Demographic Challenges

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Background

Demographic Changes in Portugal and in Europe
High attention of media; especially migration and births/population decline as well as family changes

Scope for policy interventions
Both challenges and opportunities (e.g., ageing & longevity, migration); recognised by the European Commission especially since the early 2000s
Agenda

Review of past trends and the likely future developments
Key challenges, especially those relevant for government policies
Portugal within Southern European, EU & OECD context
Going beyond demographic trends: intersection of emerging demographic and societal challenges
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Going beyond demographic trends: intersection of emerging demographic and societal challenges

1 Demographic trends and challenges
   • Fertility / birth rates, Migration, Mortality, health, Population ageing, Future population prospects

2 A broader view on selected population & societal challenges
   • Regional disparities in population change, Employment and working life, Gender (in)equality, Intergenerational inequalities
Demographic Trends and Challenges
Birth rates, Fertility

A cross-over in the number of births & deaths after 2008

Number of live births and deaths (thousand)

- 1976: 186,712
- 2014: 82,367
Birth rates, Fertility

... mainly a consequence of rapidly falling fertility rates
Birth rates, Fertility

Other key trends

• Fertility pro-cyclical, correlated with business cycle & unemployment: sharp downturn during the recent recession
• Shifting motherhood to later ages: mean age of mothers at first birth up from 23.9 in 1983 to 29.2 in 2014
• Rising contribution of migrant women until about 2010 (19% of births)
• Rising & high share of women with only one child
• Gaps between fertility plans (ideals) and intended family size, especially among highly educated women
• High childlessness highly educated women (ca 20% among those born in the early 1970s)
Birth rates, Fertility

Desired vs Realised family size

Mean desired family size, 2013

Birth rates, Fertility

Desired vs Realised family size

Mean desired family size, 2013

Mean actual family size (children per woman aged 40-44, born early 1970s)

Birth rates, Fertility

Key challenges

• Very low birth rates, trend strengthened during the recent recession
• Huge gaps between reproductive plans and actual fertility
• High share of women with one child as a response to difficulties of reconciling work and family life
• Risk of rising infertility due to delayed motherhood (especially highly educated)
Birth rates, Fertility

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Selected underlying factors

- Economic uncertainty, unstable jobs (especially among young adults)
- Low public spending on families: in 2011 1.4% GDP (OECD average 2.6%), especially on public childcare (0.45% vs. 0.95%)
- Lower satisfaction with childcare provision and quality; high prevalence of informal childcare
- Low income & high incidence of child poverty
- Limited access to affordable housing, most young people living with parents
- Prevailing unequal division of household work and childcare
Gender inequality and fertility link

A positive correlation between gender equality and fertility

Migration

Ups and downs in net migration and population growth in Portugal since 1960
Migration

Key trends

• Most unstable component of population change; most difficult to predict
• Affected by the events in receiving as well as sending countries
• Difficult to record; incomplete data in many countries
• Substantial illegal/undocumented migration
• Pro-cyclical; outmigration during the recent recession (also Spain, Greece)
• Mostly positive migration balance in Portugal after 1990; turnarounds also in other countries of Southern Europe
• Key component of population trends in EU countries since the 1990s
• Young age profile: migrants contributing to filling the gaps in labour market, but also to the “population renewal” (births) via higher fertility & younger age structure
• Diversity of migration streams
• East-West contrast in migration balance in Europe; sharp losses in the East
Migration

Age profile: Immigration and emigration peaking around age 25

Average number of immigrants and emigrants per year, 2010-15

Data source: Eurostat 2017
Migration

Age profile 2015: Foreign-born population most numerous in middle ages

Data source:
European Demographic Data Sheet 2016
(online pyramids at http://populationeurope.org/pyramids)
Migration

