One step ahead

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Description of the demographic context and medium-long-term trends at European level

Thessaloniki, June 11, 2019

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

Sandra Martínez-Molina

I. Structure

Demographic trends

- Europe
- Projections
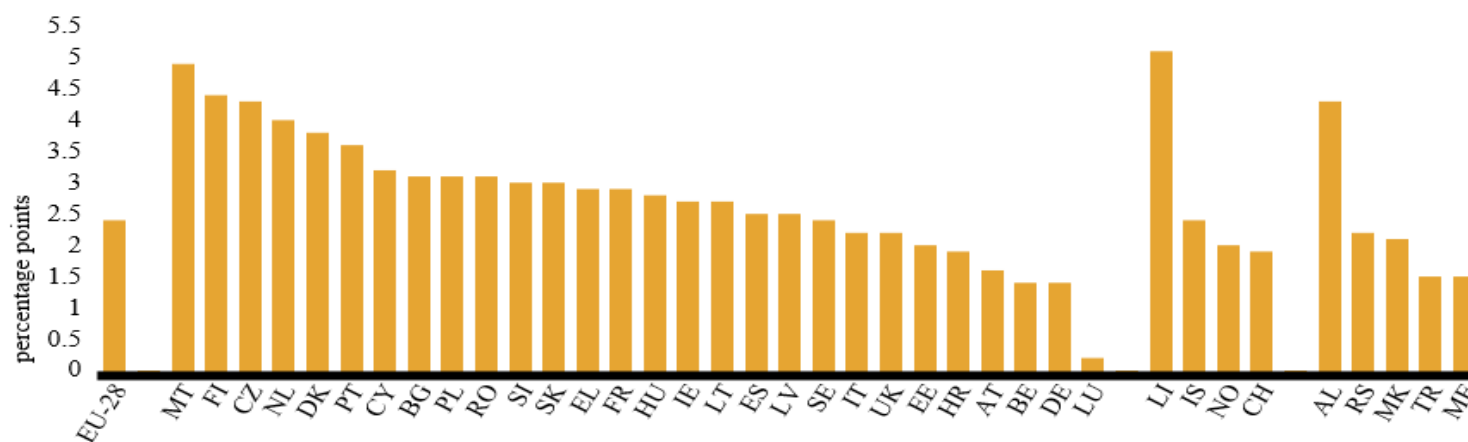
Ageing and working population

Comparison of the financial systems in Europe to the cluster analysis' results

Demographic trends
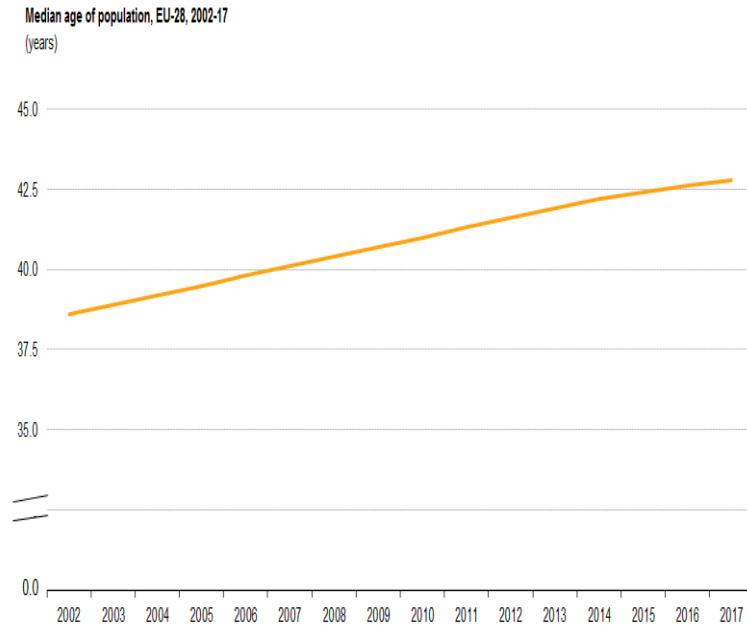
- European situation
- Projections

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

Median age of population, EU-28, 2002-17
(years)

