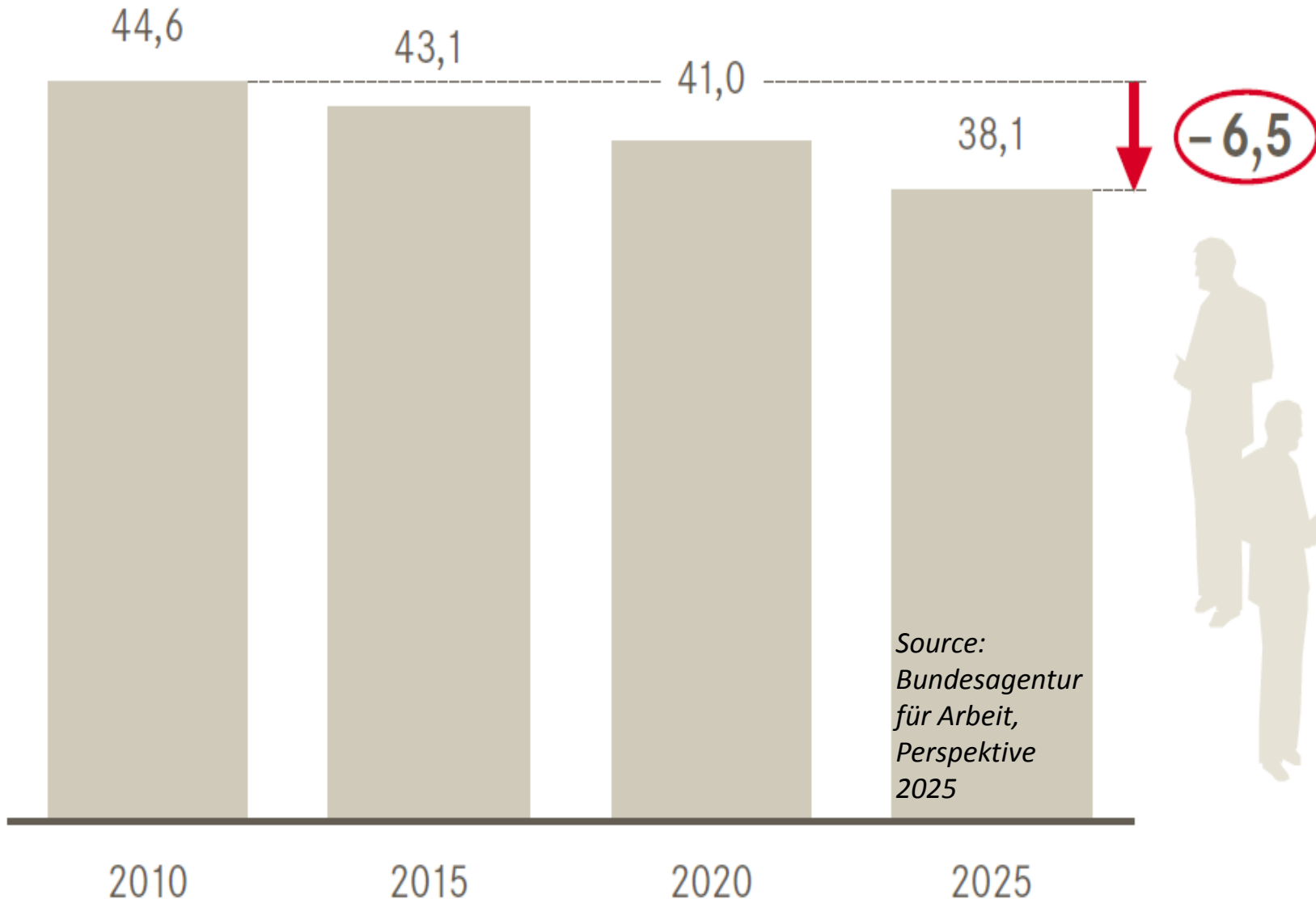


Projected increase of social security expenditures, Germany, 2010-2060^e, in b Euro p.a.