Key challenges

• Instability, often driven by the events in the countries of origin (including political instability, economic crises, wars, famine, disasters)
• Huge potential for immigration to Europe (Gallup poll 2017: Desire to leave strongest in Sub-Saharan Africa (31%) and Central-eastern Europe (27%)
• Difficulty to enact effective migration policies and to enforce them
• Need for Europe-wide solutions
• Diversity of countries of origin: linguistic & historical links (Angola, Brazil...)
• Dealing with undocumented/illegal migrants
• Tapping the skills of migrants, supporting their education, work integration and good assimilation into the society; dealing with migrants’ “overqualification”
• Prioritising migrants by education & language skills and other characteristics?
• Local resentment to migration explored in political campaigns, elections
• Dealing with the “brain drain”
Health, mortality, ageing

The long-lasting expansion of longevity: Life expectancy in Portugal and Spain

Source: Eurostat Database 2017
Health, mortality, ageing

More years spent in good health: Estimated Healthy life expectancy based on self-perceived health

Source: Eurostat Database 2017
Health, mortality, ageing

Key trends

• Continuing rise in life expectancy; “catching up” with Spain
• Also longer life in good health (different measures)
• A gradual narrowing of the LE gap between M and F after 1996
• Sharp increases in the number of very old people (80+) and centenarians
Health, mortality, ageing

Key challenges

• Rather poor self-reported health in EU comparison
• High prevalence of diabetes (self-reported), especially among low-educated population
• High prevalence of dementia
• Rising obesity
• Low levels of physical activity among adults, especially women
• Keeping equitable access to high-quality healthcare
Health, mortality, ageing

Self-reported health, adult population

Source: Health at a Glance, Europe 2016 (OECD 2016)
Health, mortality, ageing

Self-reported diabetes

Source: Health at a Glance, Europe 2016 (OECD 2016)
Health, mortality, ageing

Moderate physical activity, population aged 15+

Source: Health at a Glance, Europe 2016 (OECD 2016)
Projected population trends

Key issues & challenges

• Overall population size will decline without immigration (from 10.3 mill. in 2016 to 9.1 mill. in 2050 according to the Wittgenstein Centre (2016))
• Life expectancy likely to surpass 90 for women and 85 for men by 2050
• Number of births likely to fall further in medium-term (echo of the past fertility declines, especially in the 1980s)
• Uncertain migration trends: migration might be considerably higher than projected
• Conventional indicators of population ageing will increase sharply irrespective of fertility & migration trends, driven by longevity
• A need for continuous adjustments in retirement patterns & labour force participation
Projected population trends

Projected share of population aged 65+, 2015-50

Source: European Demographic Data Sheet 2016 (Wittgenstein Centre 2016)
Migration

Expected continuation of East-West contrasts in migration balance, 2015-2050

Data source: European Demographic Data Sheet 2016 (available online at)
Migration

Expected continuation of East-West contrasts in migration balance, 2015-2050

Data source: *European Demographic Data Sheet 2016* (available online at)
A broader view on selected population & societal challenges
Why looking at these broader trends?

• It is not so much changes in the number and age structure of the population, but rather their health, education & skills that matter
• They will determine the future societal trends, prosperity and sustainable development in Portugal and Europe
• New challenges of technological innovation and rapid employment changes
• Societies have a strong adaptive capacity: education systems, changes in labour force participation and retirement (including women, elderly, young adults, migrants), health interventions
• Tapping into the potential of healthy elderly and migrants
• Need to address multiple inequalities in education, income and gender division of work; also inter-generational inequalities in public spending
Regional disparities in population trends: the appeal of the capital cities

Average rate of population change (per thousand), NUTS-2 regions in Europe, 2008-12

Changing retirement ages

Average effective retirement age, Portugal compared with EU average (1970-2016)

The elderly bias in public spending

The elderly bias indicator of social spending, 2007-2008

**Figure 6: The elderly-bias indicator of social spending EBISS, 2007 – 2008**

**SOURCE:**
High poverty among kids & the young

Share of people living with less than 50% of median income, 2014

5.6. In 2014, poverty was highest among youth and children and lowest among adults and elderly
Percentage of persons living with less than 50% of median equivalised income, by age group, in 2014 (or nearest year)

Source: Society at a Glance. OECD Social Indicators 2016, p. 105
Low education among young men

Share of people living with less than 50% of median income, 2014

Source: Society at a Glance. OECD Social Indicators 2016, p. 44
Unequal division of household work

Minutes of unpaid work: contrasts between men and women