

Impacts of Population Ageing on Slovak Economy and Labour Market



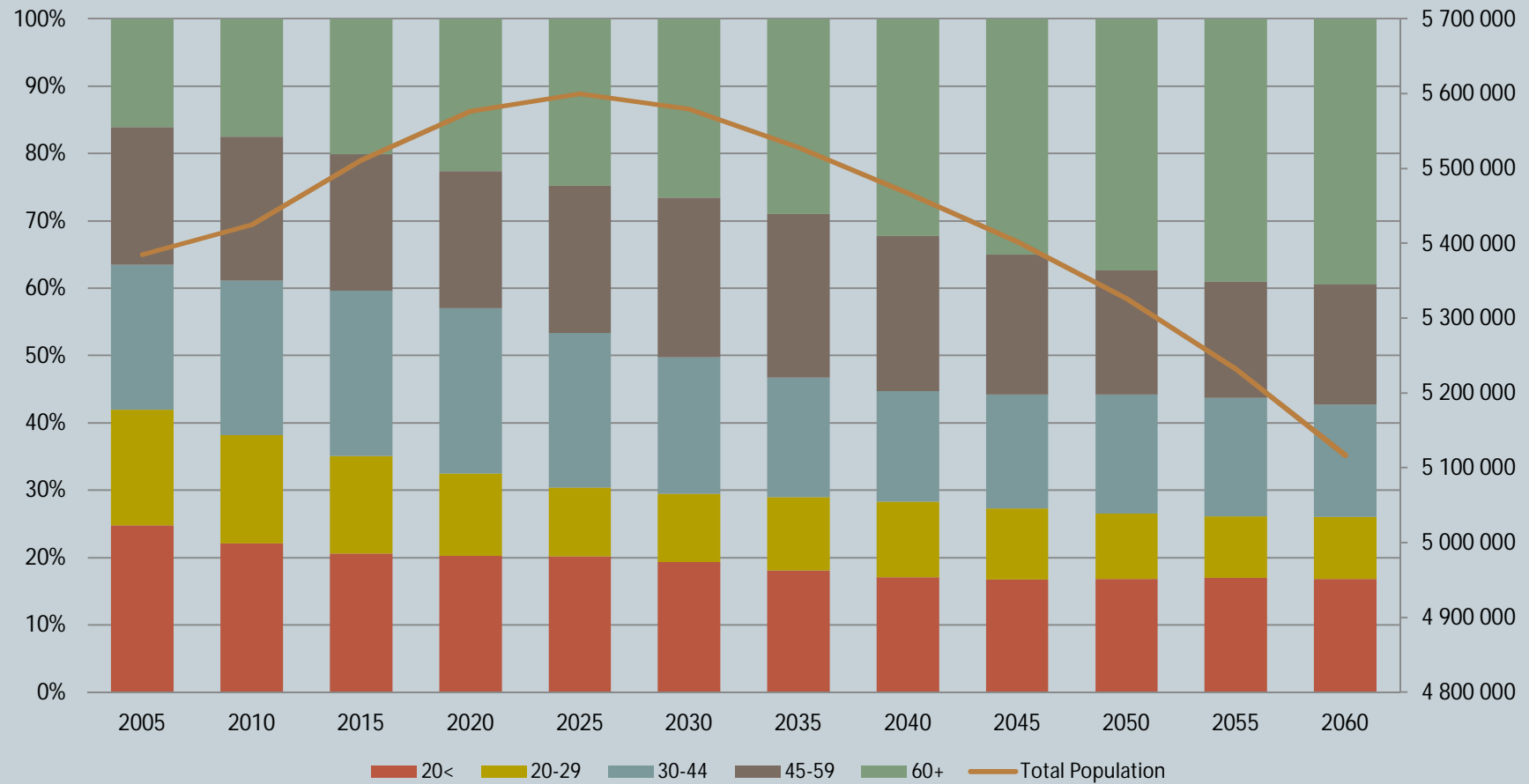
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Outline



- Demographic development
- Methodology
 - Microsimulation
 - CGE model
- Results
- Discussion

Demographic development



Consumption data micro-simulation



- Data sources
 - Household Budget Survey, individual data on household (2009)
 - ✦ NACE classification
 - ✦ COICOP classification
 - EUROPOP demographic forecast

Consumption data micro-simulation



- **Input variables:**
 - Age of reference person
 - Number of persons in the household
 - Consumption behavior according to COICOP classification – structure of the consumption
 - Demographic forecast– EUROPOP
- **Output**
 - Modified consumption structure according to expected demographic development of population