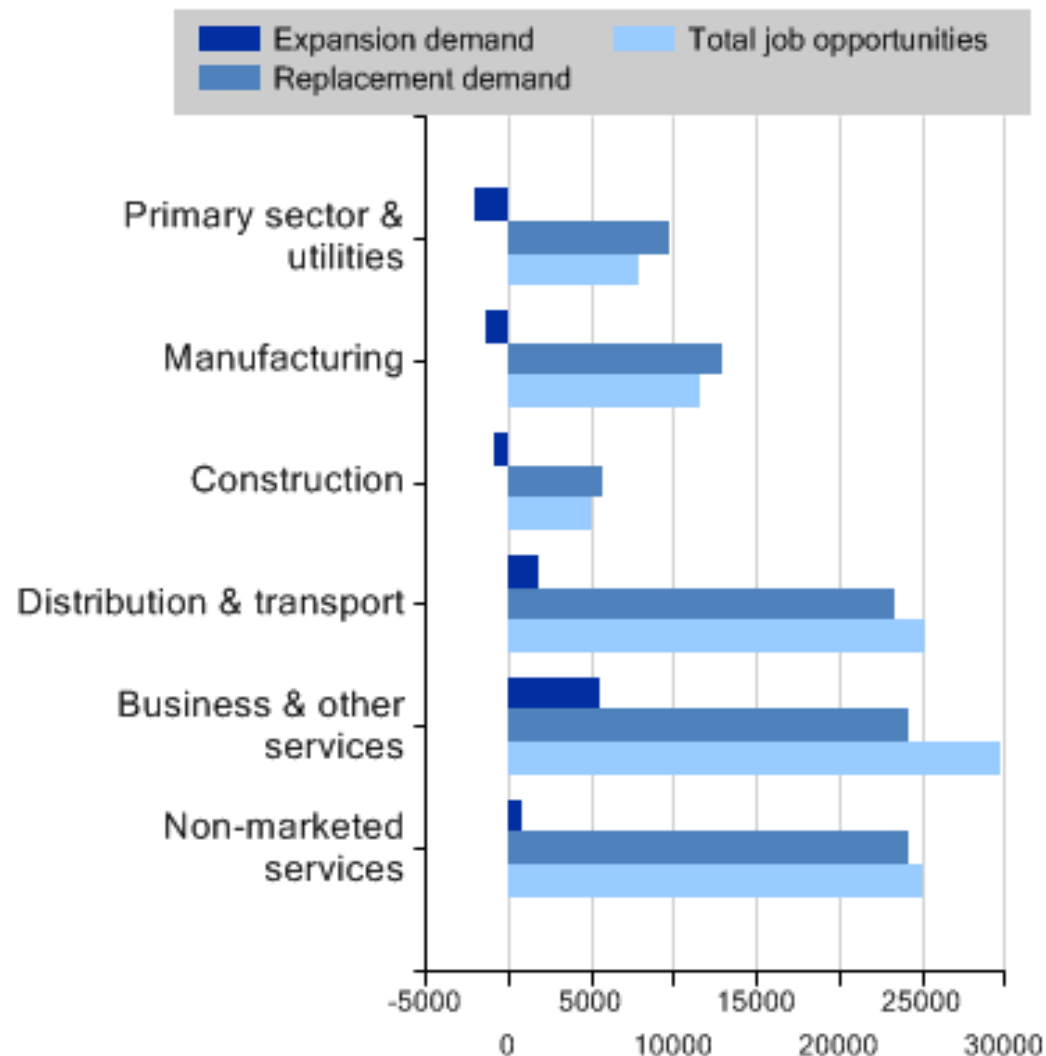
Challenge #2: Shrinking work force

Labour Force, Germany, 2010-2025^e, in m





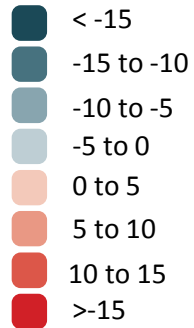
Skills forecast: Job opportunities by sector (in 000s), EU28+ (2013 - 2025)



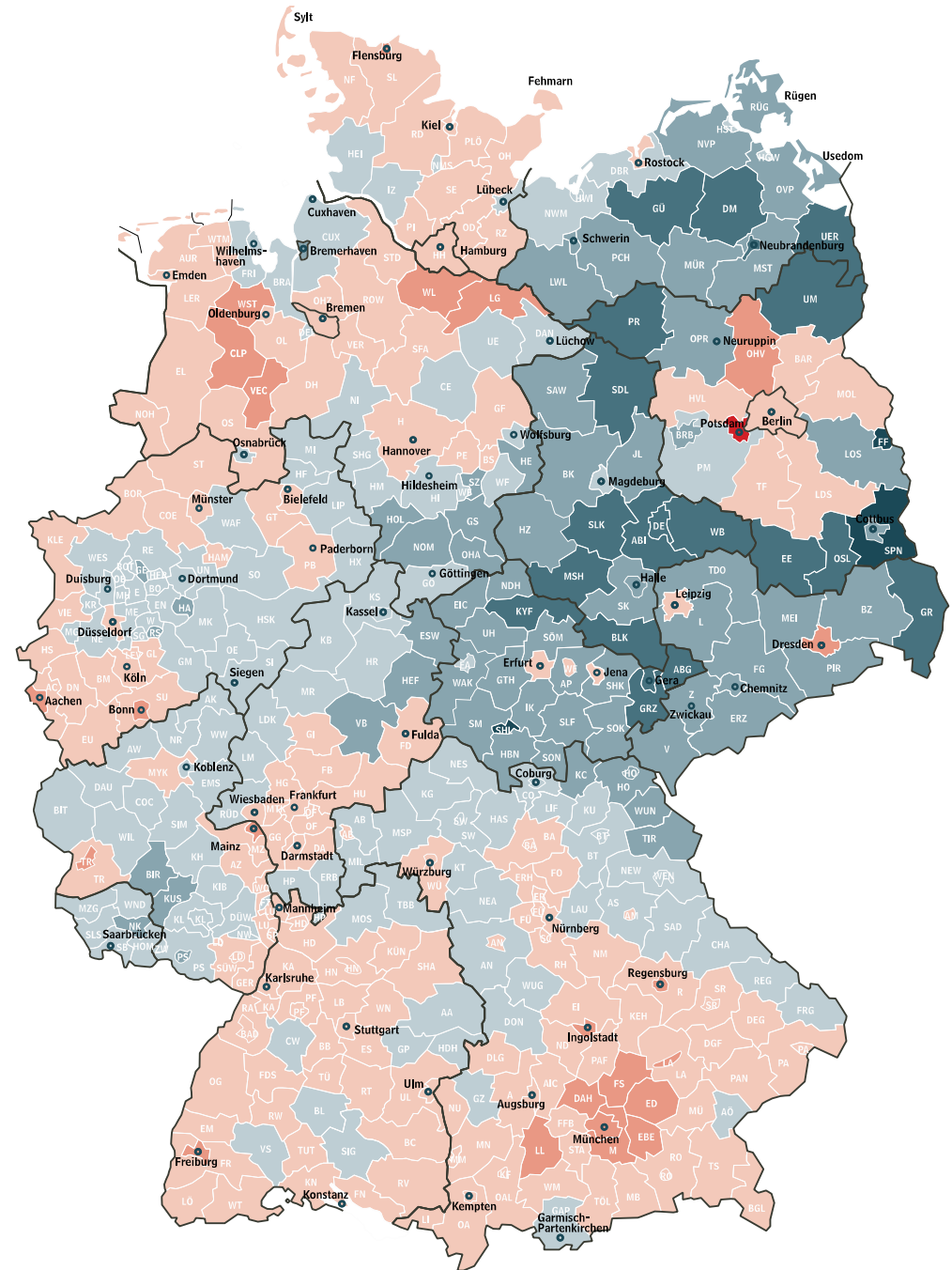
Main shortages till 2025^e:

