Social and demographic challenges for sustainable development

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Sustainable development in the Nordic Countries and in Estonia, Latvia and Lithuania

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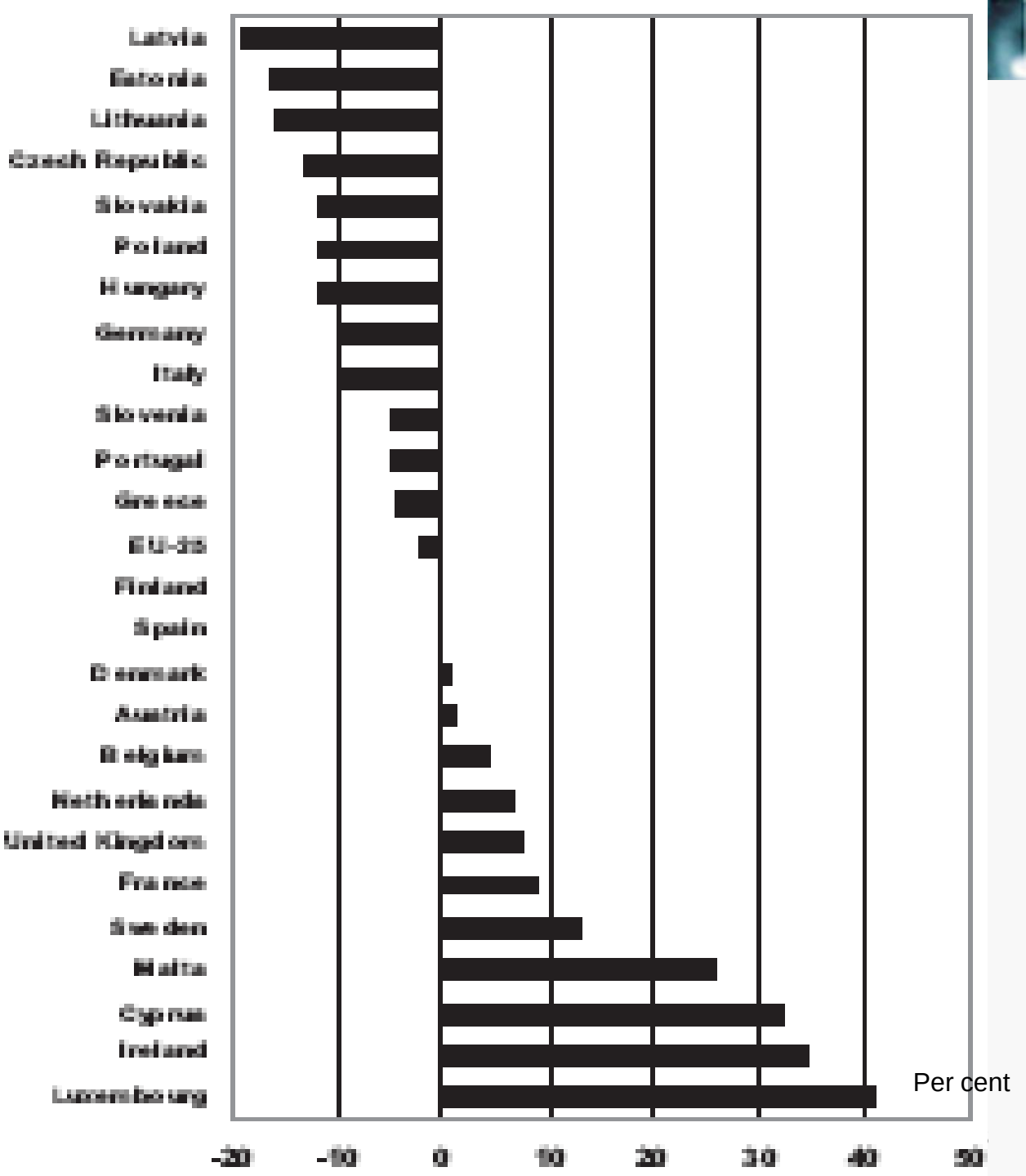
What are the most serious social and demographic challenges …

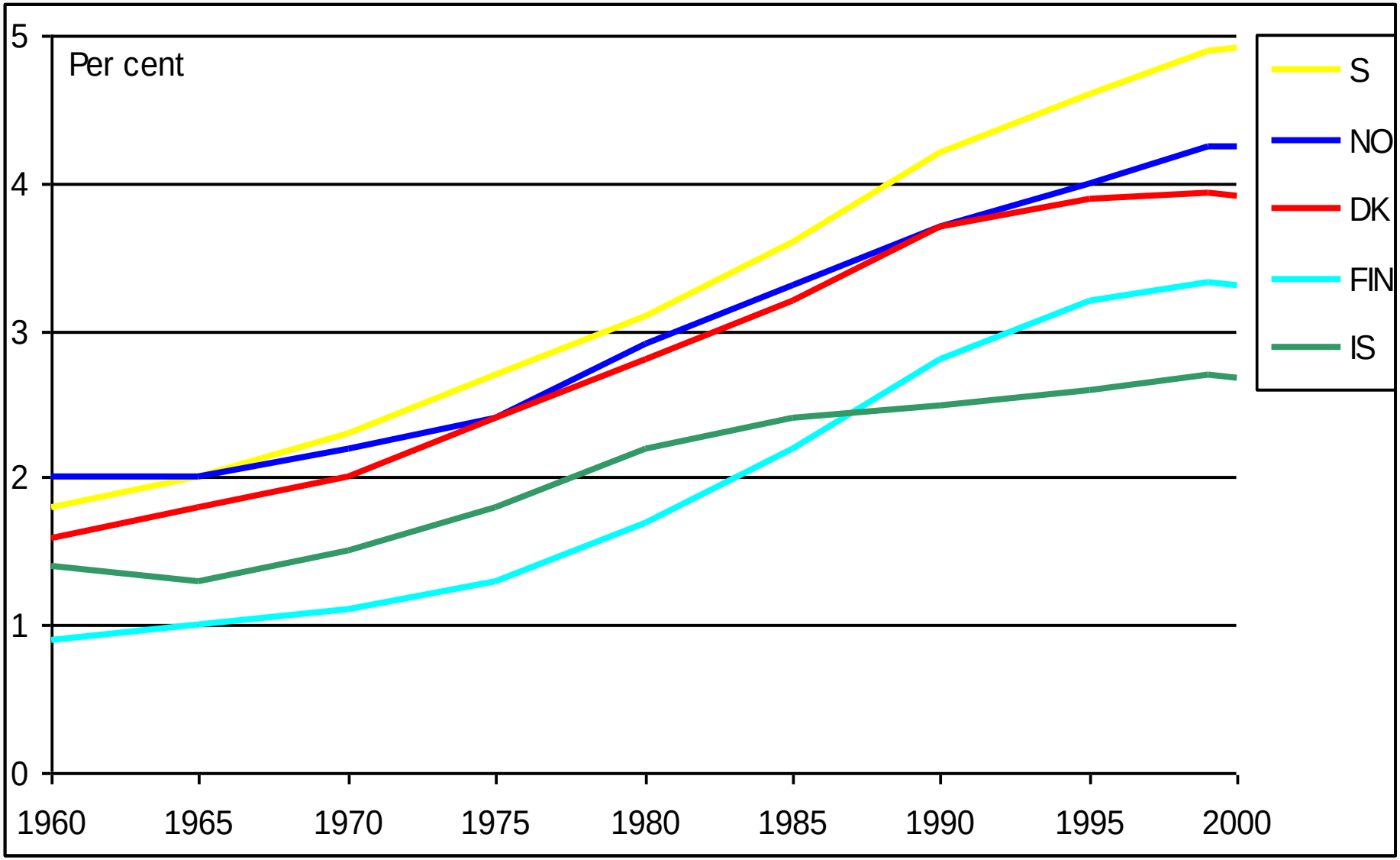
… for sustainable development of the welfare society? - and for preserving it?

