The European social dialogue and the development of the solidarity between generations of workers: focus on "over 55" and young workers in the finance sector. Sustainable Growth and generation gap - Agreement ref. VS/2018/0040

ROME, 17th September 2019

The demographic scenario

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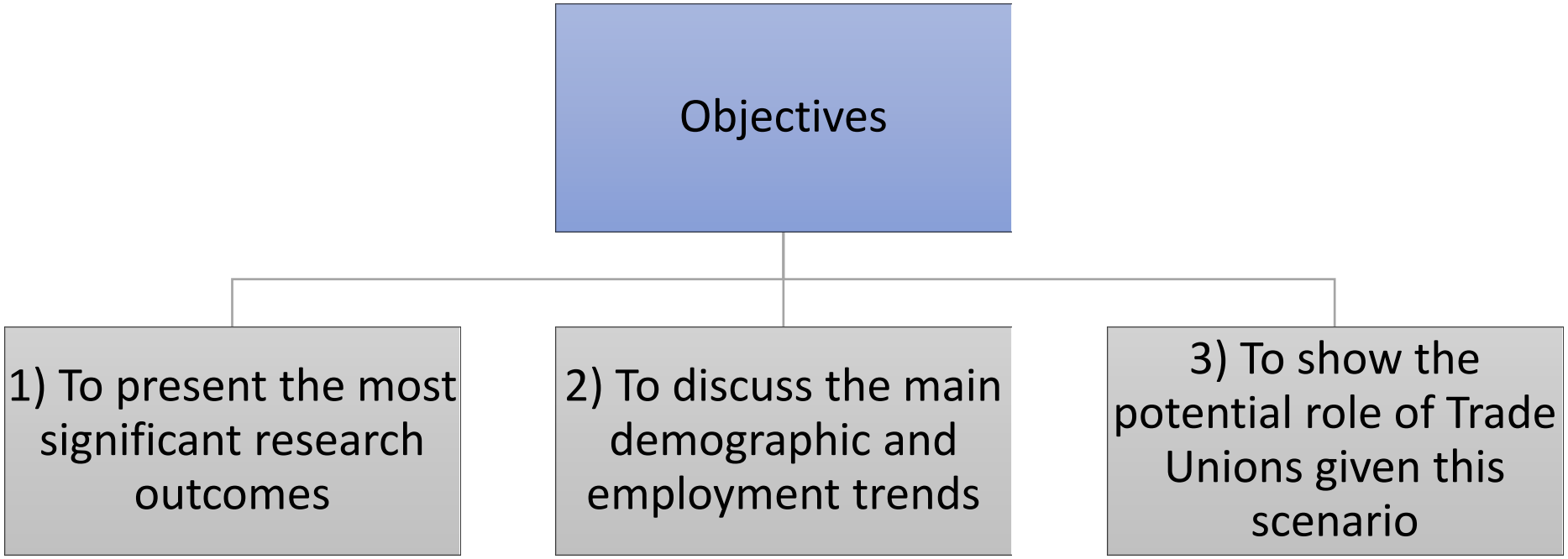
- Conclusions

Objectives of the session


Objectives
1) To present the most significant research outcomes
2) To discuss the main demographic and employment trends
3) To show the potential role of Trade Unions given this scenario

Polibienestar and its contribution to the project

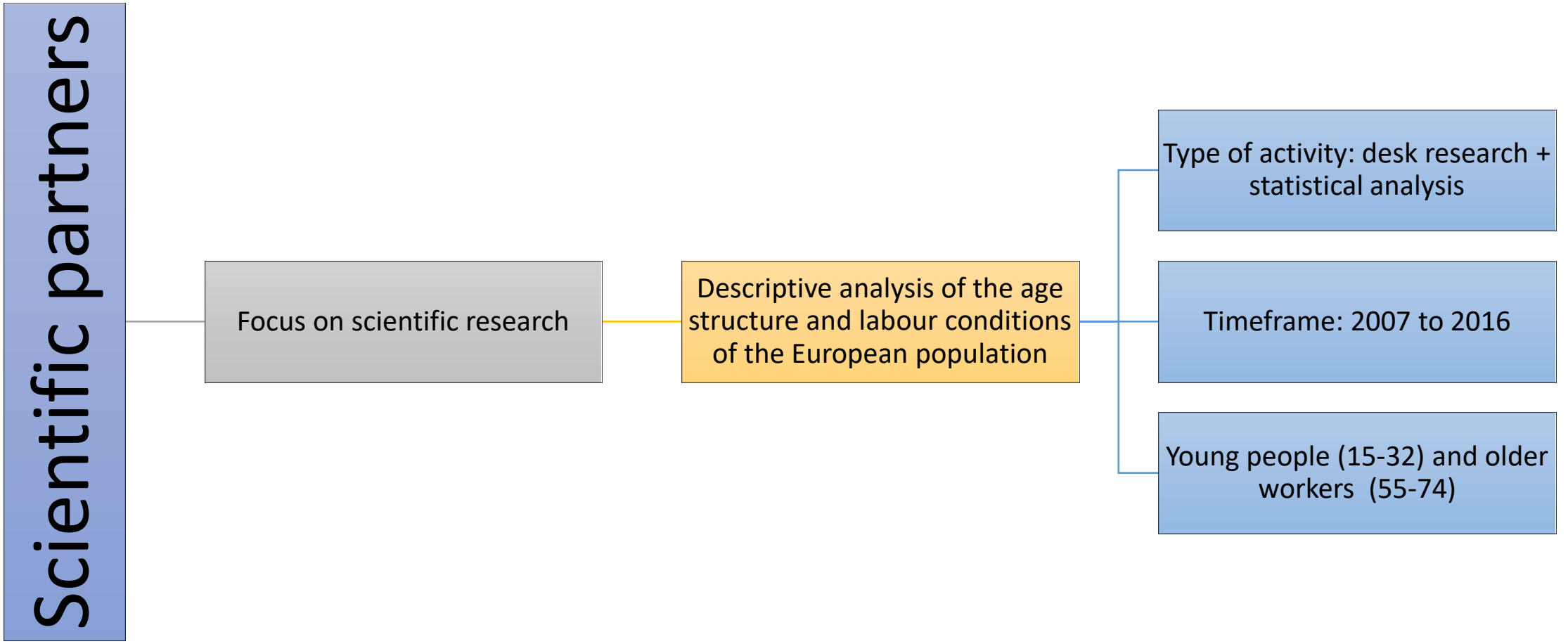
What is Polibienestar?