- Health care workers
- IT experts
- Engineers
- Sales managers
- Financial experts

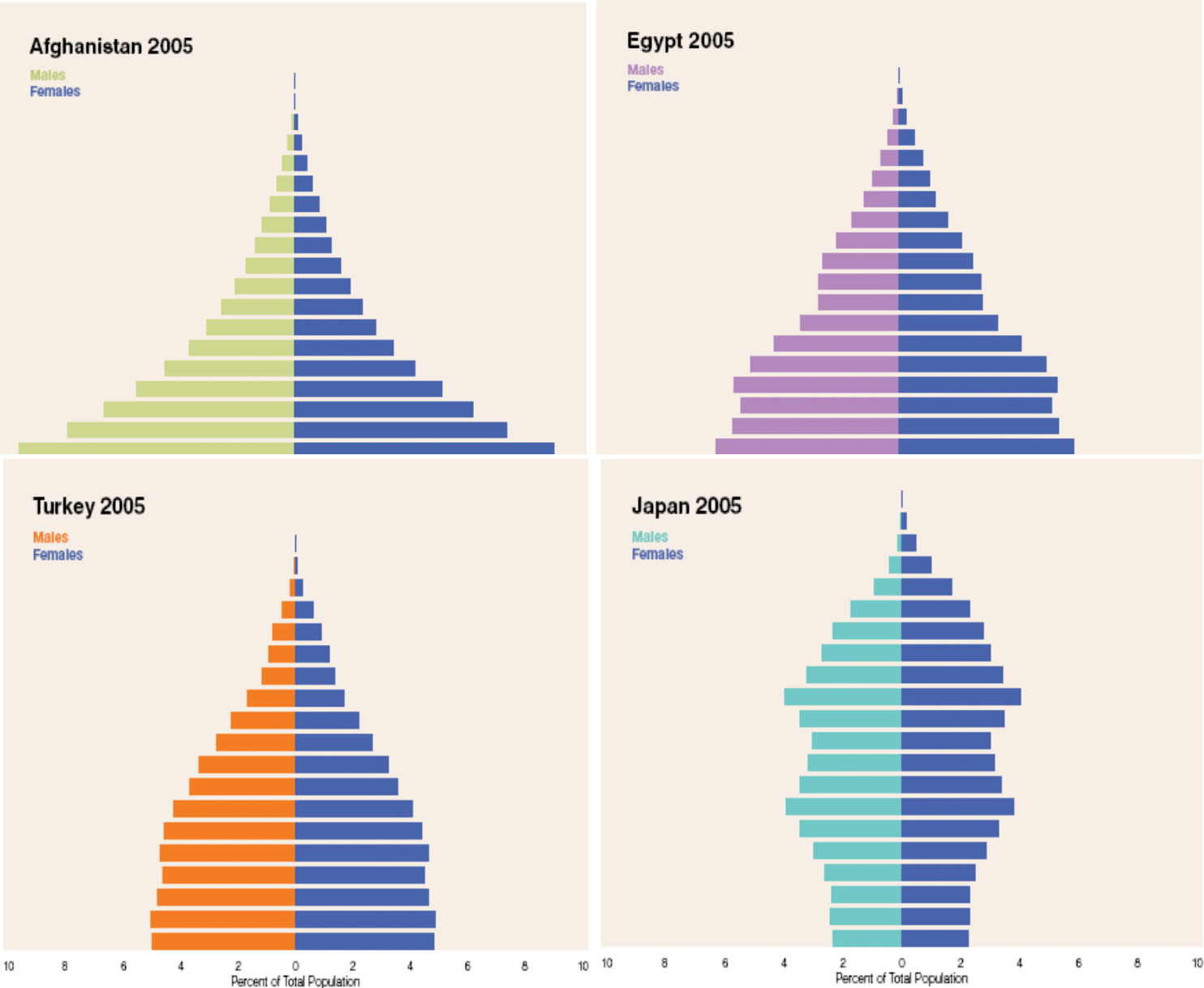
Challenge #3: Unequal population development, Germany, 2000-2008, in %