45.0

42.5

40.0

37.5

35.0

0.0

2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017

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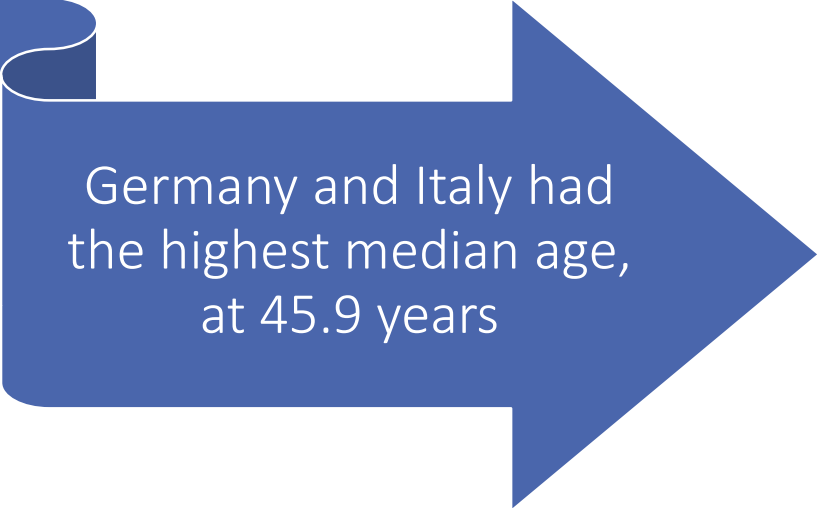Source: Eurostat (online data code: demo_pjanind)

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

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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
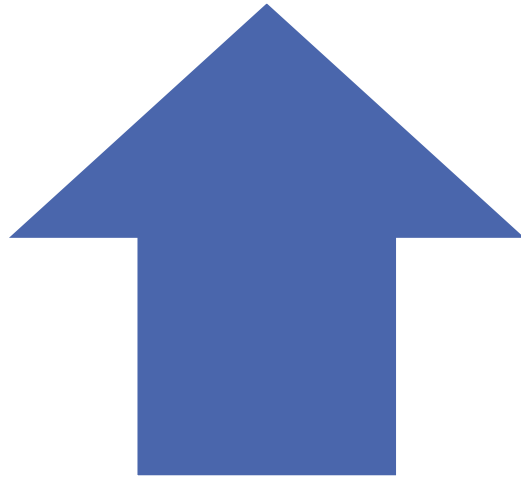
Median age Europe-projections (2080)