- Low fertility?
- High mortality levels or disturbing differentials?
- Divorces and dissolved families?
- Young mothers?
- Urbanization?
- Migration?
- Declining population size?
- **Population ageing!**

Population growth in EU countries 2005-2050



Proportion of population aged 80+

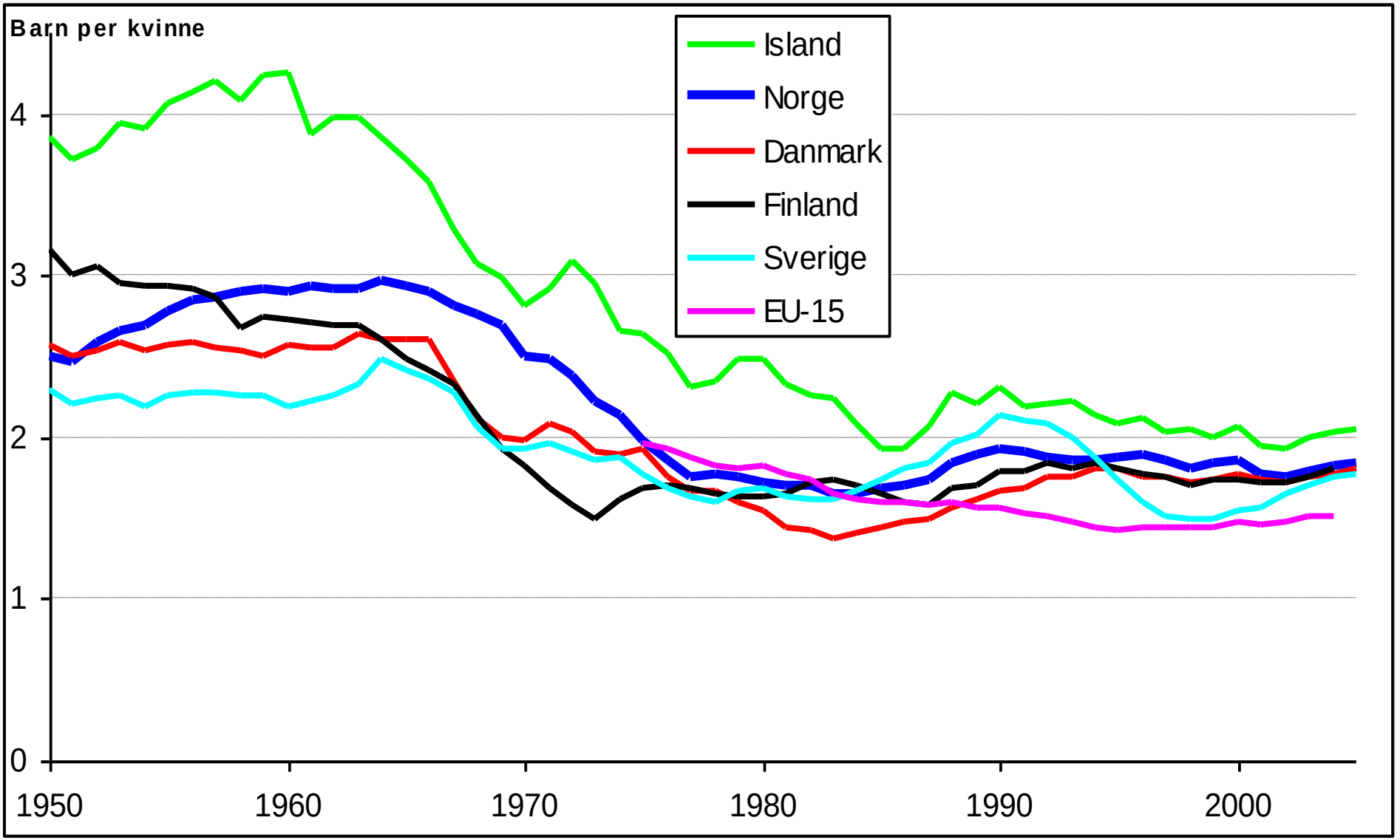


Population ageing

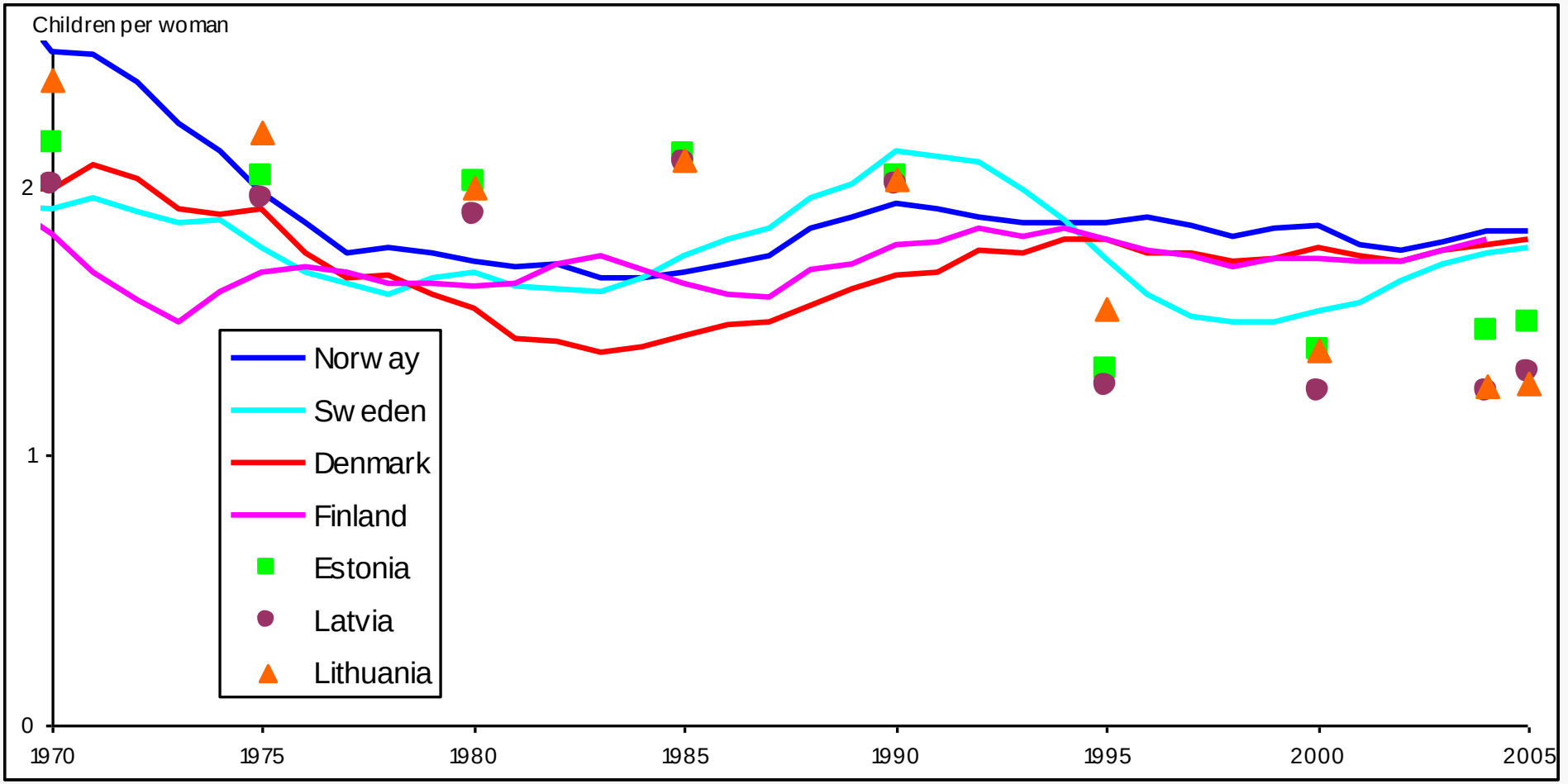
- Caused by 100-200 years of demographic change, especially:
- Increasing life expectancy
- Declining number of children per woman