*Sources: Federal
Statistical Office,
Berlin-Institute*

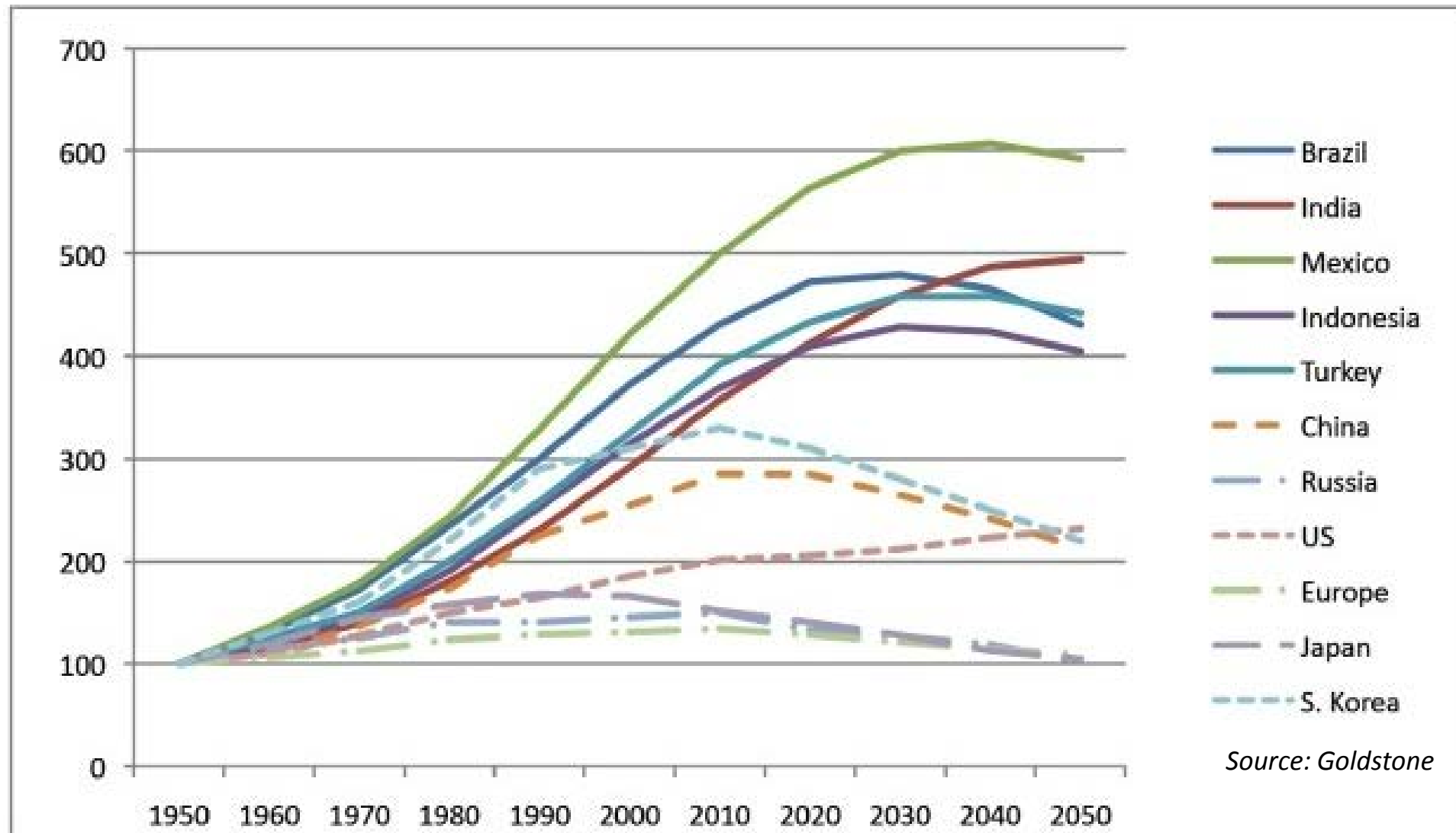


Challenge #4: Competitiveness



Source:
Population
Action
International
(PAI)

Estimated increase of working-age population in TIMBI countries (Turkey, India, Mexico, Brasil, Indonesia (15-59 yrs, 1950 =100)



