

ADDRESSING THE CHALLENGES OF POPULATION AGEING IN EASTERN EUROPE: POLICIES AND CONSTRAINTS¹

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The basic premise of this paper is that the countries in Eastern Europe (EE) face a complex social, economic and demographic situation, which affects the demand for and the supply of care and services for older persons through kin availability and intergenerational relations, as well as in terms of the ability of the state to support the family in providing care, or to offer directly care services, when needed. The paper recognizes that Eastern Europe is becoming increasingly diverse, as countries follow different development paths and vary in terms of the speed of the social, economic and political transformation. At the same time, shared recent past continues to put an imprint on the demographic trends and patterns in these countries. Part of the imprint is a result of the inherent inertia of demographic processes. Another part is linked to the pronounced inter-cohort differences that emerged with the fall of the Berlin wall. The paper focuses on several features shared by many of the countries in the region, which affect directly or indirectly the process of ageing and the ability of family networks to provide care and support in old age.

One of these features are the wave-like sequences of large and small cohorts generated by the rapid fertility transitions in these countries, by the human losses and birth-death during the two world wars and the famines in the former Soviet Union, as well as by the fluctuations in fertility levels and growth rates as a result of the pronatalist policies of the former Communist regimes. These *disordered cohort flows* pose challenges in terms of care provision and affect the ability of families to provide support in old age on two levels. At the macro level the challenges arise from the lags in infrastructural adjustment as large cohorts move through their life-cycle and require investments in specialized infrastructure to meet the increased demand for services. At the micro level the demographic waves are associated with disruptions in individual life-cycles, partly because members of large generations need to cope with more competitive environments in terms of access to education, the labour market, and various social services, as well as facing a tighter marriage market, which could in turn impact union formation and living arrangements.

FIGURE 4 ABOUT HERE

The effect of disordered cohort flows is enhanced by two other factors -- the excessive sex differences in mortality and life expectancy, and the ensuing high rates of widowhood among older women, and the high emigration rates among younger persons, which means that many people from the parental generations will be left without immediate family on which

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to rely for support in old age. This will aggravate the challenges facing the inadequate care provision infrastructure in the region. As a result, older persons in many EE countries risk ending up being a lost generation, which could potentially open an intergenerational rift and increase the risk of intergenerational conflict. Another factor that could contribute to the rift is the interplay between the disordered cohort flows and the fact that demographic changes in the region are occurring alongside major political and economic transitions, as a result of which inter-cohort differences are probably more pronounced in EE than elsewhere in Europe.

The *adverse mortality and morbidity trends* that many East European countries started experiencing in the mid 1960s are a well known idiosyncrasy of the demographic situation in the region. Increases in mortality among working age men were first reported in Hungary (Carlson 1989), but then it became clear that this was a more general trend shared by many countries in the former Soviet bloc. This was probably the first case in world population history of a sustained and substantial increase in mortality not associated with a major epidemic or a war. In the countries of Central Europe this trend was reversed with the fall of communism (Rychtaříková 2004), however, life expectancy there continues to be significantly below that in Western Europe. Life expectancy at birth for men in 2005 in Eastern Europe was below 74 years (lowest in Russia with just 58.9 years), while in Western Europe that indicator was over 75 years. Among women the situation is less clear cut but still in most EE countries life expectancy was below 79 years, while in Western Europe it was generally above 81 years (it is worth noting that on that indicator Slovenia surpassed Denmark). In many CIS countries the adverse mortality and morbidity trends persisted and even deepened after the fall of communism, although signs of improvement have appeared recently (according to official data life expectancy at birth for men in Russia increased by 1 year or more in both 2006 and 2007 – from 58.9 in 2005 to 60.4 in 2006 and 61.4 in 2007 -- RosStat 2008, 103).