Total fertility rate

Children per woman

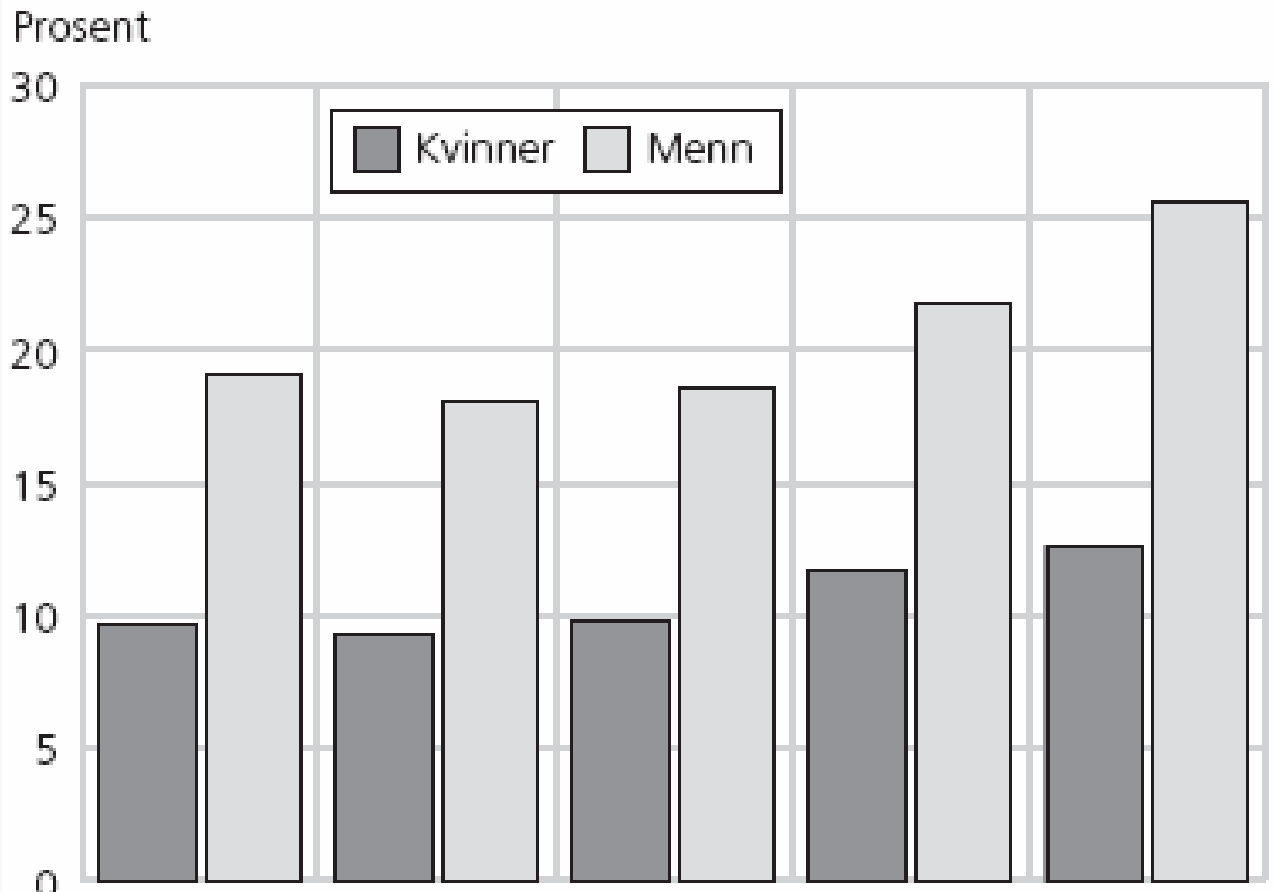


Total fertility rate



Per cent childless at age 40 for birth cohorts of women and men

Figur 3. Andel barnløse ved 40 år: Utvalgte fødselskohorter 1940-1960. Kvinner og norskfødte menn

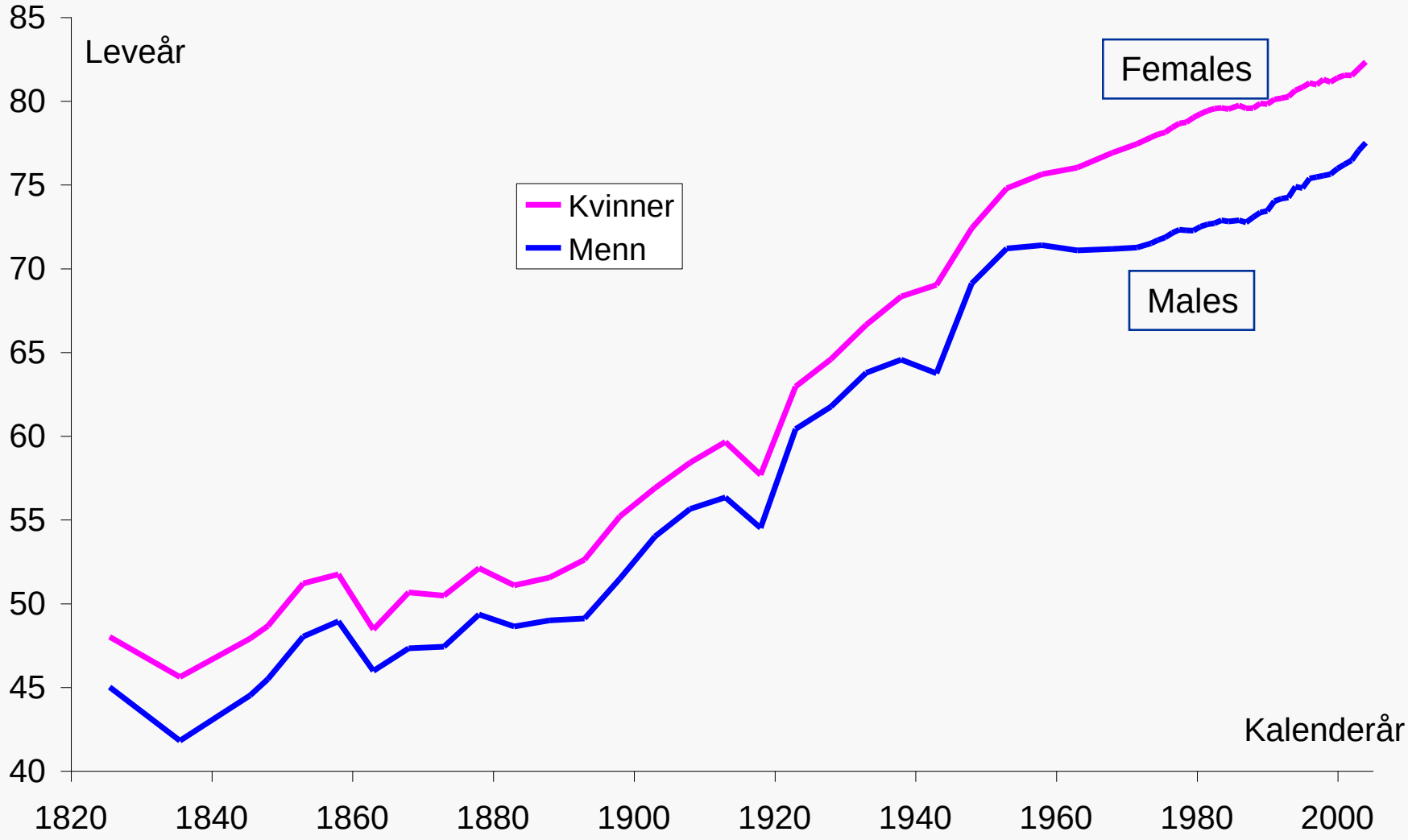


Source: Skrede 2004

Is the relatively high fertility level in the Nordic countries sustainable?

