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Are countries of the Visegrad Group (V4) ready for the consequences of population aging?

Aging policies in V4 countries



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Economic challenges

sustainability of public pension system (negative changes to old age dependency ratio)



shrinking of labour supply (demographic change reduces population of working age)



threat to economic growth



In Europe it is used in the context of population aging the term “Active aging”.

- from the 1990s is Active aging embodied into many of the EU policy frameworks with main aims to extend working lives and discourage early retirement.

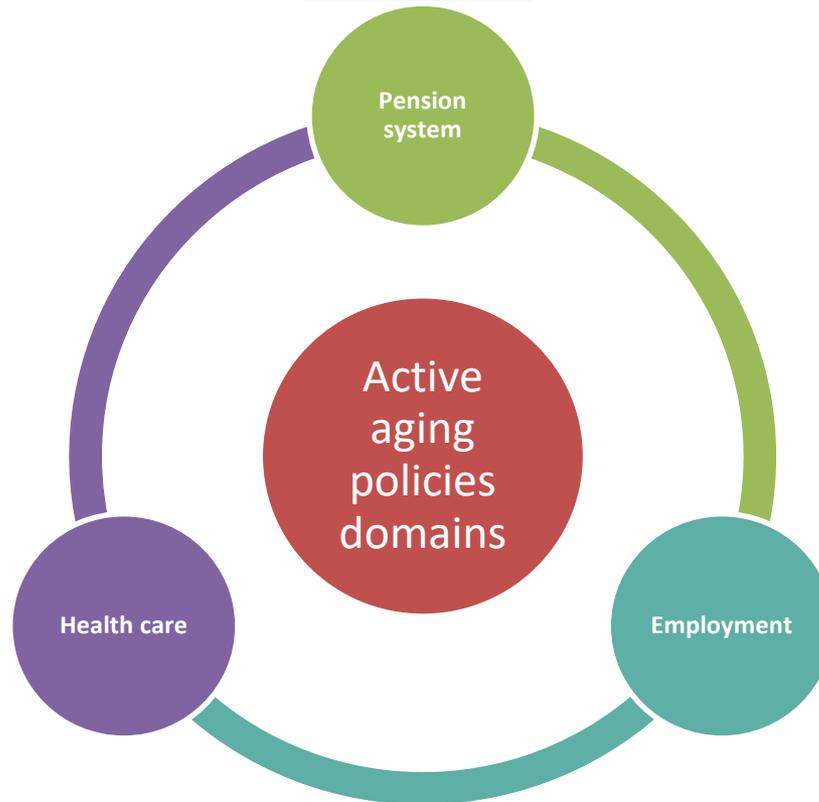


Components of Active aging

- 1) security of living (social, financial needs)
- 2) health maintaining (health and social care services)
- 3) social participation (active engagement, civic participation)



Examples of public policies within the active aging policies domains





Pension system

- ❖ The change in retirement age
- ❖ Reformation of the pension system
- ❖ The change in the level of insurance
- ❖ The change in retirement income



Health care

- ❖ Increasing Life expectancy and Healthy life years
- ❖ Getting effective the health care system
- ❖ Using more private sector
- ❖ Support informal Elder care
- ❖ Preventive health interventions
- ❖ Adoption of healthy lifestyles



Employment

- ❖ Programmes for supporting employing 50+ people
- ❖ Lifelong learning concepts
- ❖ Active aging policy
- ❖ Supporting of implementation of Age management
- ❖ Social protection over time
- ❖ Transformation population aging into an opportunity for society and older



Definition – AGING SOCIETY, AGED SOCIETY, HYPER-AGED SOCIETY

The World Health Organization (WHO) defines an aging society as a society where more than 7% of the population is aged 65 years or above, an aged society as one in which this age group accounts for more than 14% of the total population, and a hyper-aged society as society where in this rate is greater than 20%.



Time trend for population aging in V4 countries

Country	7%	14%	20%
the Czech Republic	1945 (estimated)	2005	2020
Hungary	1941	1993	2020
Poland	1966	2012	2030
Slovakia	1962	2015	2027

Source: own processing



Czech republic

- ❖ Czech Republic is taken the third place between European Union members with the largest population share of 65+ people,
- ❖ the proportion of seniors will increase even 32% of the population will reach 65+ by 2050,
- ❖ the number of economically active persons will be decreasing.