POLIBIENESTAR is a Public Research Institute belonging to the University of Valencia (Spain), led by **Jordi Garcés**, winner of the Prince of Asturias prize to be Distinguished Visiting Professor at Georgetown University (USA)

It is specialised in research into social welfare policies

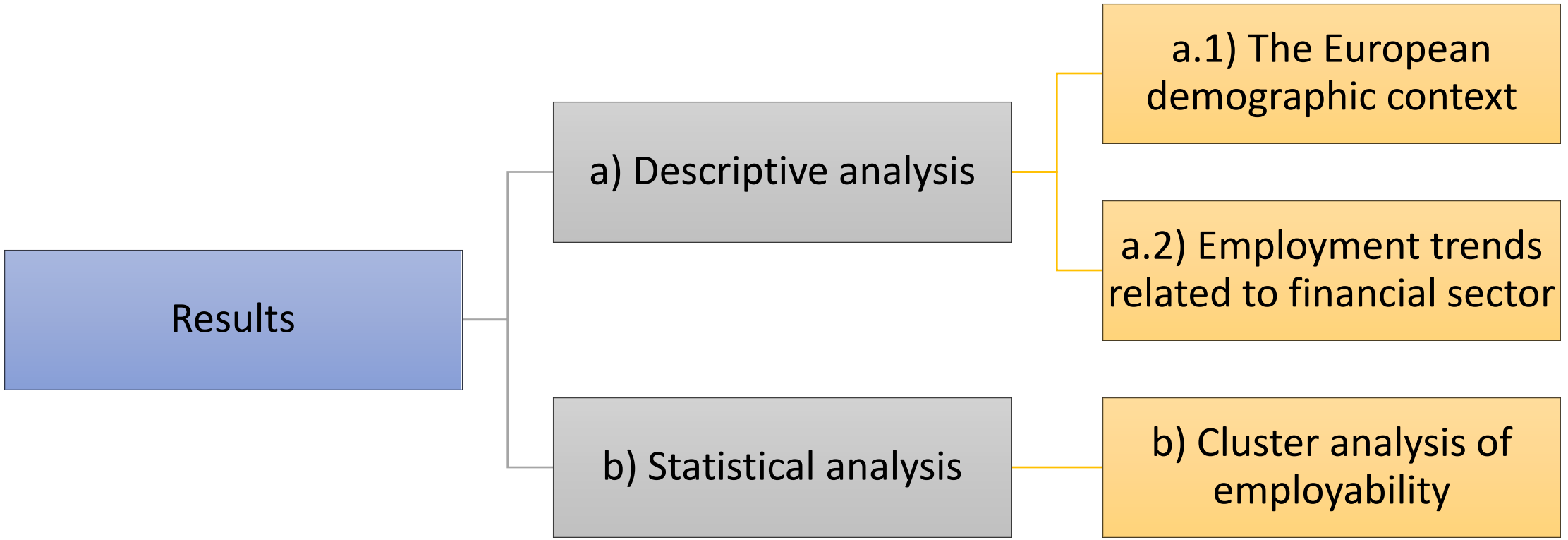
Polibienestar's contribution to the project

The UVEG-POLIBIENESTAR contribution



Results obtained under the project

Structure of the results



a) Descriptive analysis: the European demographic context

Ageing population

Migration

Increasing longevity and declining fertility

Ageing population

There is a great deal of heterogeneity in the growth rates of the older population within regions and income groups.

The process of population ageing is most advanced in Europe and in Northern America, where more than one person in five was aged 60 or over in 2017. The populations of other regions are growing older as well.

Number and distribution of persons aged 60 years or over by region, in 2017 and 2050

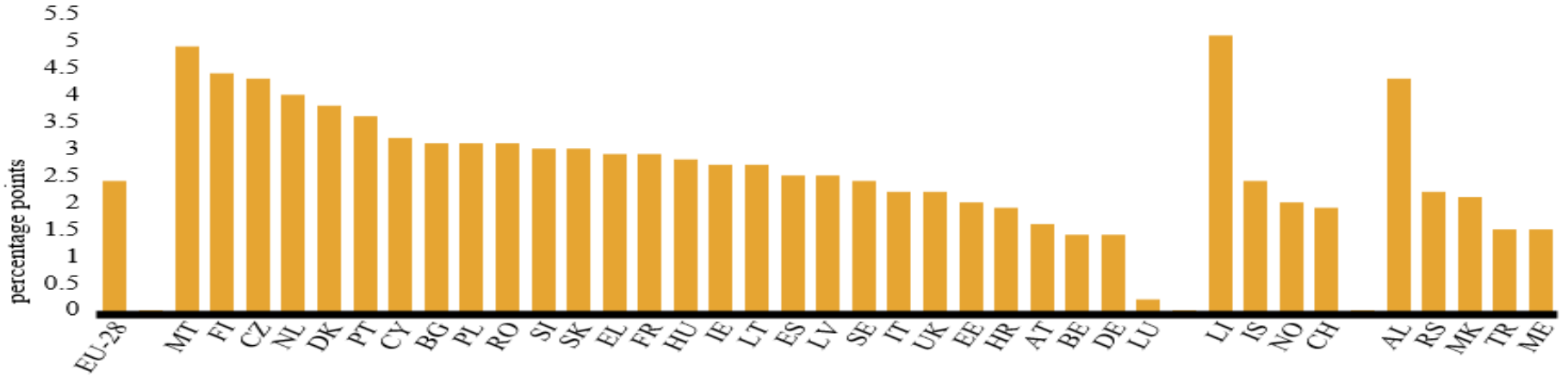
	Number of persons aged 60 years or older in 2017 (millions)	Number of persons aged 60 years or over in 2050 (millions)	Percentage change between 2017 and 2050	Distribution of older persons in 2017 (percentage)	Distribution of older persons in 2050 (percentage)
World	962.3	2080.5	116.2	100.0	100.0
Africa	68.7	225.8	228.5	7.1	10.9
Asia	549.2	1273.2	131.8	57.1	61.2
Europe	183.0	247.2	35.1	19.0	11.9
Northern America	78.4	122.8	56.7	8.1	5.9
Latin America and the Caribbean	76.0	198.2	160.7	7.9	9.5
Oceania	6.9	13.3	92.6	0.7	0.6

Data source: United Nations (2017). World Population Prospects: the 2017 Revision.