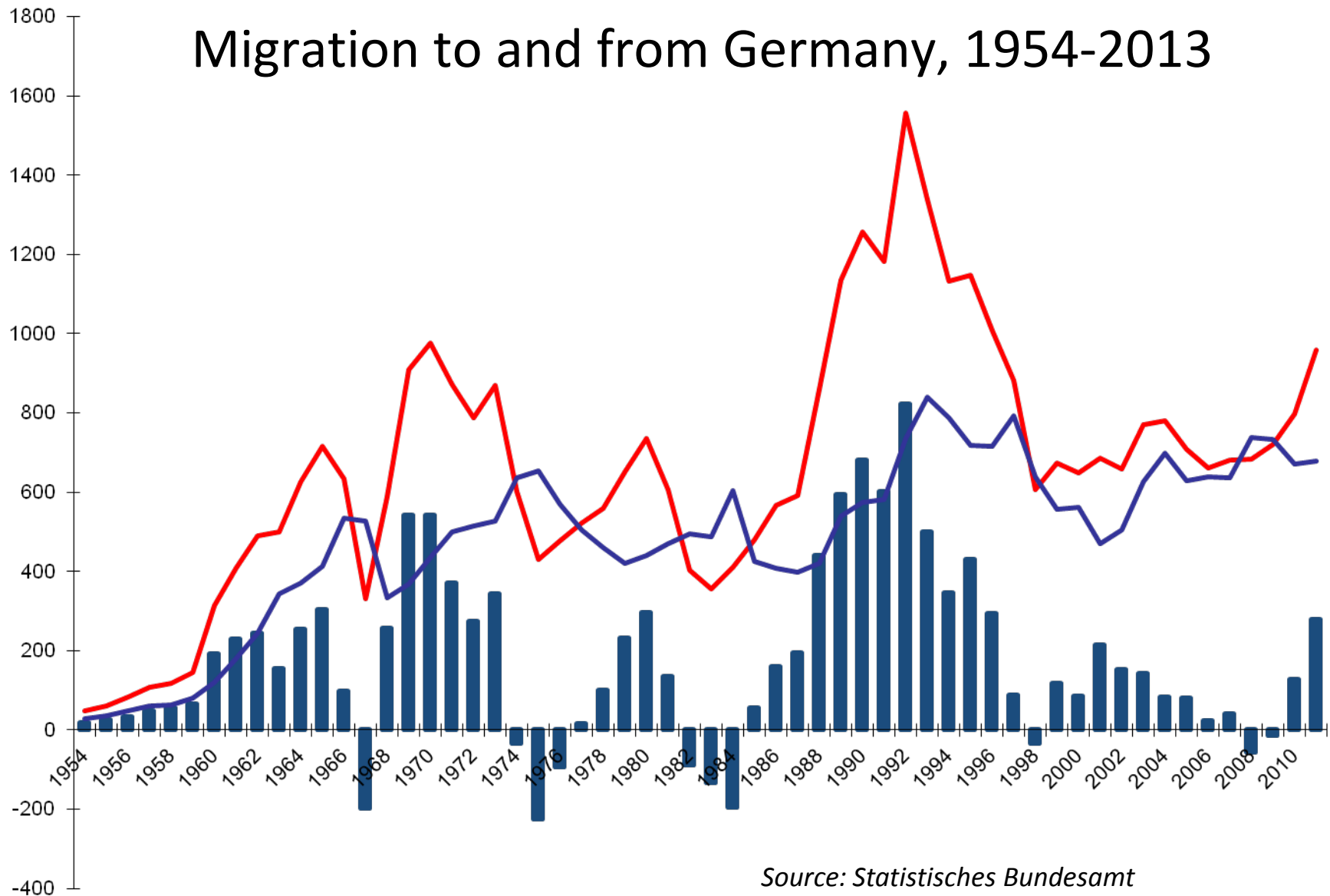
Changing income distribution

Europe's and North America's share...	World population	Global GDP
1950	28.4%	68%
2050	12.5%	<30%

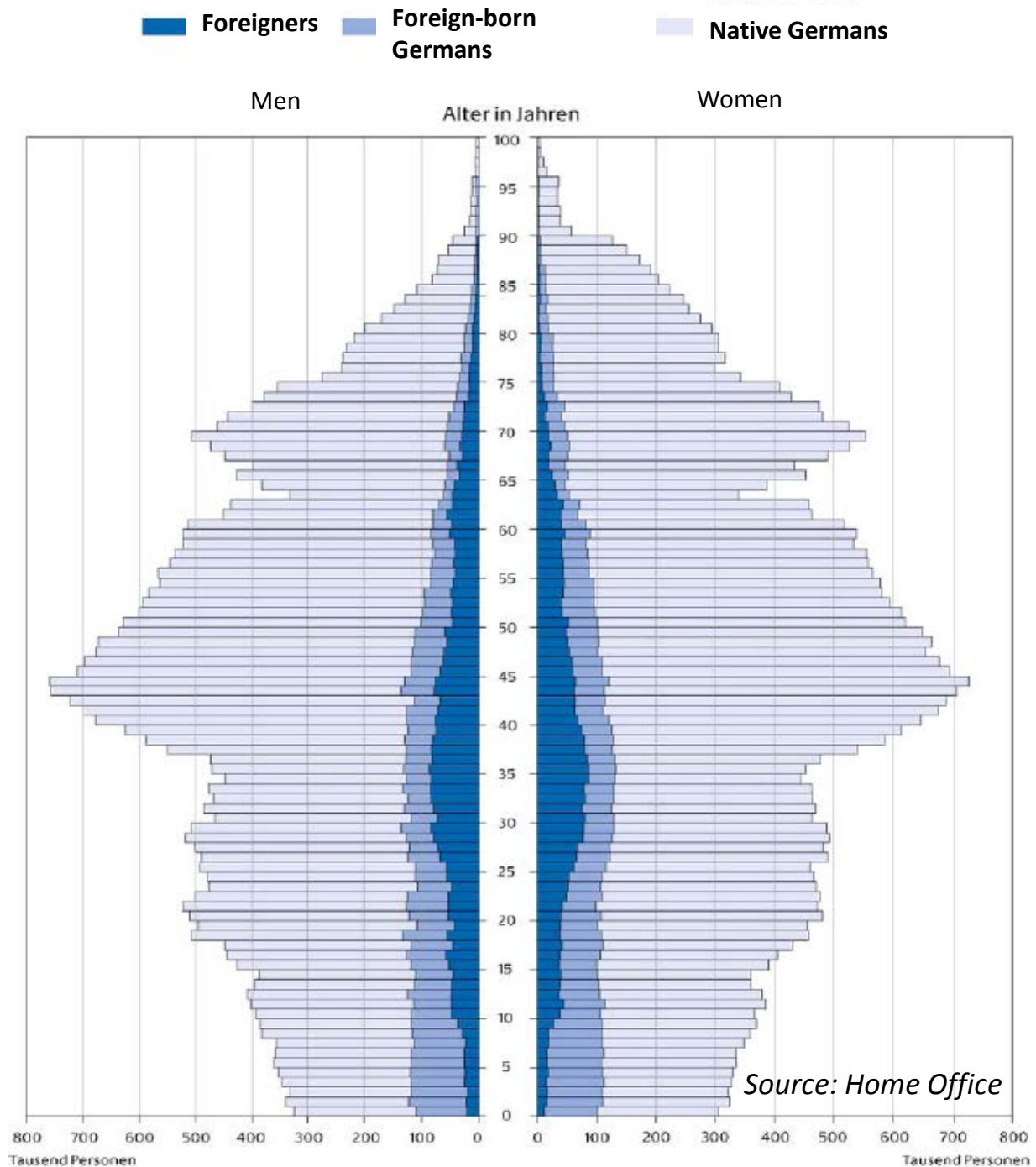
Sources: UNPD, World Population Prospects, World Bank