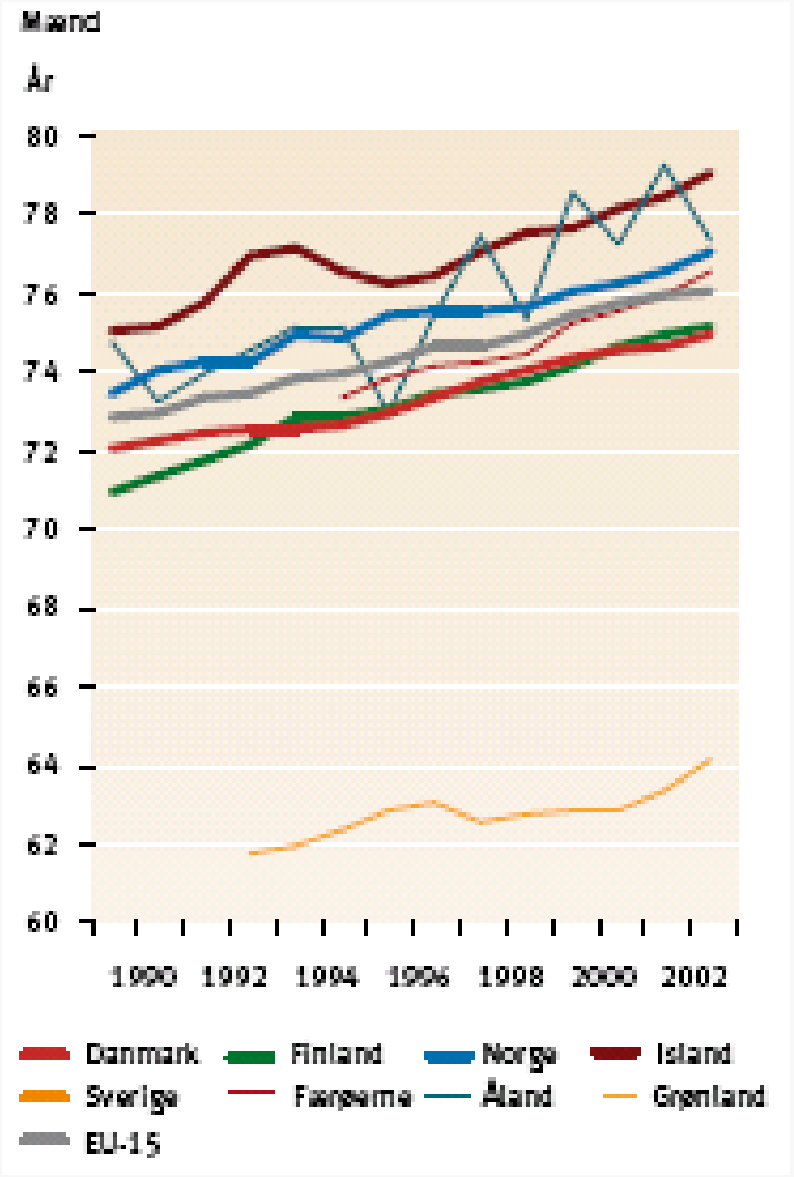
- Family-friendly policy
- Gender-segregated labour market
- Increasing childlessness for highly educated women – and men
- Gender equality light?

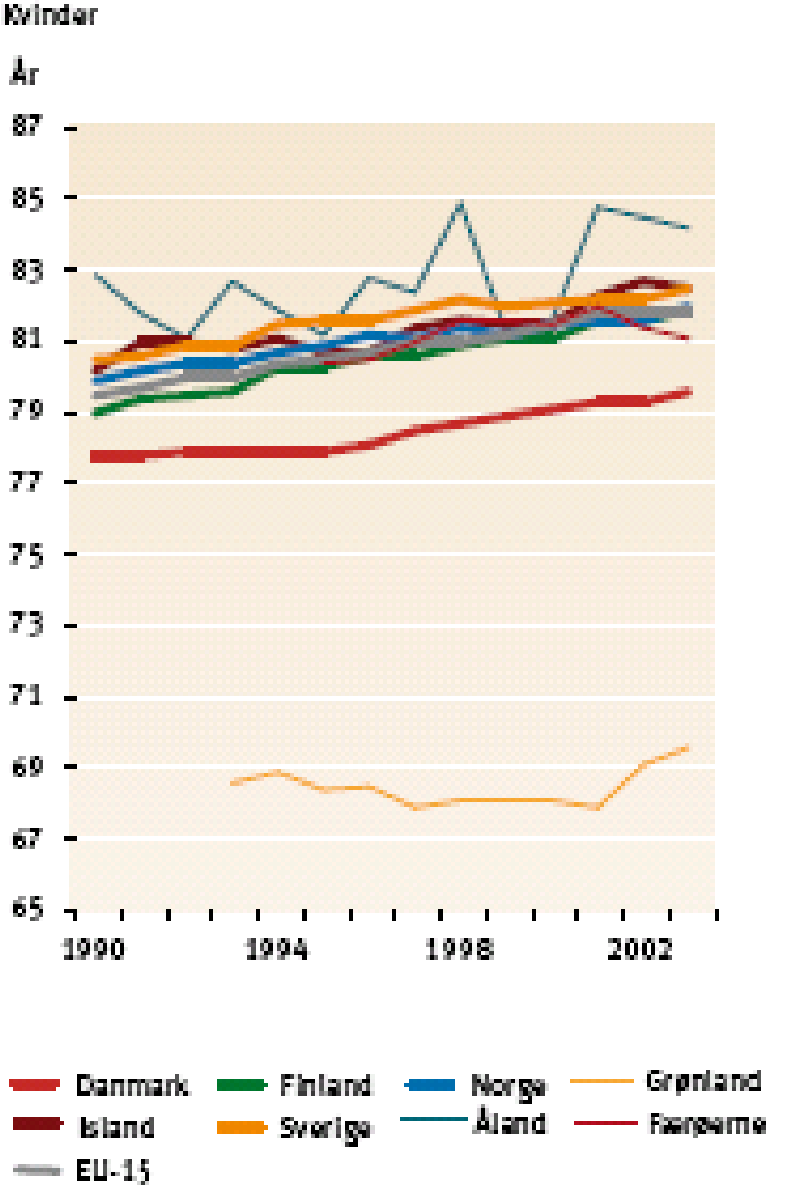
Life expectancy at birth in Norway



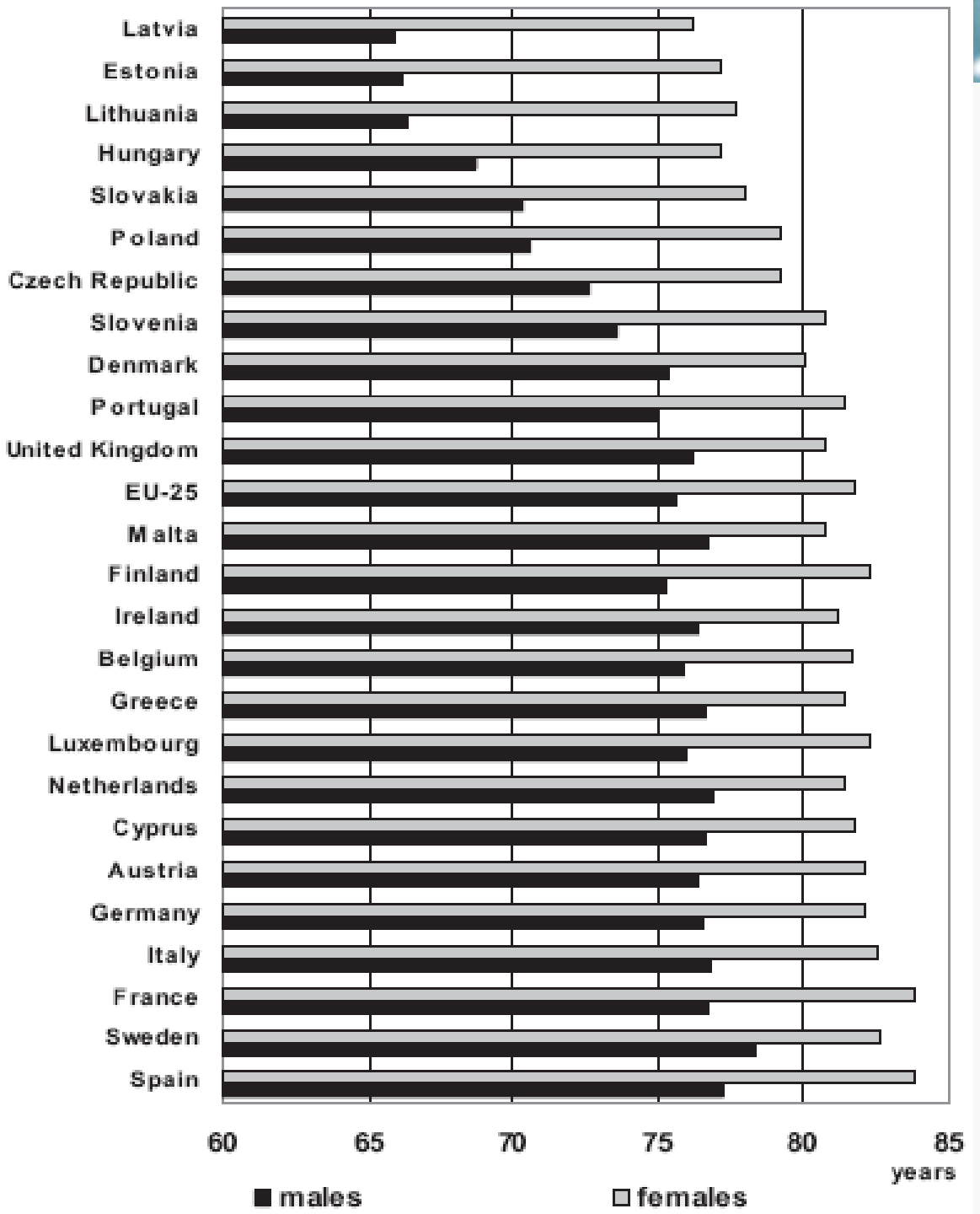
Source: Helge Brunborg, Statistisk sentralbyrå