Consumption data simulation



- Along ageing also other factors were taken partially into consideration:
 - Economic development
 - Social changes

CGE model



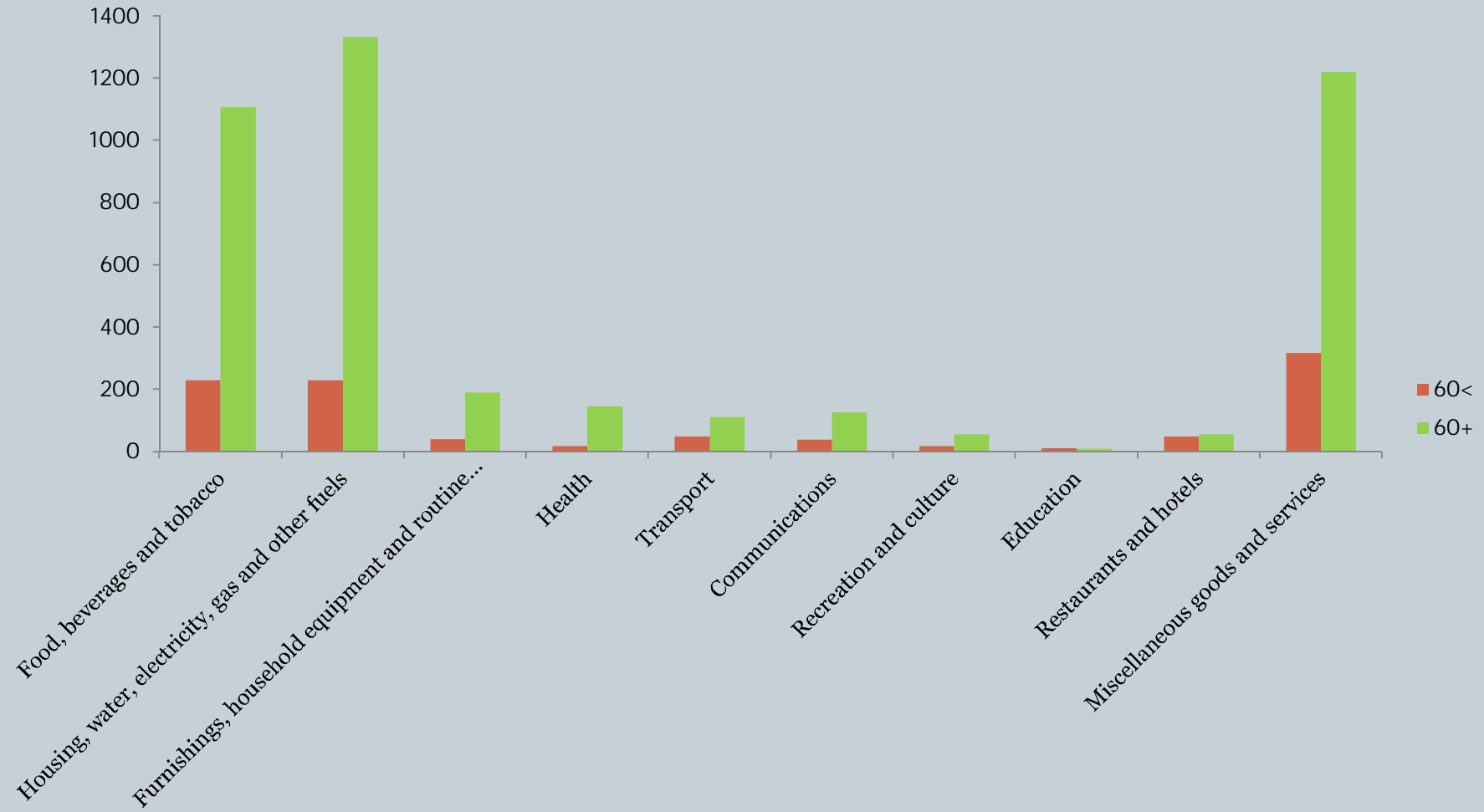
- Macroeconomic model based on assumptions of optimal behavior of economic agents based on microeconomic theoretical expectations about their behaviour
- Static version
- Block structure
- Social Accounting Matrix 2009

