How to consider the components of demographic change in policymaking?

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Indicators of ageing and policy-making

- All indicators are informative about the trend
- The old-age support ratio is more indicative about the *consequences* of ageing. It is most frequently used.

  (Does the inclusion of economic activity improve it?)

- Example: Compare the old-age support ratios for Moldova: 14/100 in 2005 and 41/100 in 2050. From the stand of 2005 we can assess the latter as less favorable from the economic point of view;

- However, if society changes properly, from the position of 2050 the latter ratio can be assessed as convenient. Policies may contribute for "proper" change in society.

Ageing is a long-term process

- The process that develops today is predetermined by changes that appeared several decades ago. (Their effect is included in the population age structure.)
- Analogously present changes in fertility, and to a lesser extent in mortality, determine the ageing several decades ahead;
- Population ageing does not last for ever; it may decline towards the end of the century in most of the developed countries.

Inference for policy making (1)

- If population ageing is a long-term process then…

  - Short-term policies cannot be effective. Moreover, they can cause negative outcomes (discussed later);

  - Policies should be long-term, with goals to be reached in the long run.

Inference for policy making (2)

- If population ageing is a moderate process (i.e. develops slowly through time) then …
  - Aggressive policies can cause drastic changes in the population age structure
  - Policies should be moderate;
  - Example: slow change in the age at retirement.

Policies aiming to decline population ageing:

- No such direct population policies exist, because ageing is a composition of changes in demographic components

- Indirect policies consider the components of demographic change: fertility and mortality

- Plus health: healthy-ageing, active-ageing policies

Mortality policies (just to mark):

- Decline in infant mortality
- Decline in contagious diseases where relevant (STD diseases including HIV pandemics, tuberculosis)
- Spread of preventive treatments
- Increase awareness about health among the individuals
- Decrease in consumption of tobacco, alcohol, drugs, etc.
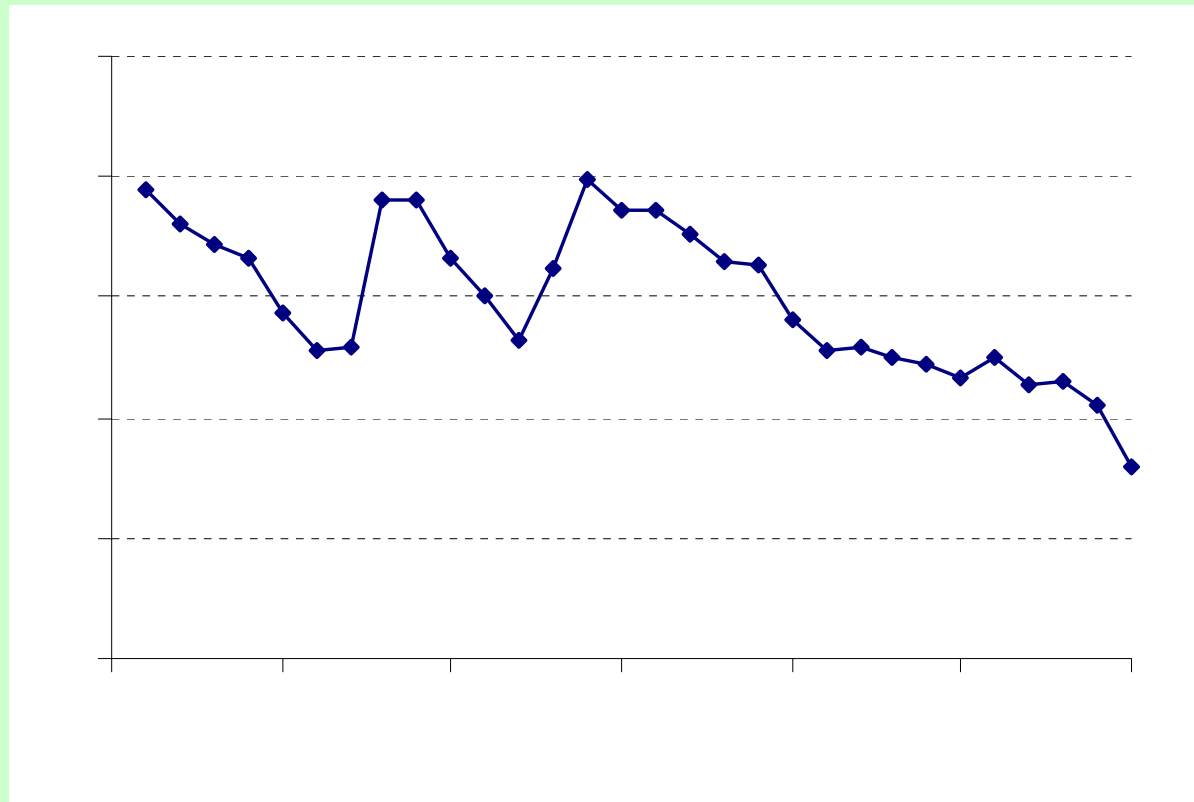
Fertility policies
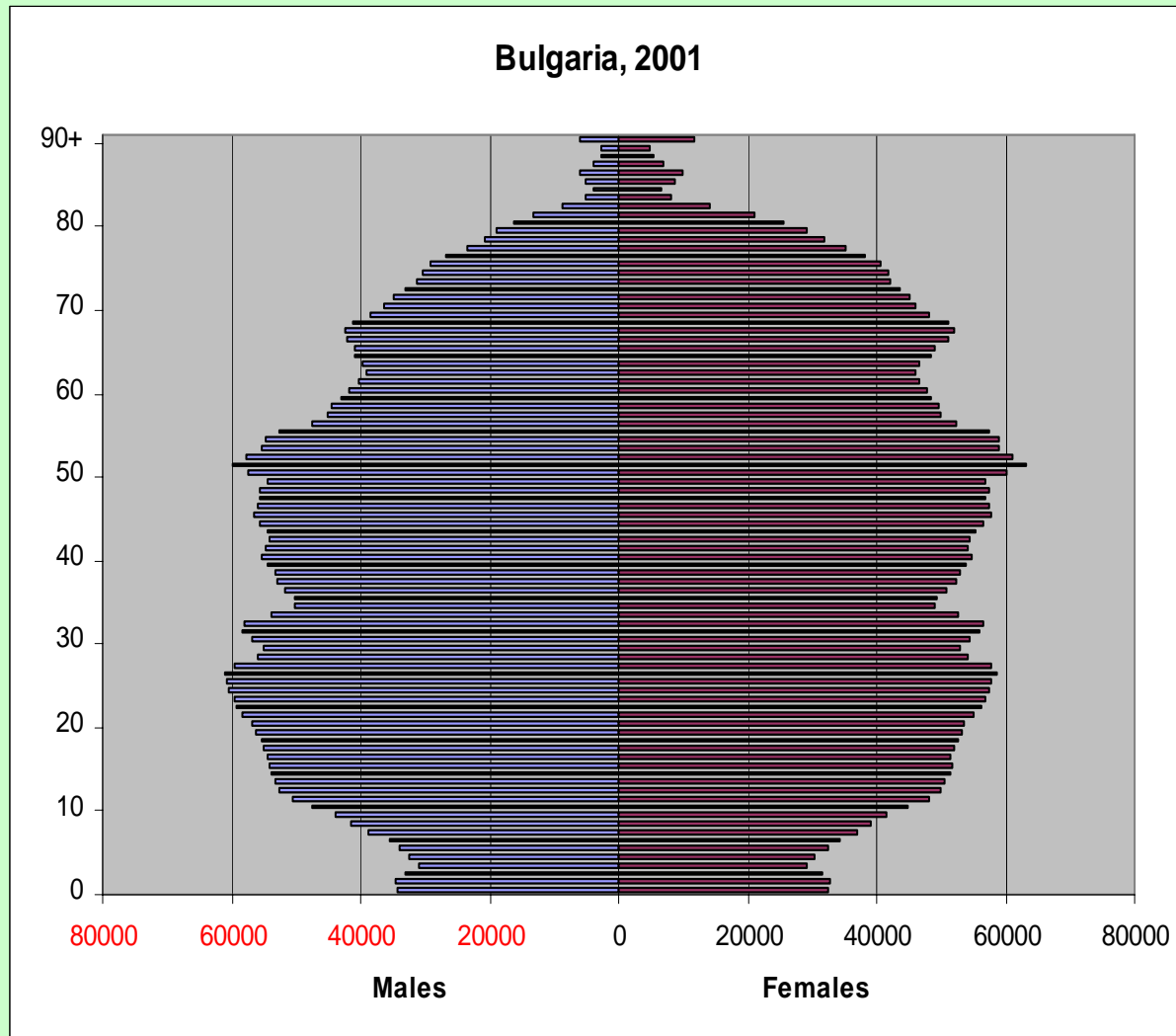# (policies to increase births)