Life expectancy in the Nordic countries



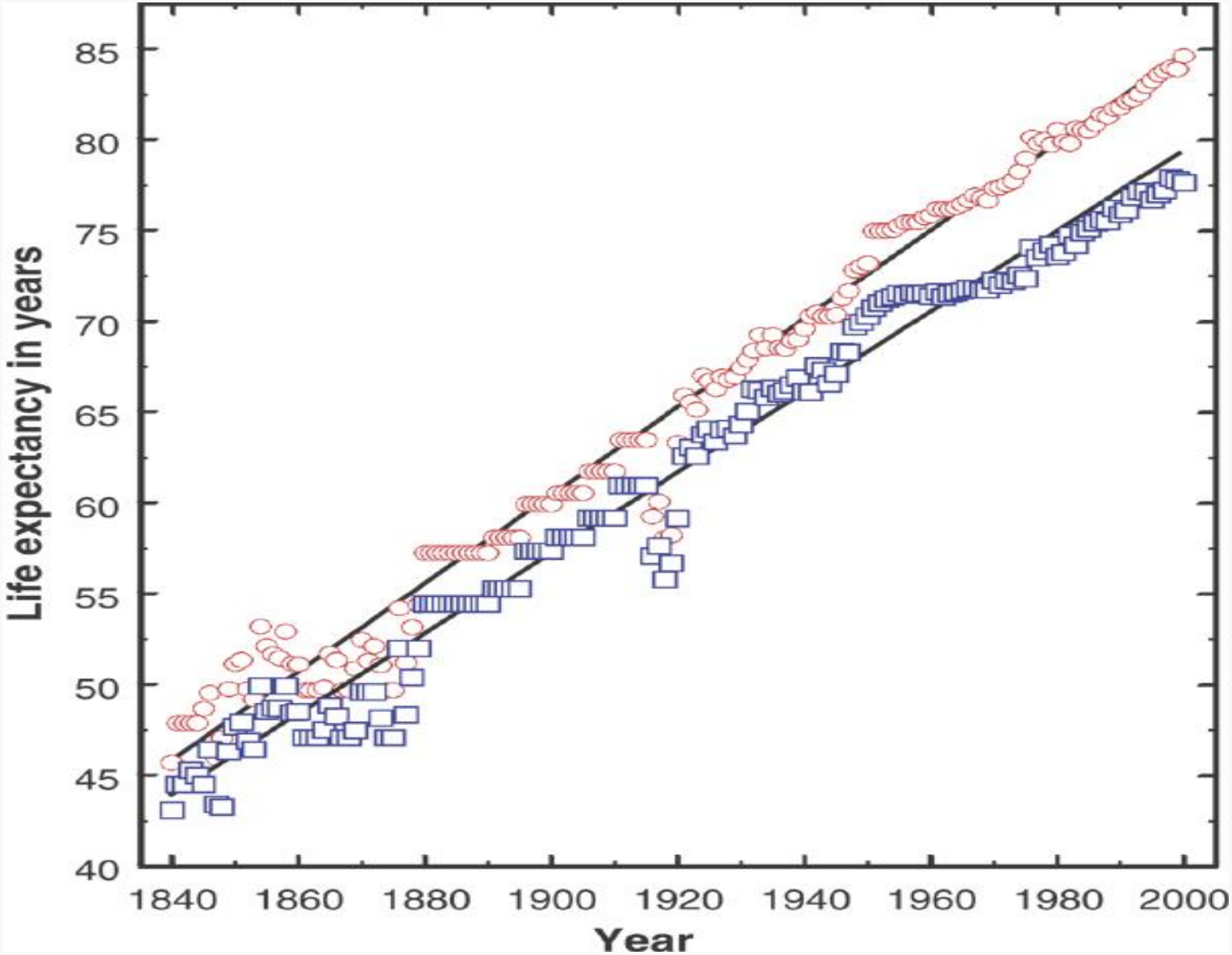


Life expectancy at birth for men and women 2004



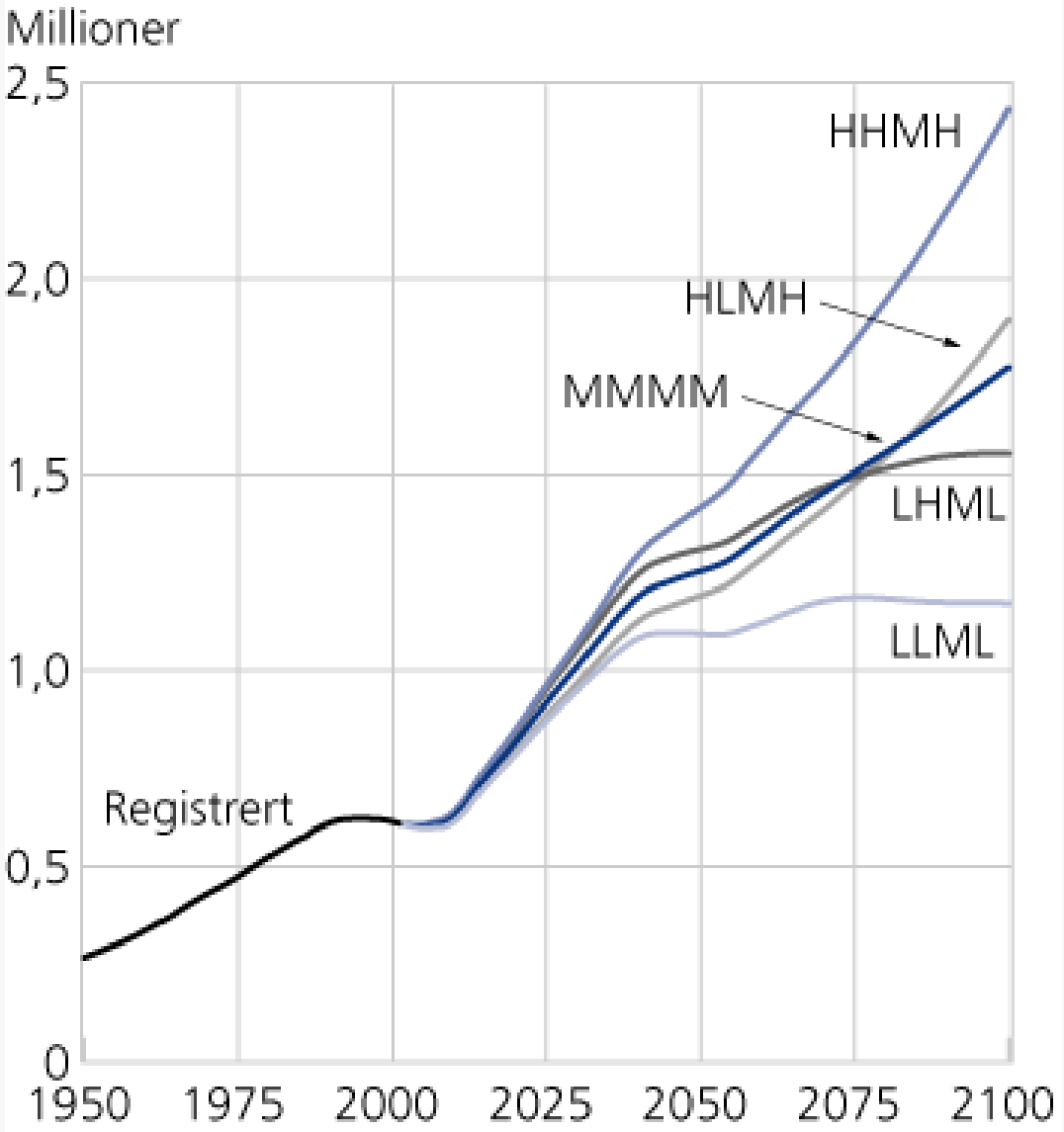
World championship in life expectancy

Women (red circles) og men (blue circles)