a) Descriptive analysis: the European demographic context. European trends

Results. European demographic trends

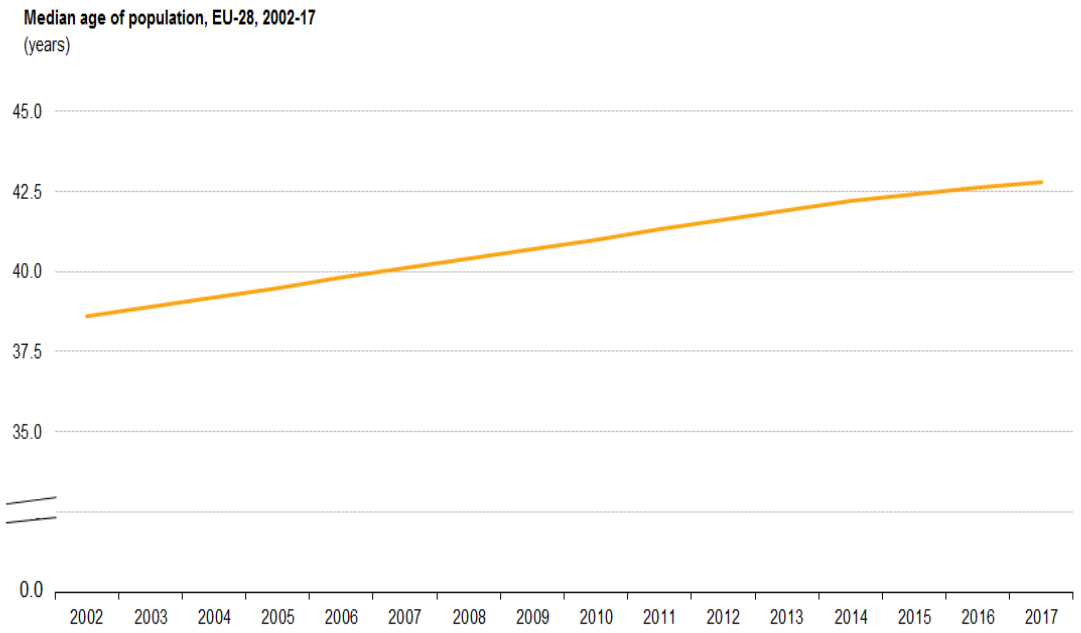
Between 2007 and 2017 there has been an increase in the percentage of the population aged over 65, as seen below:



Eurostat (2018)

- Liechtenstein (5.1)
- Malta (4.9)
- Finland (4.4)
- Czech Republic (4.3)
- Albania (4.3)

Descriptive analysis: Median age Europe



Note: 2010, 2011, 2012, 2014,2015, 2016 and 2017: break in series. 2017: provisional.
Source: Eurostat (online data code: demo_pjanind)

eurostat

- The EU-28 median age increased by 4.2 years between 2002 and 2017
- It went from 38.6 years to 42.8 years
- Between 2007 and 2017 the median age increased in all EU Member States
- Romania, Portugal, Greece, Spain and Lithuania all saw their median ages rise by 4 or more years

Descriptive analysis: Median age Europe

On 1 Jan, 2017 - the median age across EU-28 countries was 42.8 years

Germany and Italy had the highest median age, at 45.9 years

Descriptive analysis: Projections

Ten countries or areas with the largest share of persons aged 60 years or over*, in 1980, 2017 and 2050

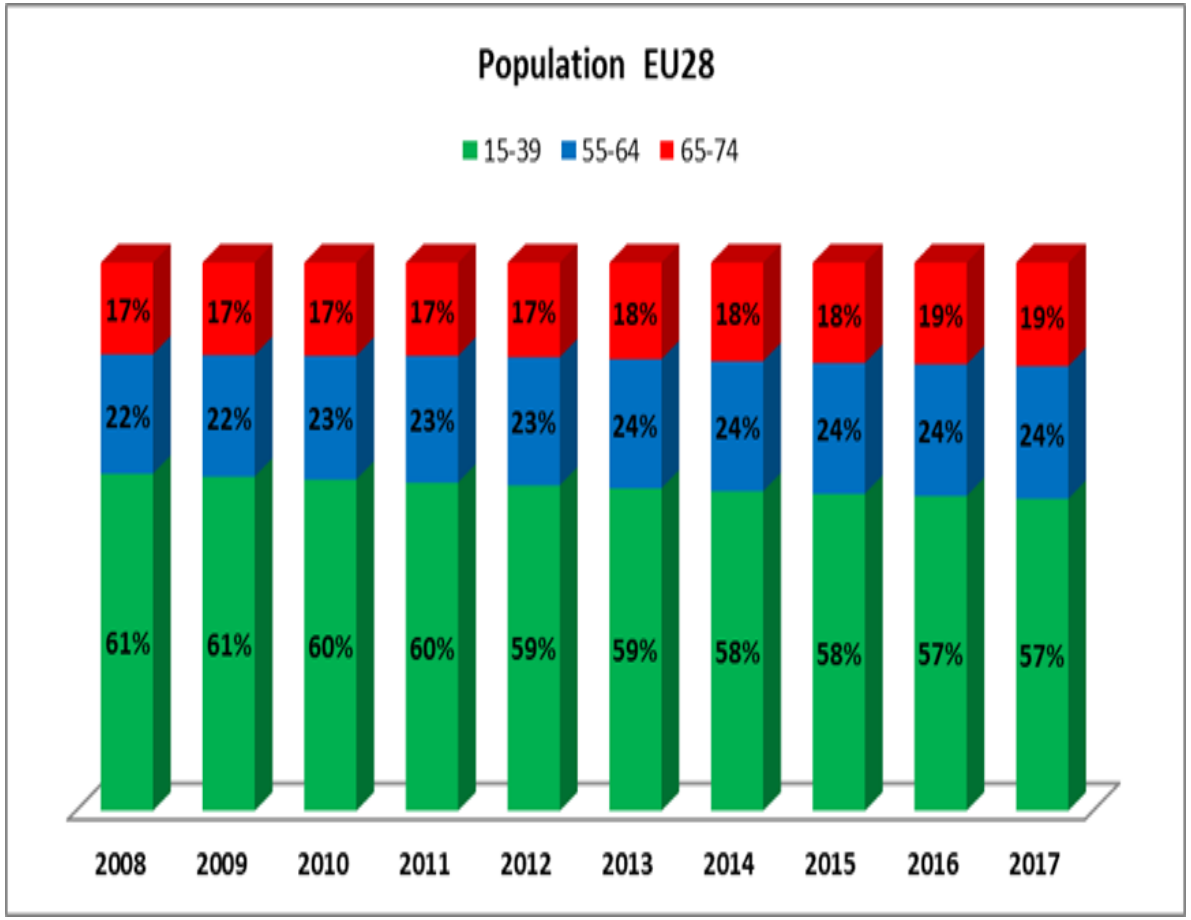
	1980		2017		2050	
Rank	Country or area	Percentage aged 60 years or over	Country or area	Percentage aged 60 years or over	Country or area	Percentage aged 60 years or over
1	Sweden	22.0	Japan	33.4	Japan	42.4
2	Norway	20.2	Italy	29.4	Spain	41.9
3	Channel Islands	20.1	Germany	28.0	Portugal	41.7
4	United Kingdom	20.0	Portugal	27.9	Greece	41.6
5	Denmark	19.5	Finland	27.8	Republic of Korea	41.6
6	Germany	19.3	Bulgaria	27.7	China, Taiwan Province of China	41.3
7	Austria	19.0	Croatia	26.8	China, Hong Kong SAR	40.6
8	Belgium	18.4	Greece	26.5	Italy	40.3
9	Switzerland	18.2	Slovenia	26.3	Singapore	40.1
10	Luxembourg	17.8	Latvia	26.2	Poland	39.5