The significance of the adverse trends in mortality and life expectancy in the countries of Eastern Europe is manifold. Three aspects, however, are worth noting here. First, these trends are in sharp contrast to the continuous gains in life expectancy around the world (with the exception of the AIDS afflicted African countries), and underline probably the ultimate East-West inequality in Europe – while men in France added 9.6 years to their life expectancy at birth between 1965 and 2005, their brethren in Russia lost 5.6 years (see Figure 1). This underscores the need for rapid improvement of the health-care systems in the affected countries, and for the promotion of healthier life styles.

FIGURE 1 ABOUT HERE

Second, as the adverse trends in mortality have affected mostly men, the sex differences in life expectancy in EE were exacerbated beyond anything recorded in peace-time population history (in 2005 in Russia this difference was around 13 years, in Belarus - 12, in Ukraine - 11). As a result

about three quarters of the women over age 70 are widows. The most recent cohorts of these widows have experienced low fertility and relatively high childlessness, so the proportion who do not have surviving children on whom to rely for old-age support is increasing. The situation is further complicated by the fact that the huge war losses during World War II had already created a 'male deficit' in these countries, and the proportions never married among the cohorts of women who faced the post-World War II marriage squeeze are particularly high. Consequently, the provision of care for these women in old age will be a serious challenge, especially given the inadequate infrastructure for provision of institutional care in most of the countries in the region.

Thirdly, even if dramatic progress is achieved in increasing life expectancy, the adverse mortality trends of the past decades will continue to affect the populations in the region through the skewed sex ratios among older persons and through the inter-generational differences in health and mortality -- e.g. young people in EE countries will have lower probability than their peers in Western Europe to have a father or grandfather surviving and in good health, which is likely to affect socialization (given the absence of a father-figure) and inter-generational relations.

The adverse trends in mortality and the low life expectancy are partly behind the fact that the countries in Eastern Europe have lower values on the indicators of population ageing, even though the rapid decline in fertility since the end of the 1980s have resulted in a rapid shrinkage of the younger generations. In a perverse way this could be interpreted as good news for the social security systems. Clearly though, this is sad news for the individuals. It also puts a note of irony in the international discourse on ageing in the European region, which is driven by the concerns of western countries and focuses on concepts like long(er)-life societies.

Another feature of the demographic situation in Eastern Europe, which has so far no parallels in world population history, is the *combination of natural population decrease and net emigration* that some countries in the region are experiencing or at least have experienced at some point following the fall of the Berlin wall. This situation has precipitated the population shrinkage and has given rise to concerns about the 'demographic security' in some of these countries, offering ample material for nationalistic rhetoric and attempts to put in place pro-natalist policies, often at the expense of basic human rights. Figure 3 shows the cleavage between EE and Western and Northern Europe – while the later group of countries are concentrated in the upper right quadrant of the graphs (indicating that most of them have low positive natural increase and net migration growth), the EE countries are dispersed in the other three quadrants (some of them like Albania, the Former Yugoslav Republic of Macedonia, or Serbia had positive natural increase in 2000-05, which however was lost to emigration; seven countries were in the lower left quadrant, which means that they were losing population both due the excess of deaths over births and through migration; finally several mostly Central European countries the natural decrease is partially offset

by net immigration).

FIGURE 3 ABOUT HERE

The impact of migration on population ageing, including the brain drain/brain gain dimension, return migration, the role of remittances, has been covered extensively in the specialized literature (e.g. Munz 2009), hence we will not address these subjects in detail. Several points need to be emphasized, though: the combination of low fertility and emigration exacerbates the effects of ageing, as it is young people who usually migrate -- this creates a double ‘whammy’ in terms of population ageing, as young people are also the potential parents, so their leaving further reduces the size of the new generations; emigration could also result in the redistribution of care responsibilities across generations in the countries of origin, as many grandparents (often in need of care themselves) end up caring for grandchildren whose parents are abroad, or in the case of four co-surviving generations, the ‘young’ old could find themselves “sandwiched” between care responsibilities *vis a vis* their parents and their grandchildren, in the absence of their emigrant children; last but not least, emigration sifts away part of the “demographic dividend” in EE countries, which could have provided an opportunity for a more rapid economic recovery and would have helped them better face the challenges of population ageing.