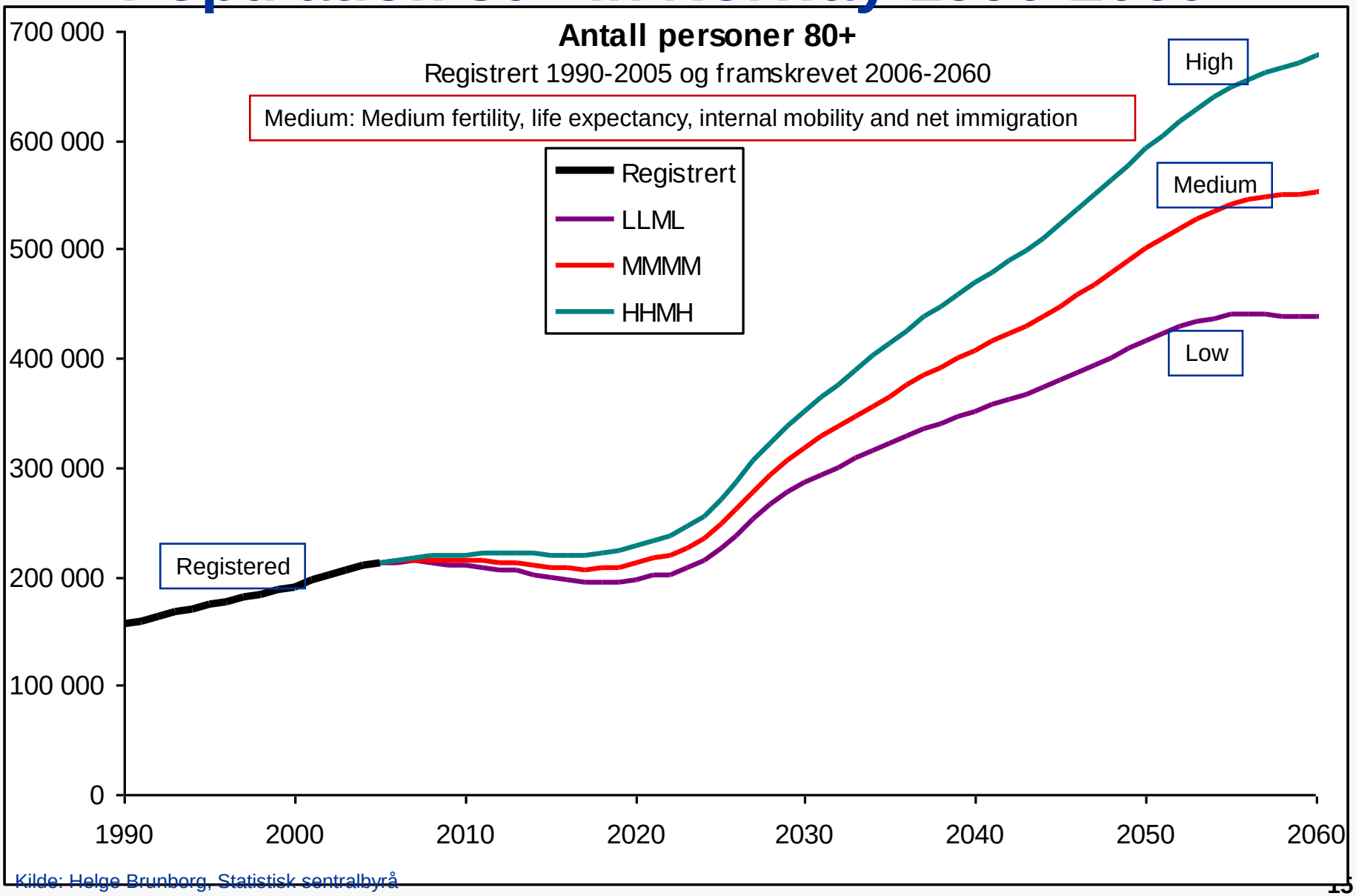
Population 67+ in Norway 1950-2100

Figur 7. Antall personer 67 år og over 1950-2100



Kilde: Befolkningsframskrivingene.