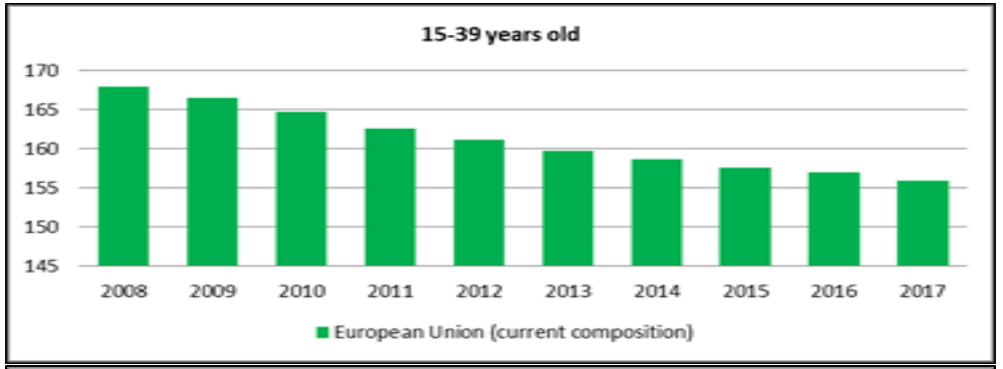
Data source: United Nations (2017). World Population Prospects: the 2017 Revision.

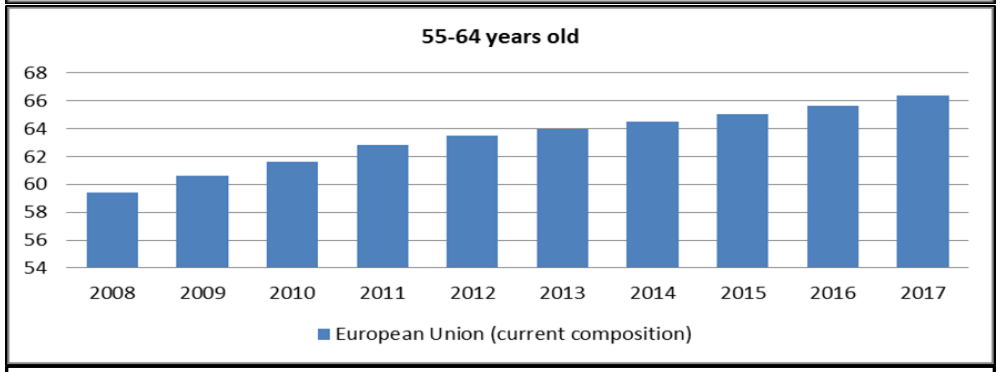
* Of 201 countries or areas with at least 90,000 inhabitants in 2017.

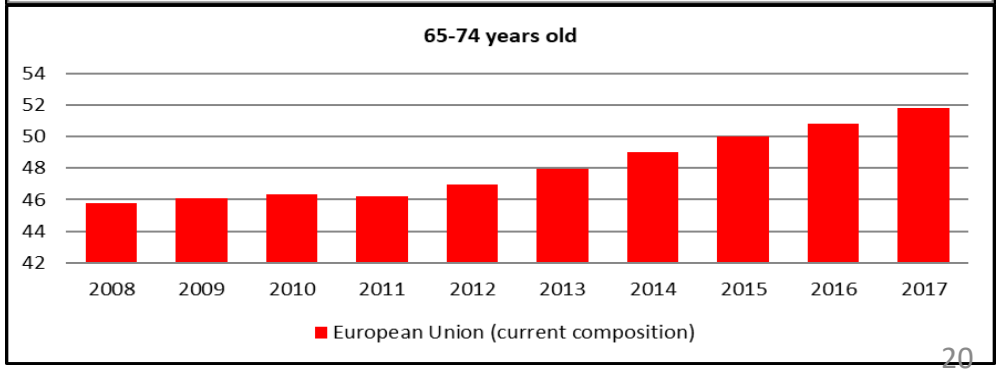
a) Descriptive analysis: the European demographic context.
European trends per age group