CGE model structure

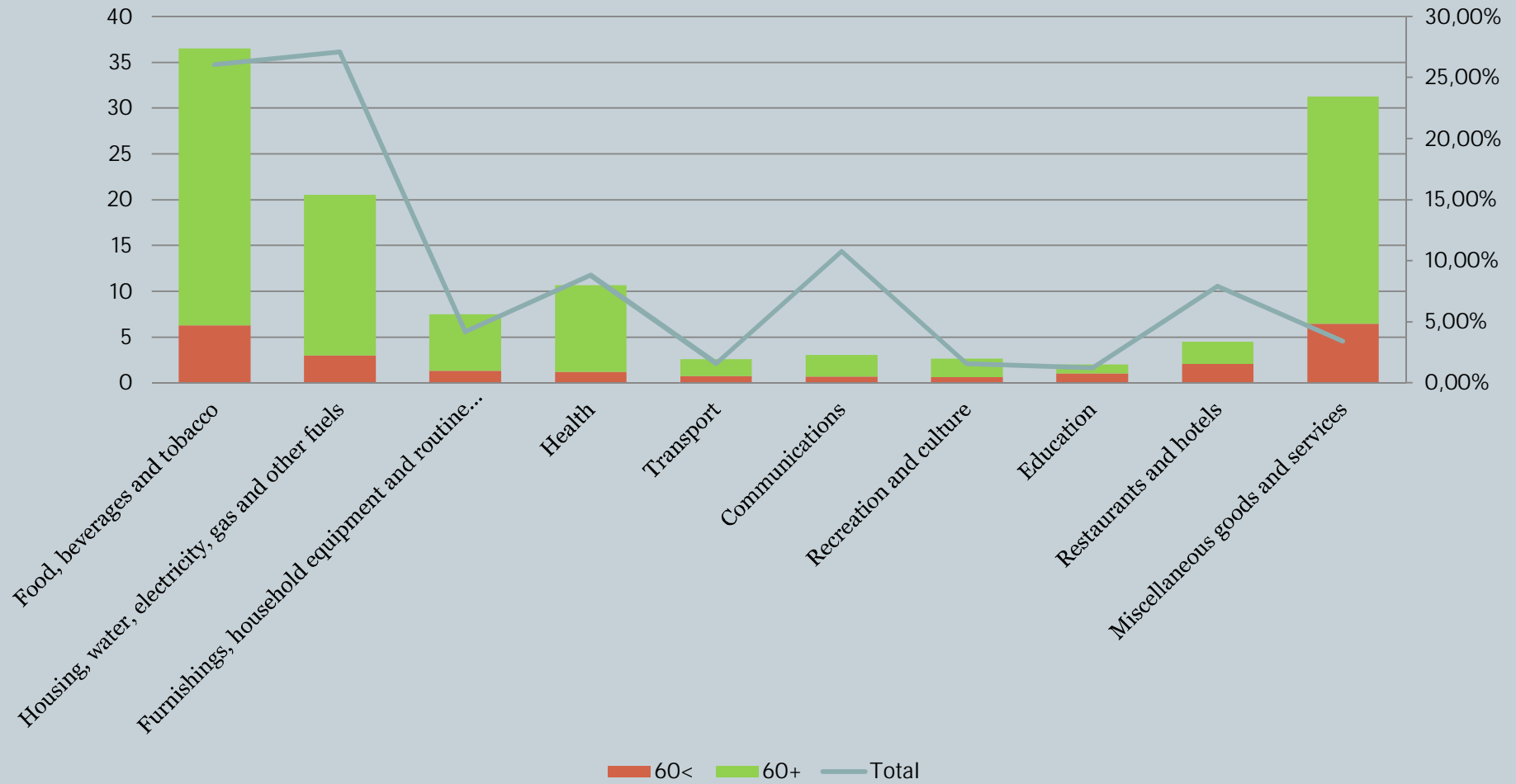


- Block of production
- Block of households
- Block of government
- Block of enterprises
- Block of import
- Block of export
- Block of model closures

Additional demand



Expansion labour demand



Economic Impacts



- Additional demand for products of all sectors
- Highest increase in Food and Beverages, Housing and Miscellaneous sectors
- Additional GDP growth of more than 12% in medium term
- Increased pressures on pension system (59% raise of old age pensions)
- Increased public expenditures on health care
- Higher Employment

Discussion



- Positive effects of Ageing on sectors producing everyday living products
- Negative impact on public finances and pension system
- Additional GDP growth
- Economic potential for sustainable development
- Export potential