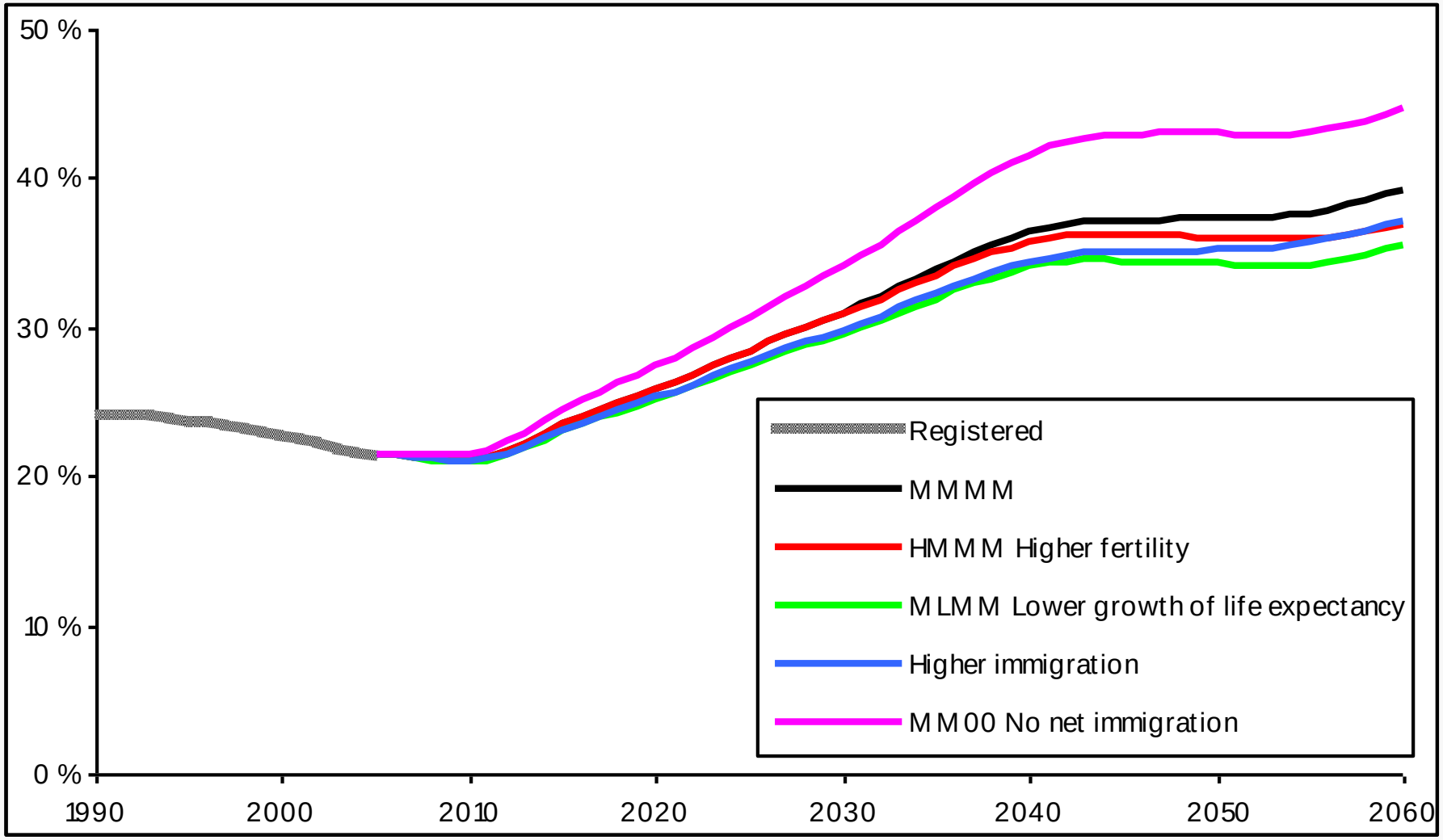
Population 80+ in Norway 1990-2060



Kilde: Helge Brunborg, Statistisk sentralbyrå

Old age dependency ratio in Norway 1990-2060

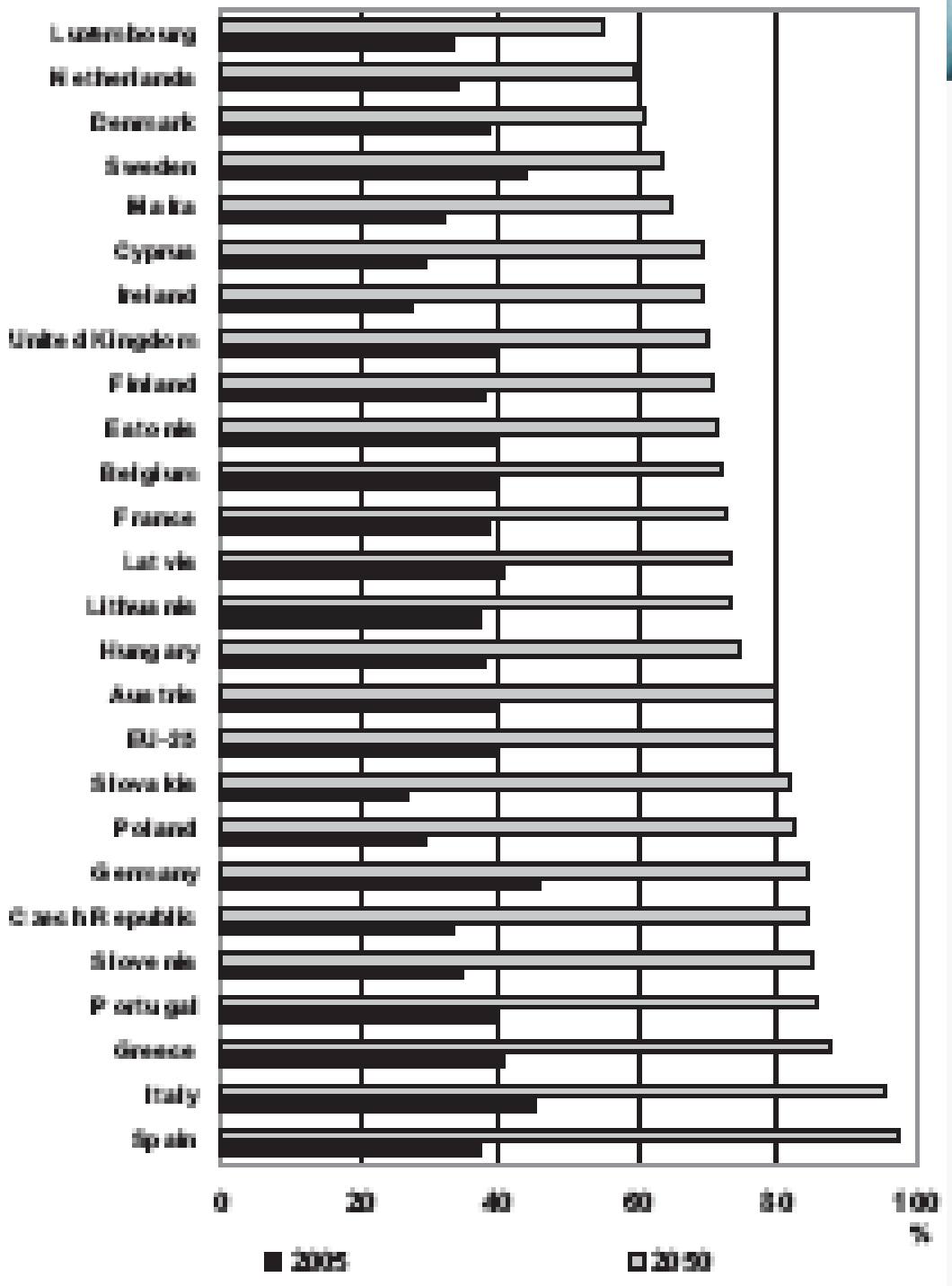
Number of persons 67+ per 100 persons 20-66



Kilde: Helge Brunborg, Statistisk sentralbyrå

Old age dependency ratio 2005 and 2050

Number of persons 65+ per 100 persons 20-64



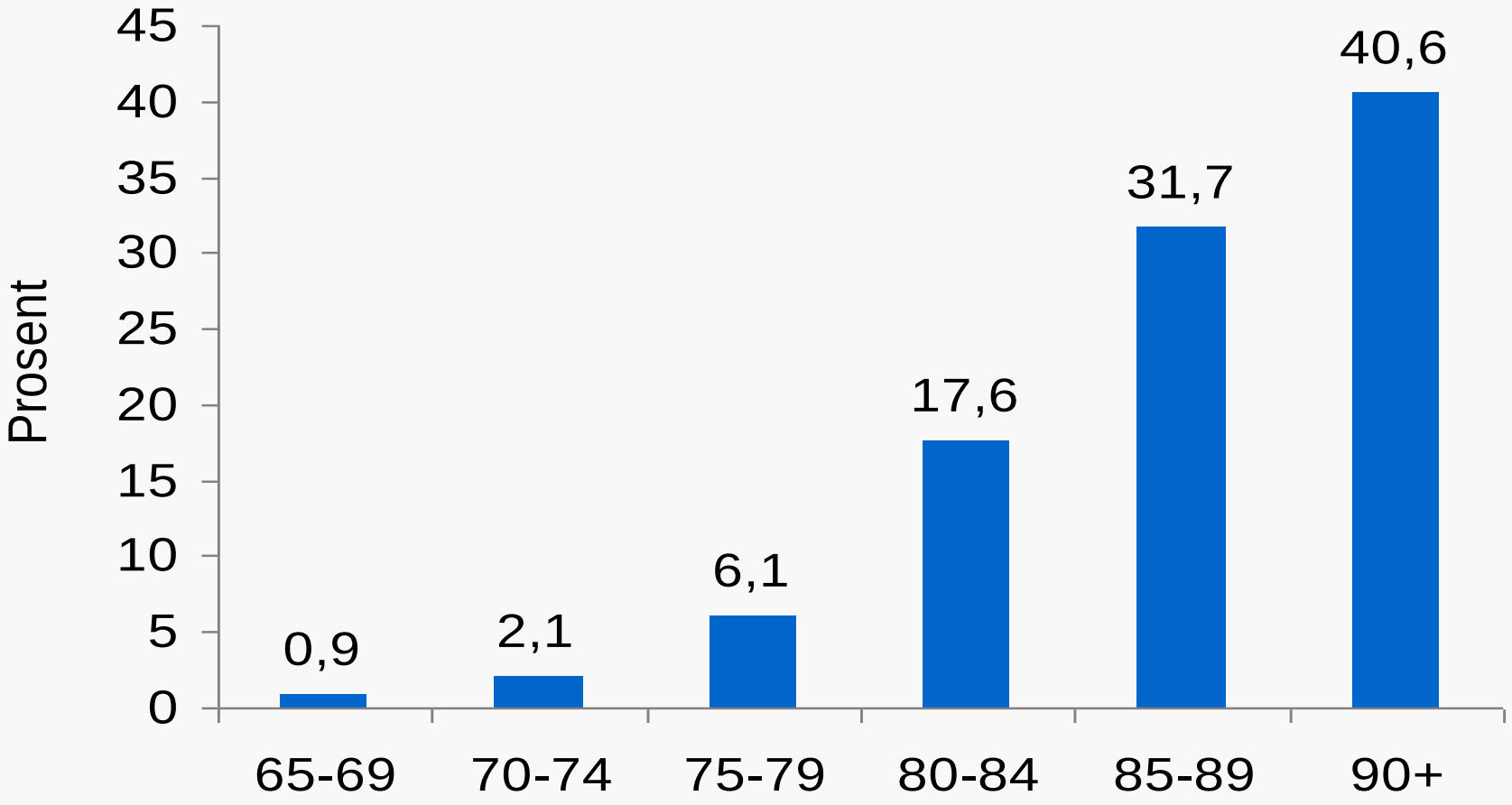
Some consequences of ageing

- A shrinking part of the population has to support an expanding part:
  - Pensions
  - Medical treatment
  - Care

- Can we afford to keep all the good parts of the welfare system?