Descriptive analysis: The European demographic context

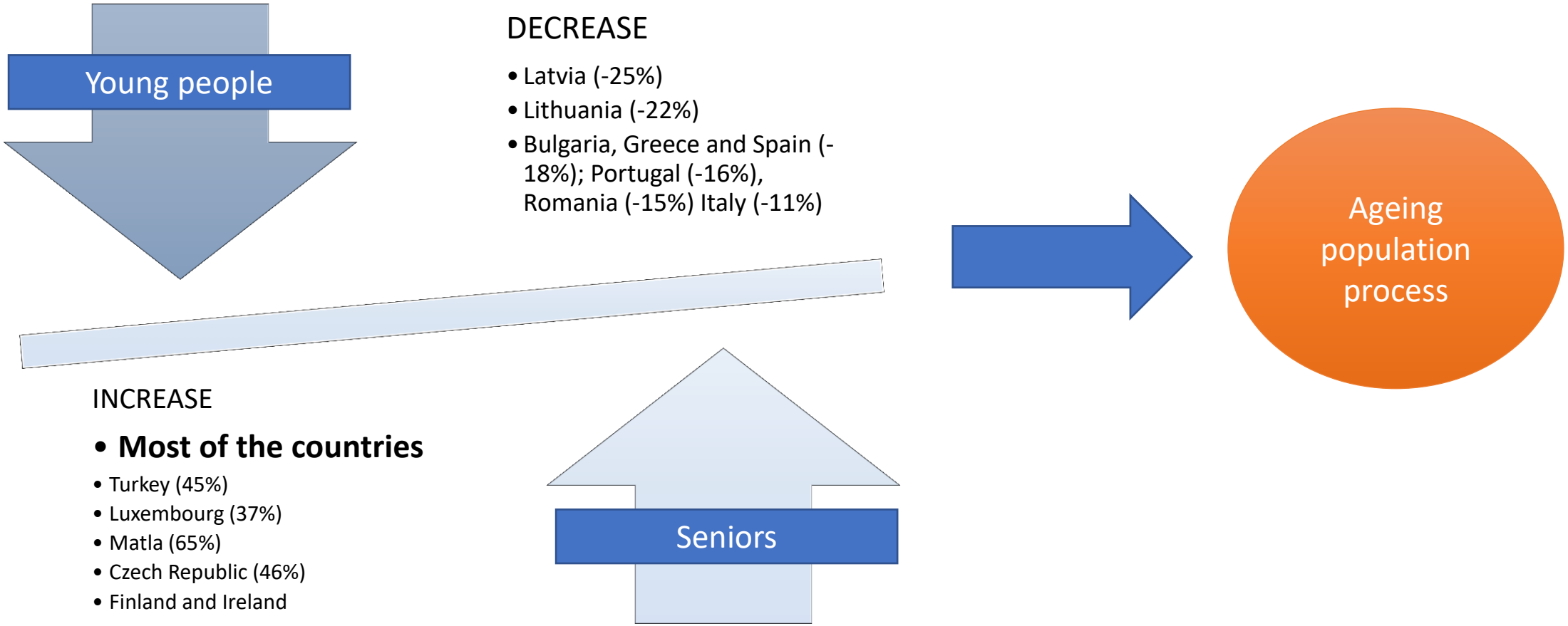








Descriptive analysis: The European demographic context



a) Descriptive analysis: the European demographic context. European trends. Conclusions

Descriptive analysis: The European demographic context
Risk of ageing classification:

High risk of ageing	Mild risk of ageing	No immediately ageing risk
Czech Republic	Bulgaria	Belgium
Estonia	Latvia	Denmark
Ireland	Lithuania	Germany
Greece	Malta	Croatia
Spain	Netherlands	Luxembourg
Hungary	Romania	Austria
France	Sweden	
Italy	United kingdom	
Cyprus		
Poland		
Portugal		
Slovenia		
Slovakia		
Finland		
Turkey		

a) Descriptive analysis: Employment trends related to financial sector. European trends

a) Descriptive analysis: Employment trends related to financial sector

Indicator	General trends	Positive (+)	Negative (-)
Employment levels	Rather stable during the last decade	Higher among employees younger than 40 years old	The lowest employment level among young people was found Turkey
Temporary employment	Lower than in other industries	Less frequent in employees older than 54 years old	More frequent among young employees
Part-time	Lower than in other industries	Less frequent in those younger than 40 years old	More frequent among employees older than 54

Unemployment rate:
Southern European countries (+15%)

Germany, Iceland and Czech Republic (5%)

Involuntary part-time:
Problem for the youngest group of part-time employees

Mediterranean countries

b) Statistical analysis: Cluster analysis of the employability

b) Statistical analysis: Cluster analysis of the employability. Results

Cluster analysis

Two groups of countries in the EU-28 when it comes to EMPLOYABILITY of **young people** in the financial sector

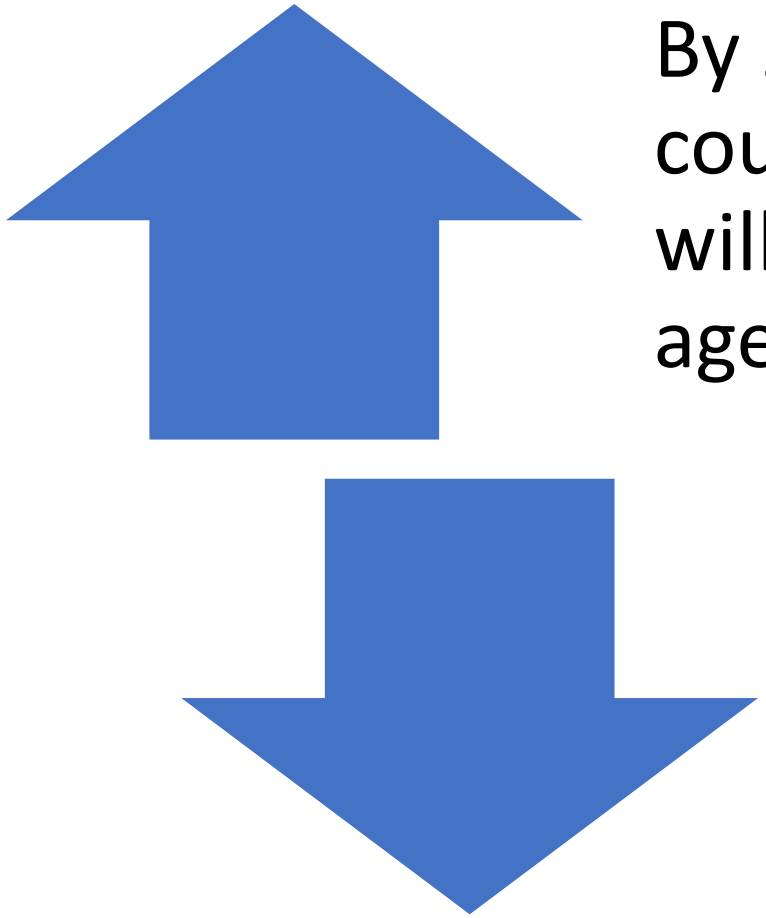
Two groups of countries in the EU-28 when it comes to EMPLOYABILITY of **older people** in the financial sector

b) Statistical analysis: Cluster analysis of the employability. Results

Young people employability	Older people employability
Cyprus, Ireland, Luxembourg, Malta, Switzerland and the United Kingdom	Austria, Belgium, Cyprus, Denmark, France, Germany, Iceland and Switzerland

Implications of the ageing population process and employment trends in the financial sector.
The scenario

Ageing and working population



By 2030, at least 30% of many countries' working populations will be made up by workers aged 55-64

Workers leave the labour market before reaching retirement age

Ageing and working population challenges

Factors influencing the decision to retire:

- Skills are obsolete
- Age discrimination
- They feel undervalued
- Need to care for others

Conclusion:

- New approaches are needed in the workplace, based on age management

Digitalization and its impact on labour markets

Digitalization and its impact on labour markets

NEGATIVE AND POSITIVE IMPACTS

POSITIVE: new products - new markets – new demand – more employment

NEGATIVE: improvement of the production process. It is possible to produce the same with less workers

The CHALLENGE: imbalance between the current skills and the skills required by “new Jobs”. Skills will obsolete faster in the future

Future impacts

- a) dynamics of job creation and destruction
- b) Changes in job contents
- c) Changes in qualifications and skills