Challenge #5: Migration and integration

Migration to and from Germany, 1954-2013



Age structure and ethnic background, Germany, natives, foreigners, and foreign-born, 2009 (in 1,000)



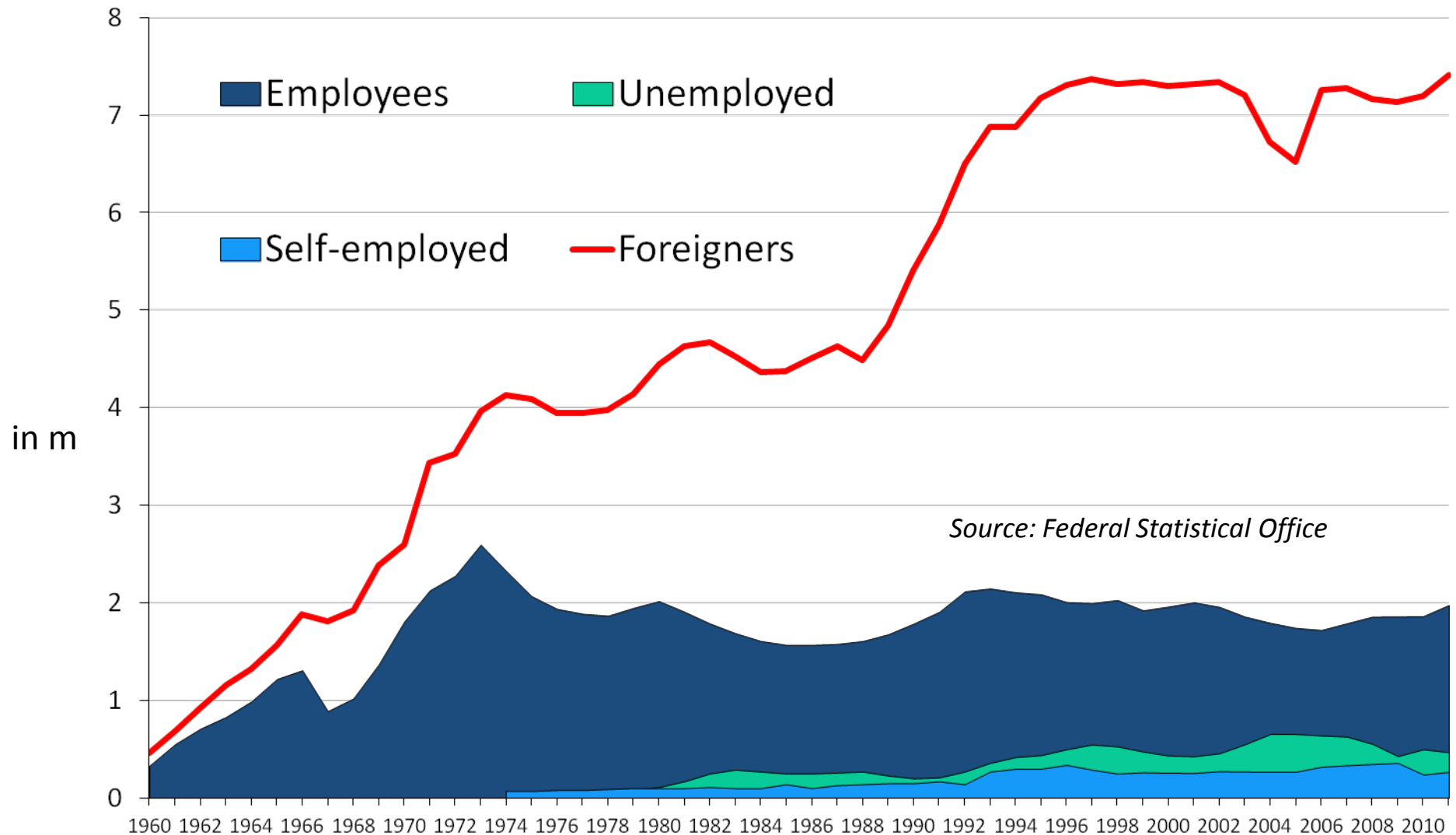
Replacement migration?