Czech republic

Pension policies	Employment policies	Health care and Elder care policies
<ul style="list-style-type: none">❖ The change of pension system (3 pillars)❖ Increasing of retirement age (almost average 64 in 2020)❖ Increasing of period minimum paid insurance (29 years)❖ DB pension system (with growing DC elements in pension formula)	<ul style="list-style-type: none">❖ From 2003 up to 2017 National Programmes of Preparation for Ageing (3 programmes) focused on Active aging, Age management, Environment and Community of old people	<ul style="list-style-type: none">❖ Life expectancy is 79.2.❖ Improving health and health care in old age as a part of National Programmes of Preparation for Ageing❖ "National Action Plan for Alzheimer's Disease and Related Illnesses" for 2020-2030



Poland

- ❖ Poland, with 38 million residents, has the eighth-largest population in Europe.
- ❖ The number of people aged 65+ in Poland is lower than the European countries average, but this percentage is expected to increase steadily.
- ❖ Poland is considered a highly endangered country by population aging.
- ❖ Based on the population projection, almost 27% of the Polish population is projected to be 65+ in 2030 due to main phenomena: low fertility rates, lengthening life expectancy, large-scale emigration of working age, and strong political resistance to immigration.



Poland

Pension policies	Employment policies	Health care and Elder care policies
<ul style="list-style-type: none">❖ The change of pension system 3 pillars (1st pillar is obligatory according to the principle pay-as-you-go)❖ Increasing of retirement age (average 62.5 years in 2020)❖ The period minimum paid insurance (22.5 years)❖ NDC-based pension system	<ul style="list-style-type: none">❖ Programme "Solidarity between the generations" (2008)❖ The Government Program for Senior Citizens Social Activity (ASOS, 2014–2020)❖ Since 2019 "75+ Care programme"	<ul style="list-style-type: none">❖ Familistic subsidiarity❖ Life expectancy is 77.85years❖ Strategic document <i>Preconditions for Long-Term Senior Policy in Poland</i> (2014-2020)❖ Obligation of co-payment for LTC by family



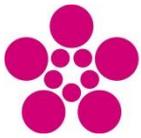
Slovakia

- ❖ The negative aspects of population aging make pressure on current demographic policies in Slovakia.
- ❖ The ratio of elderly people to the total population (65+) will raise and up to 2080 it is expected to more than double.
- ❖ In Slovakia there has even a key priority for suitable development in the context of the population aging – it calls the Silver economy and it should be adopted up to 2030 as a reaction to the current demographic situation.



Slovakia

Pension policies	Employment policies	Health care and Elder care policies
<ul style="list-style-type: none">❖ The change of pension system (3 pillars)❖ Increasing of retirement age (average 62.67 years in 2020)❖ The period minimum paid insurance (15 years)❖ DB pension system (with growing DC elements in pension formula)	<ul style="list-style-type: none">❖ In 1999 the first program on protection of elderly people❖ In 2013 programme “Active aging”.❖ “The National Program for Active Ageing “ (2014 - 2020)	<ul style="list-style-type: none">❖ Life expectancy is 77.4 years❖ In 2003 reform of health care system



Hungary

- ❖ Hungary has projected a strong recovery in 2021 however they have to deal with labour shortage (OECD, 2020).
- ❖ There is decreasing in workforce.
- ❖ The population in Hungary is dropped on the other side ratio of elderly population (65+) increased by 3 % and almost 19% of the total population is above 65 years of age in 2018.
- ❖ The ratio of the elderly people should more than double up to 2060.