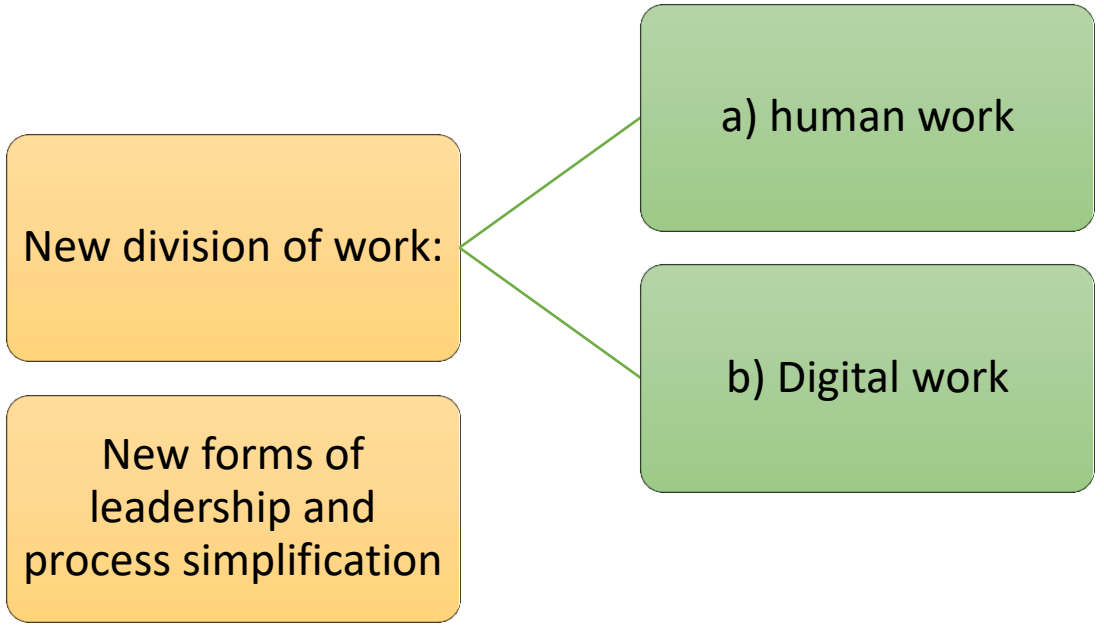
Digitalization and its impact on labour markets

a) Dynamics of job creation and destruction

Technology might permit computers and robots to replace workers

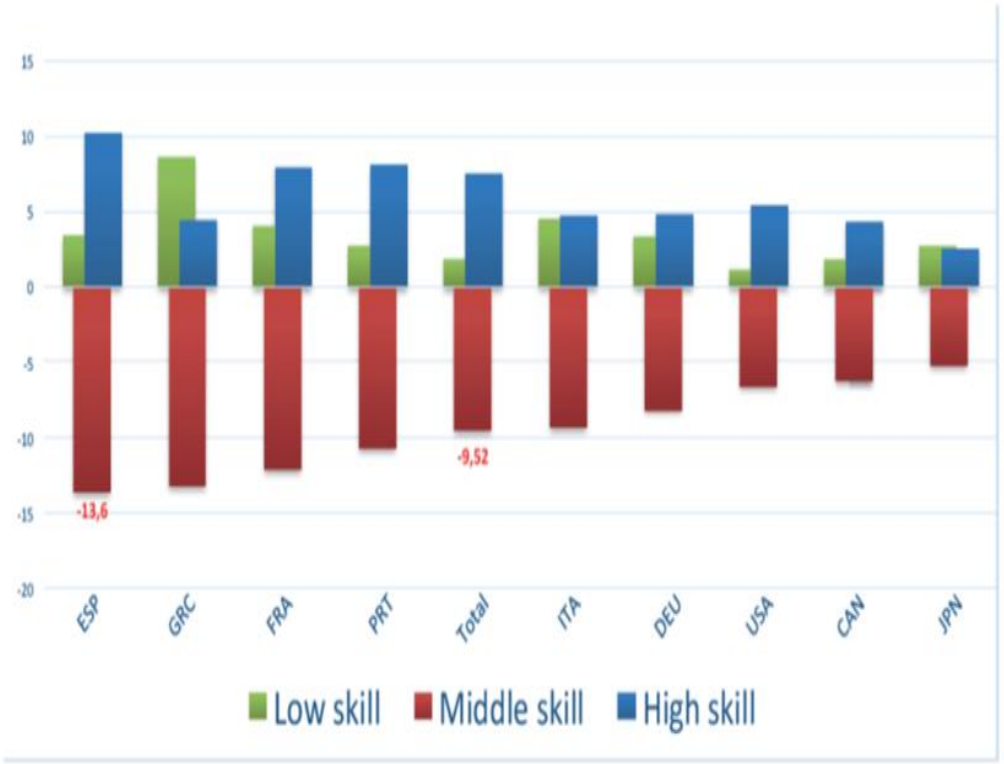
When? Human labour force cost is 15% higher than machines

b) Changes in job contents



Digitalization and its impact on labour markets

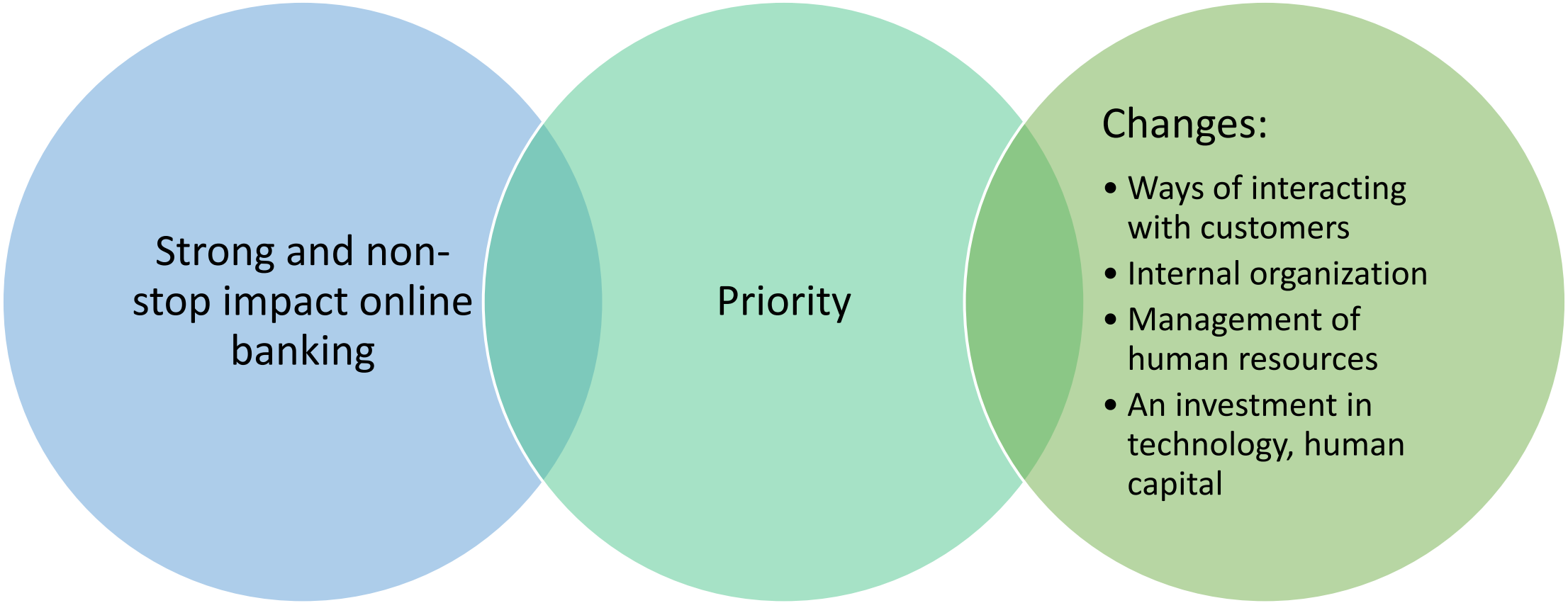
- c) Changes in qualifications and skills
- According to CEDEFOP, 4 out of 5 jobs will require a high level of qualifications in 2030
- A polarization in labour markets is expected due to digital skills