What would happen by 2050 if Germany...	...had no immigration?	...had moderate immigration?	...wanted to keep its population stable?	...wanted to keep the number of 15 to 64-year-olds stable?	...wanted to keep the old-age quotient stable?
Net immigration per year 1995-2050	None	200,000 to 240,000	324,000	458,000	3.4 m
Population by 2050	58.8 m	73.3 m	81.7 m	92 m	299 m
Increase/decrease compared to 1995	-28%	-10 %	None	+13%	+266%

Source: United Nations Population Division

Ethnic diversity and integration

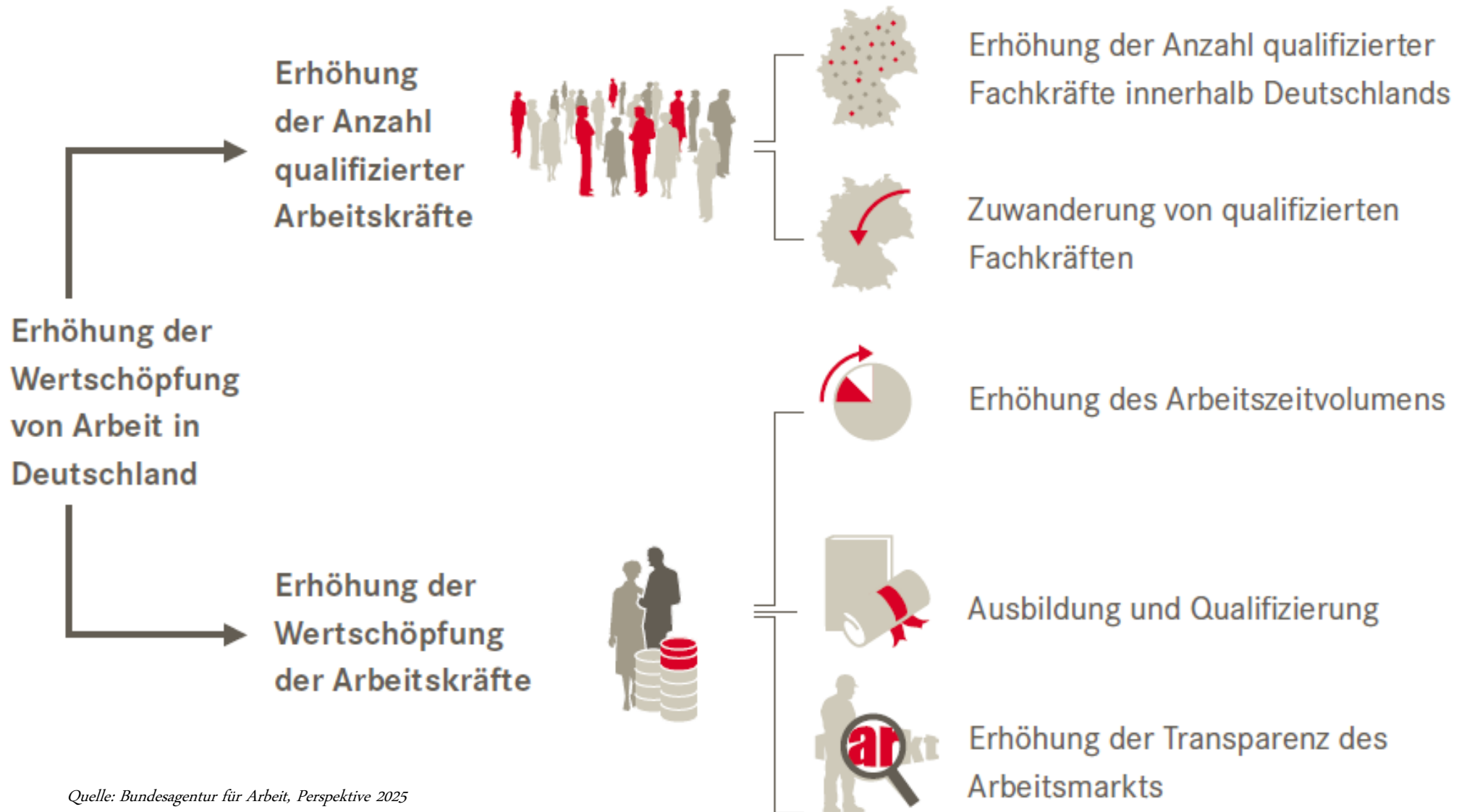
Labor market participation of immigrants, Germany, 1960-2010














Conclusion

- Economic, social, political implications of demographic change are not seriously addressed in Germany; still no adequate political, administrative structures on the Federal level.
- Existing strategies are short-term, limited in scope, and based on the assumption that demographic risks will be managed.
- German government is not officially promoting migration as a solution, but *de facto* opened up for more foreign workers.
- This strategy could backfire: fostering migration without serious public debate on risks and benefits might only give rise to anti-foreigner sentiments and populist drawbacks.
- Needed: a broad political debate on mid- and long-term demographic risks, on growing disparities between growing and shrinking regions, and on the options and limitations of public policies.