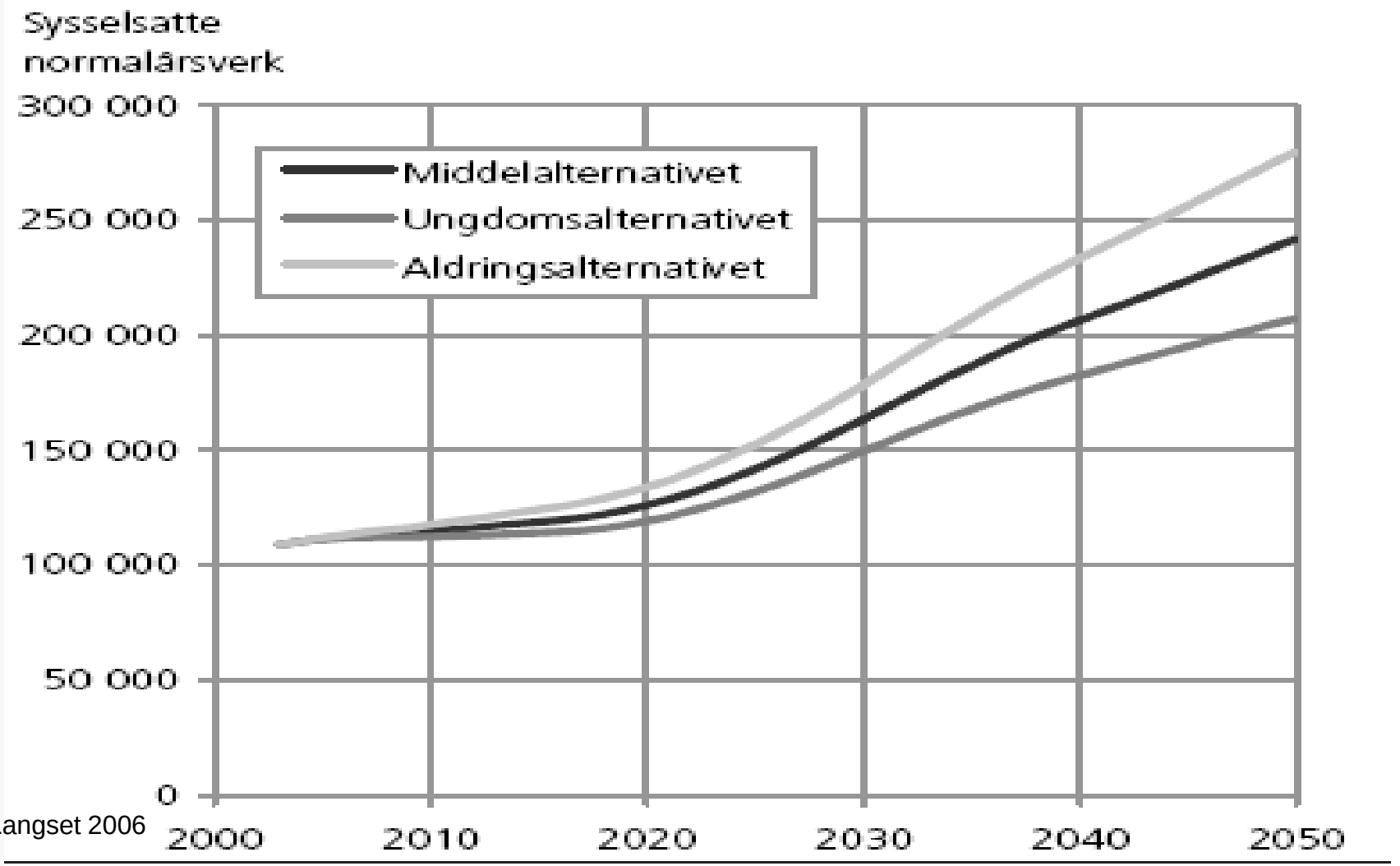
Prevalence of old age dementia

By age, Norway 2002



Employment needs in the nursing and care sector according to different population projection variants, constant health

Figur 2. Sysselsettingsbehov i pleie- og omsorgssektoren ved ulike forutsetninger i befolkningsframskrivningen (uendret helsetilstand)



Source: Langset 2006

Families and households

- Both need and supply of care affected by family and household structure …
- … especially for people living alone and with small networks
  - divorced
  - childless
  - single

Is population ageing temporary and will disappear after some time?

- No – there is no ”age wave” that will retreat
- We are getting a permanently high level of ageing
  - Considerably higher than today
  - Not necessarily constant

Sustainable development

- Meet the needs of the present generations without compromsing the ability of future generations to meet thier own needs
- Is the current population development in the Nordic – and Baltic – countries sustainable?
  - Fertility below the reproduction level
  - High net outmigration in the Baltic countries
  - Rapidly ageing population

How can we meet the challenges from an ageing population?

1. Demographic ”solutions”

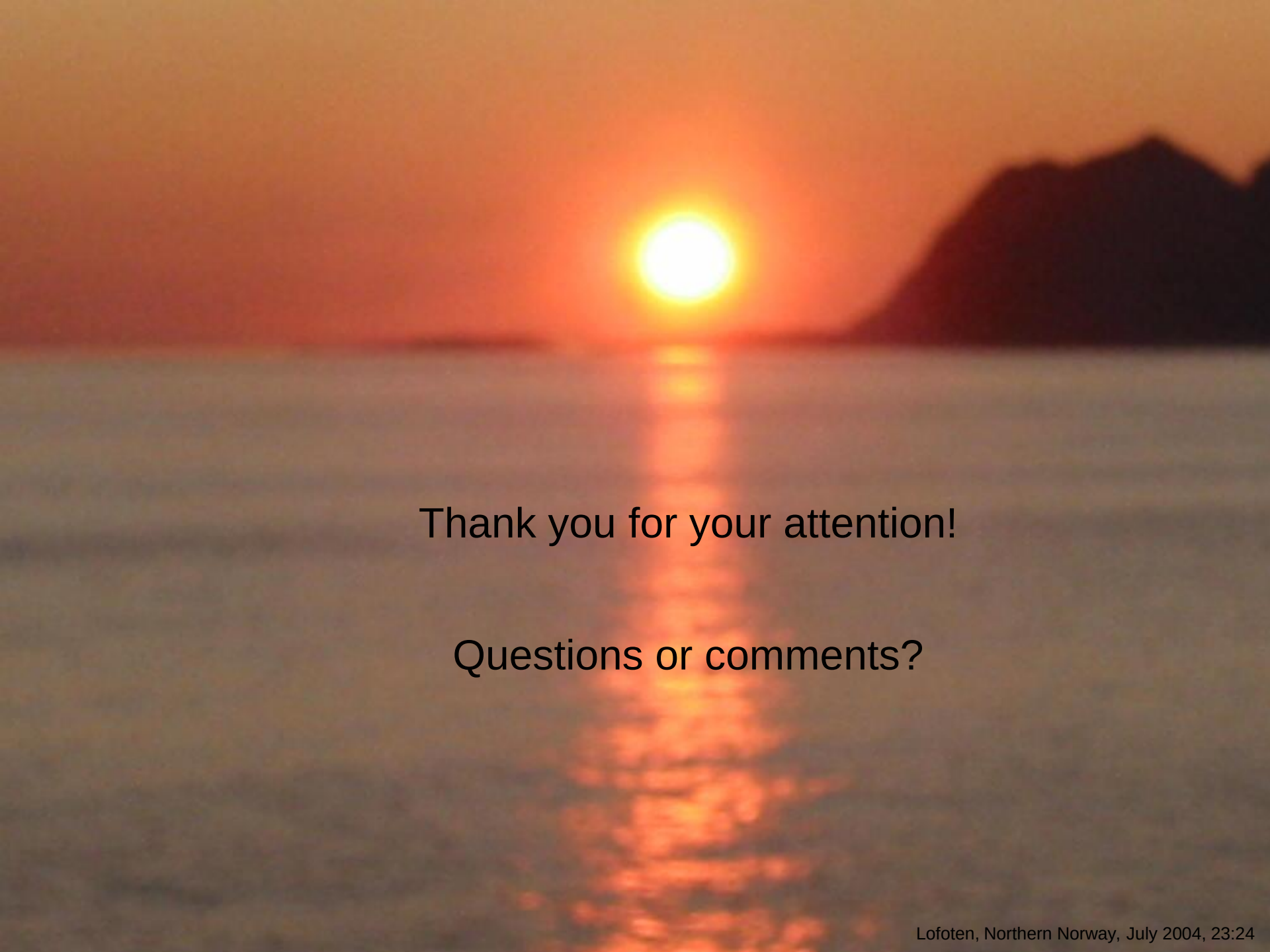
- Increase fertility?
- Change migration flows?
- Less resources to increase life expectancy?

Conclusion: Expensive, uncertain and ineffective solutions

Options for solving the ageing problems:

2. Economic "solutions"

- Increase labour force participation & decrease unemployment (esp. youth, women, immigrants, disabled)?
- Reduce sick leave?
- Increase productivity?
- Increase taxes?
- Reduce expenditures for the elderly (pensions, health services and care)?
- Increase the pension age?
- Reform the pension system?



Thank you for your attention!

Questions or comments?

Lofoten, Northern Norway, July 2004, 23:24