Cambios en el total del empleo por habilidades (%). 1995 to 2015. OCDE Employment Outlook 2017

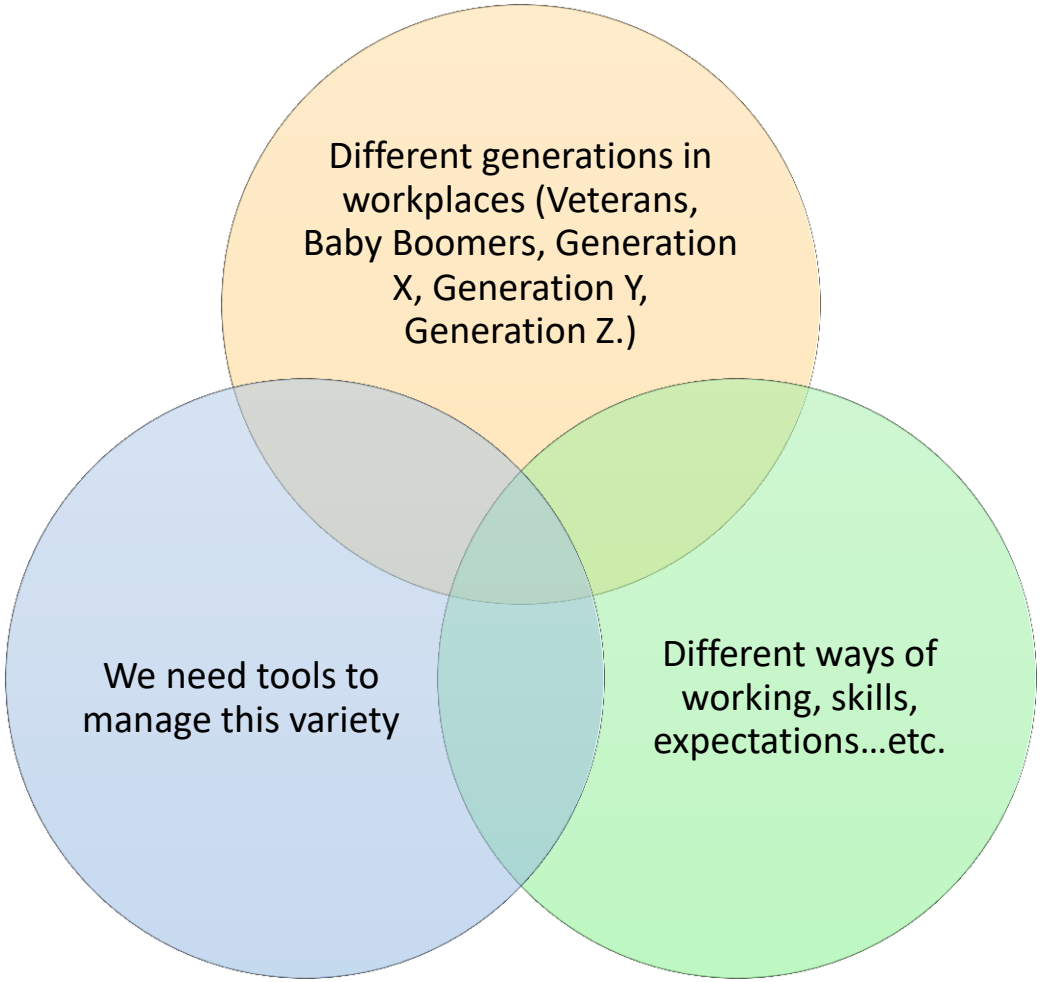
Digitalization and its impact on the financial sector

Digitalization and its impact on the financial sector



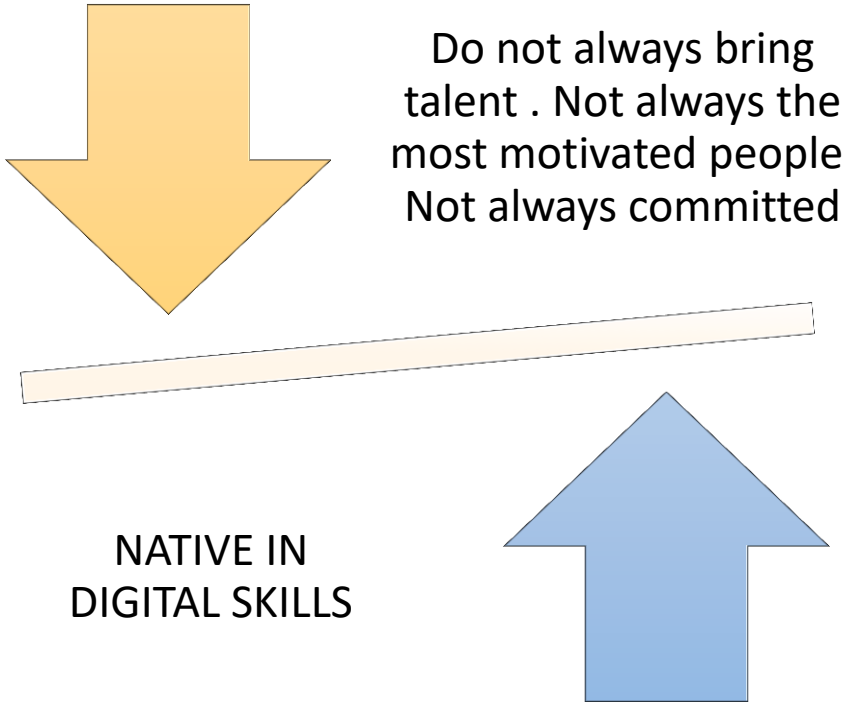
Conclusions:
The role of Trade Unions in the new scenario caused by demographic changes and digitalization