Wie den Fachkräftebedarf bewältigen?



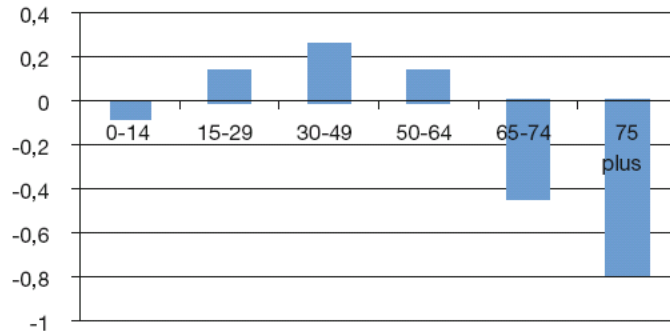
Handlungsfelder zur Steigerung des Fachkräfteangebots bis 2025, in Mio. Personen

Handlungsfeld 1	Handlungsfeld 2	Handlungsfeld 3	Handlungsfeld 4	Handlungsfeld 5	Handlungsfeld 6	Handlungsfeld 7	Handlungsfeld 8	Handlungsfeld 9
Schulabgänger ohne Abschluss reduzieren	Ausbildungsabbrecher reduzieren	Studienabbrecher reduzieren	Menschen über 55 Erwerbspartizipation erhöhen	Frauen Erwerbspartizipation erhöhen	Zuwanderung Fachkräfte steuern	Arbeitszeit Vollzeitbeschäftigter steigern	Ausbildung und Qualifizierung vorantreiben	Arbeitsmarkttransparenz erhöhen
				 0,4 – 0,9				 Handlungsfeld 10
0,05 – 0,3	0,1 – 0,3	0,1 – 0,6	0,5 – 1,2	Arbeitszeit Teilzeitbeschäftigter steigern  0,3 – 1,2	0,4 – 0,8	0,4 – 1,1	0,4 – 0,7	Steuern und Abgaben prüfen 

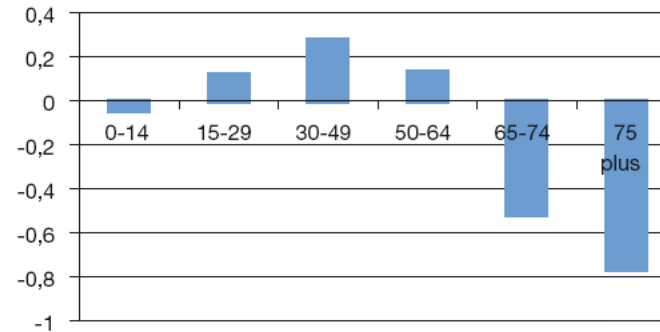
Total: 2,7-7,1 Mio. Vollzeitäquivalente

Makroökonomische Auswirkungen der Alterung

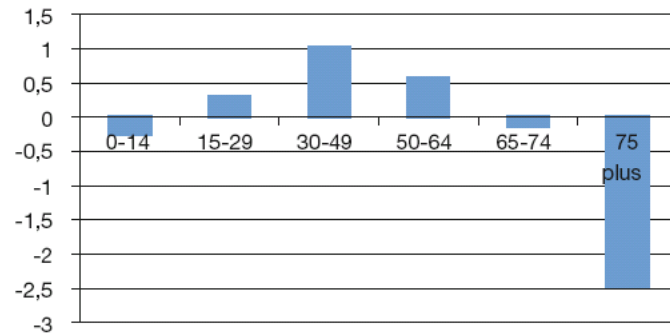
Wachstum des BIP pro Kopf¹



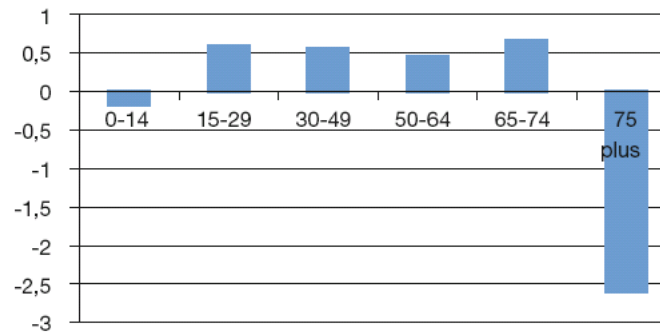
Wachstum des BIP¹



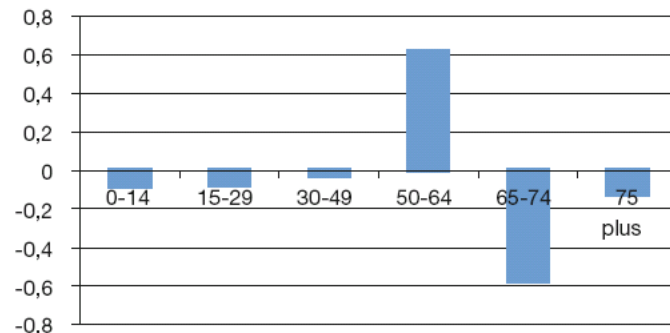
Gesamtwirtschaftliche Ersparnisse²



Gesamtwirtschaftliche Investitionen³



Leistungsbilanzsaldo⁴



Inflationsrate⁵