- Are they necessary? There are more proponents than opponents.

- They can be necessary because:
  - counteract population ageing
  - counteract population decline. The latter is, like ageing, a slow and long-term process that calls for early reactions.
  - people want more children than they actually have (ideal number of children is higher than the actual number of children)

- Fertility policies should not be aggressive: A sudden change in the number of births induces long-term changes in the population pyramid.
- What happens when excessive births pass through diverse stages of life:
  - Kindergarten
  - Schools, Universities
  - Enter the labor force
  - Go into pension

Example: Bulgaria

TFR

Bulgaria, 2001

What aims of fertility policies? (1)

- Increase births: can be a too broad aim
- Increase second births; decrease childlessness: more direct aims. They define better the target population where the potential for an increase of fertility is highest.
- However, problems of selection and inequality may arise with respect to policy eligibility

What aims of fertility policies? (1)

- Experience indicates that effectiveness of fertility policies is low. Frequently their effect expires after a few years. Then should the aim be changed?

- For example, increase human capital; higher quality of children.

Fertility policies may have side consequences

- For example, high level of child allowances may enhance lonely motherhood because unintended pregnancies may result in a birth rather than in an abortion.

- Side consequences must be envisaged before the implementation of the policies.

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Scientific verification of policies

- Policies need a scientific background to ascertain the compatibility of policy aims and measures

- Example: a policy aim is to achieve a moderate and steady population growth, with birth rate of 28 per thousand and increasing life expectancy above 70 years. Theory of stationary population would show that these aims are contradictive.

  (The mortality rate is app. 1/70=0.014; a moderate growth implies a birth rate slightly above 14 per thousand.)

The construction of effective fertility policies requires a good understanding of the determinants of births.

- Some of these determinants are common to many countries:
  - The conflict between work and family labor, particularly for women
  - Ideational changes: ex. rise in personal autonomy
  - Rise in uncertainty, etc.
- Determinants need a profound country-specific study in an international comparative framework.

THANK YOU