Hungary

Pension policies	Employment policies	Health care and Elder care policies
<ul style="list-style-type: none">❖ The change of pension system (2 pillars, to take over assets in mandatory private funds and transferred them to a public pension; 13th retirement income, which was stopped for new pensioners in the half of 2009)❖ Increasing of retirement age (average 64 years in 2020)❖ The period minimum paid insurance (20 years)❖ DB pension system (with growing DC elements in pension formula)	<ul style="list-style-type: none">❖ In 2004 antidiscrimination law❖ In 2009 the "<i>National Strategy concerning the Elderly</i>"❖ 2 programmes for employment policies (TAMOP)	<ul style="list-style-type: none">❖ Life expectancy is 76 years❖ "<i>National Public Health Programme</i>"



Comparison

- ❖ The situation in V4 countries is similar.
- ❖ All the countries have a multipillar pension system, which was reformed after 1990.
- ❖ The used pension system is PAYG with other options for mandatory savings.
- ❖ Countries had to change the level of retirement age because the pension system from the socialistic era was not sustainable.
- ❖ The process of change the retirement age is undergoing. In every country is set up pension insurance.



Comparison

- ❖ The retirement income is adapted according to inflation rate but with the comparison with European union average standards, the income is under European average rate.

Projections of pension expenditure (% of GDP)

Relocation/Time	2025	2030	2040	2050	2060
Czechia	8.7	8.9	9.7	11	11.8
Hungary	11.4	11.1	12.1	13.5	14.7
Poland	11.1	10.9	10.3	10	9.6
Slovakia	9.1	9.5	10.6	12.2	13.2

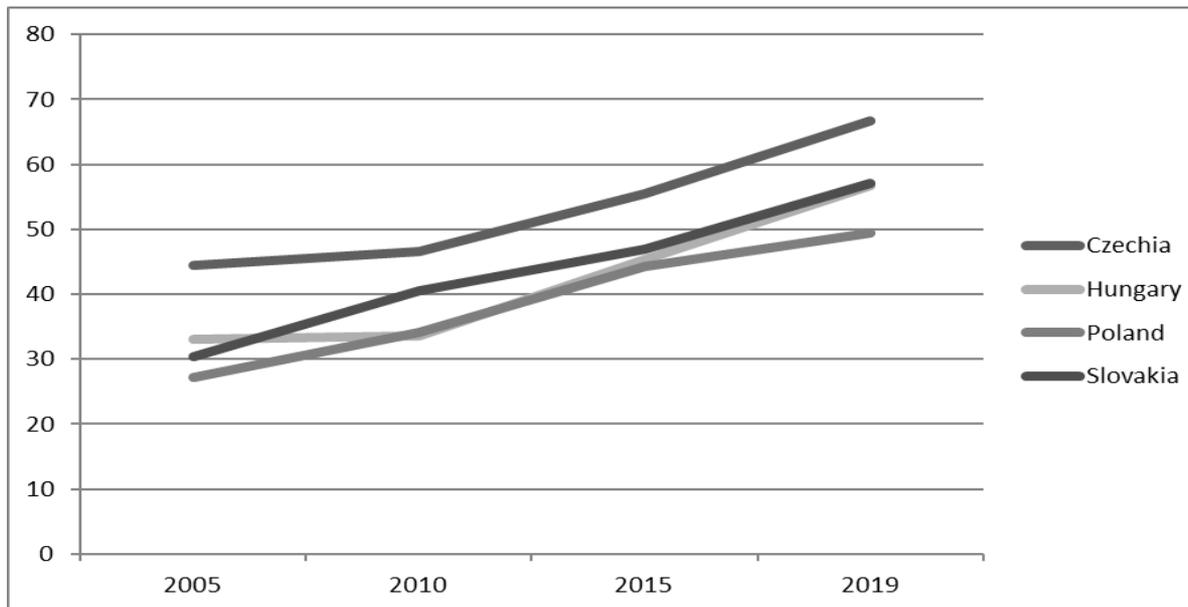
Source: own processing according to Eurostat, 2020



Comparison

- ❖ All of V4 countries implemented different active aging policies within the employment of elderly people.
- ❖ They have different titles but the main priorities are similar, they are based on strategies of the European union on Active Aging.

Figure: Employment of elderly people (55-64)(%)



Source: own processing according to Eurostat



Comparison

- ❖ The health care system in V4 countries was transformed after 1990 toward capitalism.
- ❖ The most successful system is in Czechia according to life expectancy.
- ❖ They implemented many different programmes but the main priority is common - high quality treatment.
- ❖ Now V4 health care systems face problems with the increasing ratio of old people and the capacity of elder care services, even the whole system is loaded by the consequences of pandemic Covid-19.



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Thank you for your attention !