The role of Trade Unions in this new scenario: a) demographic changes



The role of Trade Unions in this new scenario: a) demographic changes

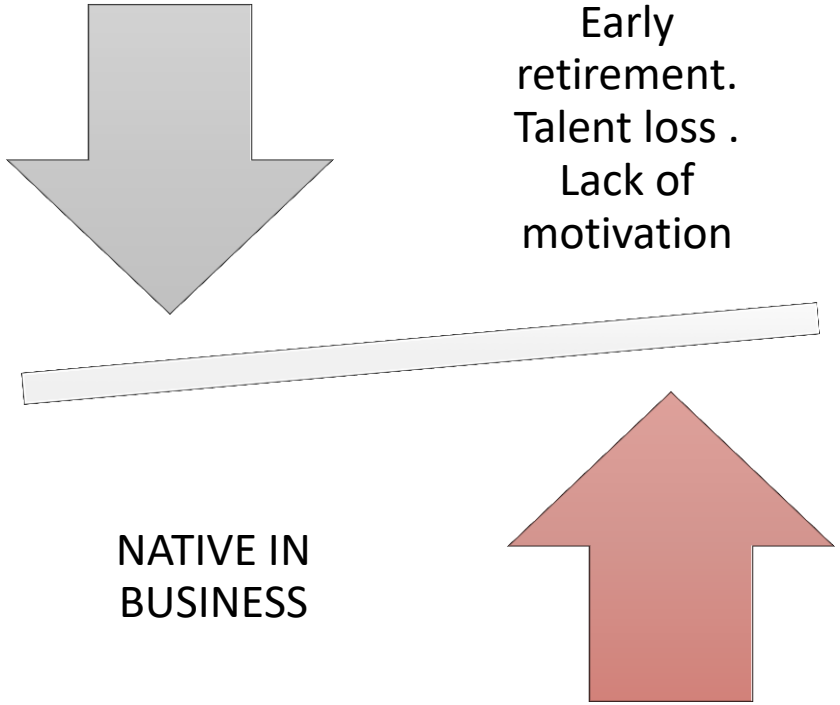
Young people



Do not always bring talent . Not always the most motivated people. Not always committed

NATIVE IN DIGITAL SKILLS

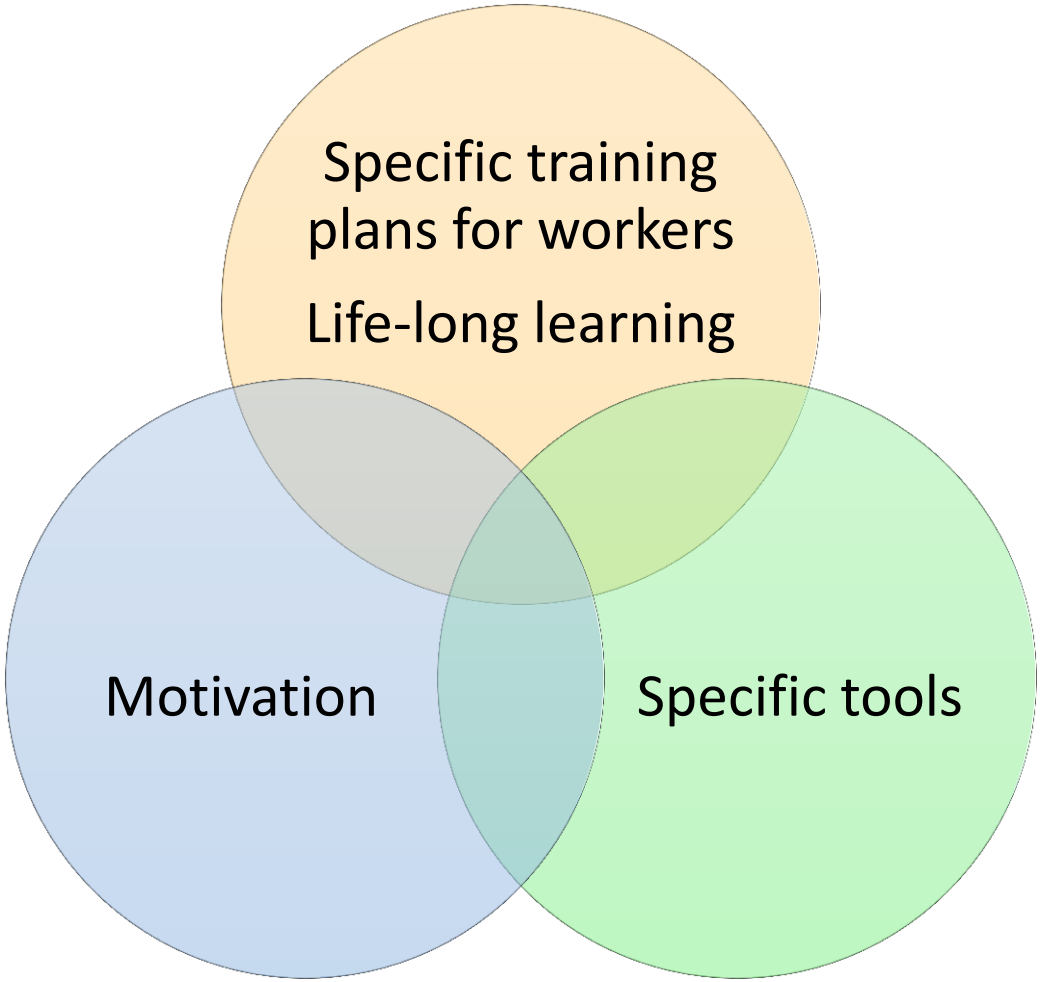
Older workers



Early retirement. Talent loss . Lack of motivation

NATIVE IN BUSINESS

The role of Trade Unions in this new scenario: a) demographic changes



The role of Trade Unions in this new scenario: b) digitalization

New collective bargaining model

To introduce digitalization as topic to be discussed in collective agreements

To ensure an inclusive digitalization in terms of employment and job conditions

To represents the needs of workers to avoid potential risks for some of them

Digitalization = better labour conditions

To negotiate training plans

To negotiate new rights linked to digitalizations

Thank you for attention

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