Challenges Facing the Eastern European Researchers and the NMS and Bulgarian Future Ageing Research Priorities

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Eastern European Countries’ Ageing Phenomenon

Incites:

• Challenges to the states
• Challenges to research
• Priorities to state policy
• Research priorities
Challenges to the state

- Demographic transition in time of political transition.
- Demographic transition amidst economic transition not yet finished (low income, low institutional development).
- Only EE countries have population decline of more than 5000 people between 2000-2005.
- Transition leading to ageing society.
- Challenging directly the pension system and indirectly the health care system.
## Population lost by 2025 (millions)

<table>
<thead>
<tr>
<th>Country</th>
<th>Loss (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Romania</td>
<td>2.3</td>
</tr>
<tr>
<td>Poland</td>
<td>1.6</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>1.5</td>
</tr>
<tr>
<td>Hungary</td>
<td>0.8</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>0.5</td>
</tr>
<tr>
<td>Lithuania</td>
<td>0.4</td>
</tr>
<tr>
<td>Latvia</td>
<td>0.3</td>
</tr>
<tr>
<td>Croatia</td>
<td>0.2</td>
</tr>
<tr>
<td>Estonia</td>
<td>0.1</td>
</tr>
<tr>
<td>Slovak Republic</td>
<td>0.1</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>0.1</td>
</tr>
</tbody>
</table>

*Source: World Bank based on UN 2005*
Population decrease

<table>
<thead>
<tr>
<th>Country</th>
<th>% of change in population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>-18</td>
</tr>
<tr>
<td>Latvia</td>
<td>-13</td>
</tr>
<tr>
<td>Lithuania</td>
<td>-11</td>
</tr>
<tr>
<td>Romania</td>
<td>-10</td>
</tr>
<tr>
<td>Estonia</td>
<td>-9</td>
</tr>
<tr>
<td>Hungary</td>
<td>-8</td>
</tr>
<tr>
<td>Croatia</td>
<td>-5</td>
</tr>
<tr>
<td>Czech</td>
<td>-5</td>
</tr>
<tr>
<td>Slovenia</td>
<td>-4</td>
</tr>
<tr>
<td>Poland</td>
<td>-4</td>
</tr>
<tr>
<td>Slovak Republic</td>
<td>-2</td>
</tr>
<tr>
<td>Albania</td>
<td>2.0</td>
</tr>
<tr>
<td>Macedonia</td>
<td>14.0</td>
</tr>
</tbody>
</table>

Source: World Bank, 2005
Demographic transition has direct impact on:

**Economy:**
- Labour force
- Public spending
  - Pensions
  - Health care
- Savings

**Sociology:**
- Social fragmentation and social exclusion, age inequalities and conflicts
- Life-long learning
- Research on disengagement; active living and participation; importance of self-consciousness

**Social psychology:**
- Stereotypes and prejudices
- Cognitive training
- Research on well-being

**Social work:**
- Poverty prevention
- Social support
- Long-term care
Labour force

• High speed in the increase of ageing population: doubles the number of 65+ in Bosnia; grows more than 60% in Cz,P,Slovakia,Slovenia

• Projected median age for Bg, Cz.,Slovenia closest to world’s oldest population (Japan, Italy).

• Migration loosened after political changes - from poorer to ageing and richer countries.
Priorities to state policy

According to WB:

LP (labour productivity) increase is the major factor to offset decrease of LFP (labour force participation)
- LP contributes to growth.
- LFP (across ages) increase has greater influence than participation of older workers increase (through retirement age and equalization of age/sex).
## Labor force participation rates by age groups (2005)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>EU 25</th>
<th>Poland</th>
<th>Bulgaria</th>
<th>Czech Republic</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-19</td>
<td>25</td>
<td>9</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>20-24</td>
<td>61</td>
<td>57</td>
<td>51</td>
<td>63</td>
</tr>
<tr>
<td>25-29</td>
<td>81</td>
<td>84</td>
<td>74</td>
<td>80</td>
</tr>
<tr>
<td>30-34</td>
<td>84</td>
<td>87</td>
<td>79</td>
<td>86</td>
</tr>
<tr>
<td>35-39</td>
<td>86</td>
<td>89</td>
<td>84</td>
<td>92</td>
</tr>
<tr>
<td>40-44</td>
<td>86</td>
<td>87</td>
<td>84</td>
<td>92</td>
</tr>
<tr>
<td>45-49</td>
<td>84</td>
<td>82</td>
<td>80</td>
<td>93</td>
</tr>
<tr>
<td>50-54</td>
<td>77</td>
<td>65</td>
<td>73</td>
<td>88</td>
</tr>
<tr>
<td>55-59</td>
<td>58</td>
<td>41</td>
<td>49</td>
<td>60</td>
</tr>
<tr>
<td>60-64</td>
<td>26</td>
<td>20</td>
<td>17</td>
<td>22</td>
</tr>
</tbody>
</table>

Source: UN 2005
Unemployment rates 2006 by age (55 years +)

Source: ILO, 2006
Bulgaria: Informal share of wage employment by age (multitopic Household survey, 2003)

Source: World Bank
Savings

• Average rate - low.
• Low share of household and corporate savings.
• Negative household savings in Bulgaria, due to real wage drop 1990 and hyperinflation 1997.
• Real estate not an asset for low population mobility, no real estate market, few financial instruments.
Public spending

Pressure on pension systems caused by:

- Number of elderly increased (absolute and relative to working population)
- Need for long-term care for the very old (rise of costs for medical and health care and family load)
- Rise of pension system dependency rate (ratio beneficiaries/contributors) in OECD is \textit{twice} the population total dependency rate (number of people younger than 15 and number of people 65+ per 100\% 15-64years), while in EE it is more than 3 time.
Total dependency rates 2000-2025

Source: UN 2005
Education and life-long learning

Main Goal
Increase of Productivity

• Need to restore and improve enrollment rates.
• Need to invest in lifelong practices to better meet needs of dynamic and flexible economies.
• Need to transform education financing.
Research on support, cognitive training and well-being

- **Well being** – especially significant – amount of support received from spouse, siblings (excl.children) and amount of support given to friends and family (incl. children).

- **Training** – successful long-term effect after limited (10-12) sessions 60-90 minutes.

- **Emotional well-being** aged people – less stressed than 22-25; low levels of anger compared to 18; lower levels of sadness within 55-70; higher levels of happiness after 70, comparable to 20; more effective of regulating emotions and recall fewer negative memories.
Bulgaria’s Future Ageing Research Priorities

Start of interest in Ageing as a:
• Research topic
• Policy field
• Social psychological attitude
• Social work issue.

For the time being:
• Only interest in demographic data, but no policy implications
• No multidisciplinary interest
• Low sensitivity to ageism
• Arrogant economic and monetary approach to human capital, especially to pensioners and old aged.
Optimistic expectations:

• Coherent analyses and research of the stratification tendencies within society, where the aged are the poorest income group.
• Overcoming the counterproductive approach of confronting generations based on today’s economic share.
• Changing attitudes to emigration and immigration in Bulgarian society.
• Developing realistic social policies to Roma population problems not ethnic experimental ones.
• Convincing public administration that social science serves first of all society not only abstract science.
Pessimistic scenario

Keep the situation without change:

• No interest in research from government;
• No financing for academic research (in BG’s budget for 2011, Bulgarian Academy of Sciences is getting finances equal to the building of 5 km. highway)
• No stimuli for multidisciplinary design settings
• Low media interest in discussing ageing
• Low sensitivity to ageism, incl. incorrect political discourse