INDIC_DE   Median age of population

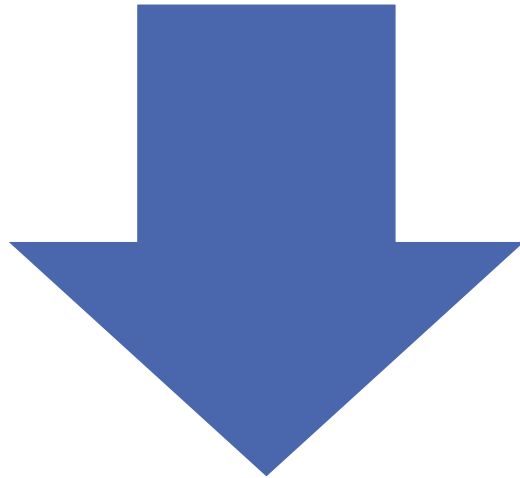| GEO/TIME	2015	2020	2030	2040	2050	2060	2070	2080	Diference
European Union - 28 countries	42,4	43,5	45,4	46,6	46,7	46,8	46,7	46,6	4,2
Belgium	41,5	41,7	42,4	43,3	43,5	44,1	44,6	45,0	3,5
Bulgaria	43,4	44,8	47,9	50,5	50,1	49,4	49,5	48,6	5,2
Czechia	41,1	43,1	46,1	48,0	46,7	47,0	47,3	46,2	5,1
Denmark	41,5	41,8	41,6	43,2	44,7	45,5	45,9	47,0	5,5
Germany	45,9	46,0	46,6	48,4	49,3	48,4	48,6	49,0	3,1
Estonia	41,5	42,5	44,7	47,4	46,7	47,4	47,9	47,4	5,9
Ireland	36,4	38,2	41,3	41,8	41,7	43,2	43,4	42,7	6,3
Greece	**43,4**	**45,6**	**49,9**	**52,7**	**52,3**	**52,1**	**52,1**	**50,4**	**7,0**
Spain	42,3	44,7	48,7	48,8	46,5	45,6	43,7	43,0	0,7
France	41,0	41,6	42,4	42,3	42,7	42,9	43,1	43,8	2,8
Croatia	**42,8**	**43,9**	**46,2**	**47,8**	**48,8**	**49,3**	**49,8**	**49,8**	**7,0**
Italy	45,1	47,0	50,2	51,2	51,4	51,6	51,3	50,6	5,5
Cyprus	**37,0**	**39,0**	**43,0**	**47,1**	**49,8**	**50,9**	**52,0**	**52,6**	**15,6**
Latvia	42,7	44,0	46,9	50,6	49,3	47,0	48,1	46,5	3,8
Lithuania	42,7	44,5	47,6	51,0	51,8	47,6	48,3	47,7	5,0
Luxembourg	**39,3**	**39,8**	**41,3**	**43,3**	**44,8**	**45,6**	**46,1**	**46,6**	**7,3**
Hungary	41,6	43,4	45,7	47,0	47,3	47,2	47,1	47,1	5,5
Malta	**41,0**	**42,0**	**44,1**	**46,4**	**47,4**	**47,2**	**47,6**	**47,6**	**6,6**
Netherlands	42,2	42,7	42,8	43,6	44,7	44,8	45,1	46,0	3,8
Austria	43,0	43,2	44,1	46,1	47,5	47,8	48,3	48,8	5,8
Poland	**39,6**	**41,4**	**45,7**	**49,4**	**50,7**	**50,5**	**51,1**	**50,4**	**10,8**
Portugal	**43,5**	**45,7**	**49,8**	**51,6**	**52,4**	**53,4**	**53,4**	**52,4**	**8,9**
Romania	41,0	42,9	46,3	48,8	48,3	47,8	47,0	46,3	5,3
Slovenia	42,8	44,3	47,5	49,1	47,7	47,3	47,1	45,8	3,0
Slovakia	**39,0**	**41,1**	**45,0**	**48,2**	**49,0**	**48,9**	**49,2**	**48,4**	**9,4**
Finland	42,4	42,9	44,3	45,5	45,8	46,6	47,3	47,7	5,3
Sweden	40,9	40,7	40,9	41,9	41,8	42,4	43,0	43,2	2,3
United Kingdom	40,0	40,1	41,1	42,5	43,1	44,0	44,7	45,2	5,2
Norway	**39,1**	**39,7**	**41,2**	**42,9**	**43,9**	**44,7**	**45,3**	**45,9**	**6,8**

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Ageing and working population

Ageing and working population

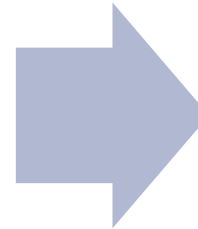By 2030, at least 30% of many countries' working populations will be made up by workers ages 55-64

Workers leave the labour market before reaching retirement age

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Ageing and working population

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, to put in place the motivation and right conditions for people to want to and be able to continue working

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Comparison of the financial systems in Europe to the cluster analysis' results

Types of financial sectors
Cluster analysis (considering 23 indicators)

'market-based EU'

- Closer to the US than other EU countries
- Firms interact with those providing the capital

'bank-based EU' countries

- Resemble Japan
- Crucial players in channeling funds from invertors to non-financial corporations

European countries that entered the EU

- These countries have generally smaller financial systems than those in the older member states.

Outliers

- These countries have banking sectors that are both very large and extend a large amount of credit compared to their national economies

"The changing landscape of financial markets in Europe, the United States and Japan" (Bijlsma and Zwart, 2013)

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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

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Young people employability

Older people employability

Cyprus, Ireland, Luxembourg, Malta, Switzerland and the United Kingdom

Austria, Belgium, Cyprus, Denmark, France, Germany, Iceland and Switzerland

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Statistical analysis: cluster analysis

Young people	Cluster	Financial system
Cyprus	4	outliers
Ireland	4	outliers
Luxembourg	4	outliers
Malta	4	outliers
Switzerland	---	
United Kingdom	1	market-based EU

Statistical analysis: cluster analysis

Older workers	Cluster	Financial system
Austria	2	bank-based EU
Belgium	1	market-based EU
Cyprus	4	outliers
Denmark	2	bank-based EU
France	1	market-based EU
Germany	2	bank-based EU
Iceland	---	
Switzerland	---	

Thank you for your attention

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