A fourth feature that affects virtually all countries in EE is the fact that the dramatic demographic changes there coincided with political and economic transitions, creating an ‘interference’ effect. This fact is captured well in the World Bank report “*From Red to Gray*” (World Bank 2007). The implications of the “interference” between demographic change and social, economic and political transitions are multi-faced, but of particular importance for this analysis is that it opened a potential intergenerational rift, as the shock of the fall of communism affected differently younger people, who could relatively easily reorganize their life cycles so as to adapt to the changed conditions, and older persons for whom such a reorganization was more difficult (or even impossible). This potential rift needs to be taken into account both by researchers, as research designs that do not account for these differences is likely to fail, and by policy-makers, as the policy formulation process needs to account for the higher probability of intergenerational conflict.

One particular manifestation of the potential rift are the inter-generational differences in objective and subjective well-being. Old-age income maintenance schemes were eroded as a result of the economic difficulties and the need for fiscal austerity during the transition to market economies. Consequently, poverty levels among older persons have increased significantly. Subjective perceptions also indicate that older persons see themselves as the losers of the transition (see e.g. Lelkes 2008). At the same time, poverty levels among children in these countries are also high (see UNICEF 2006). This is visible in Figure 5, which presents data on child and old-age poverty rates in the 25 pre-2007 EU member States. A clear difference is visible among the new

member states (NMS) and the other 15 countries. While the old member states are approximately equally distributed around the ‘regression’ line, all NMS with the exception of Slovenia are above that line (i.e. the poverty rate of the children under age 15 is higher than that of persons over 65). These data, however, need to be interpreted with caution, as there are at least two ‘structural’ factors that could be behind the ‘East-West’ differences. First, the data are based on a general purpose sample (the European Community Household Panel), which in the case of the EE countries, with their lower life expectancy and probability of survival to older ages, under-represents the oldest old, who are the most vulnerable and at the greatest risk of poverty. Instead, the data are driven mostly by the ‘younger’ old who in many cases are employed in the informal sector, in addition to being eligible for and receiving pension. This, I have argued, misrepresents the vulnerabilities and might lead to ill-informed policy decisions (see Botev 2008b). A second factor that needs to be kept in mind when interpreting the data, are the differences in timing of births between new and old EU member states (see Figure 6). Earlier childbearing means that parents have lower income and assets, and hence contributes to higher poverty among children. Keeping this mind is important as in some EE countries measures to increase fertility are advocated that would operate mostly through the calendar of births. By pushing fertility towards younger ages, such measures could undermine the efforts to address the issue of children poverty in these countries (Botev 2008a).

FIGURES 5 AND 6 ABOUT HERE

The last feature also stems from the earlier childbearing in EE countries, and concerns its potential impact on intergenerational relations through the *shorter generational length*. Figure 6 registers the fact that by the time the Berlin wall fell, EE and the rest of Europe were two different worlds in terms of timing of fertility. In Western and Northern Europe a trend towards postponement of fertility emerged in the late 1970s and 1980s (usually associated with the so called ‘second demographic transition’). In EE countries, on the other hand, a number of factors including the pro-natalist policies of the 1970s and 1980s, the idiosyncrasies of the housing situation, etc., kept fertility relatively early. As a result, by 1990 the mean age at first birth in most EE countries was below 23 years. In Russia, for example, about a quarter of the women born in the early 1970s had their first child by age 20 (Zakharov and Ivanova 1996).

After the fall of the Berlin wall, the countries of EE started to gradually ‘catch up’ as a trend of delayed childbearing emerged in most of them. The mean age at childbearing there, however, continues to be lower than that in the other parts of Europe. Thus, in 2005 the mean age at childbearing in the EE countries was under 29 years (lowest in Bulgaria – 26.0; Slovenia being an exception with 29.4, which probably explains partly why it is an outlier amongst the other new member states in Figure 5), while in the other EU countries it was above that age (the highest being in Spain – 31.1 years).

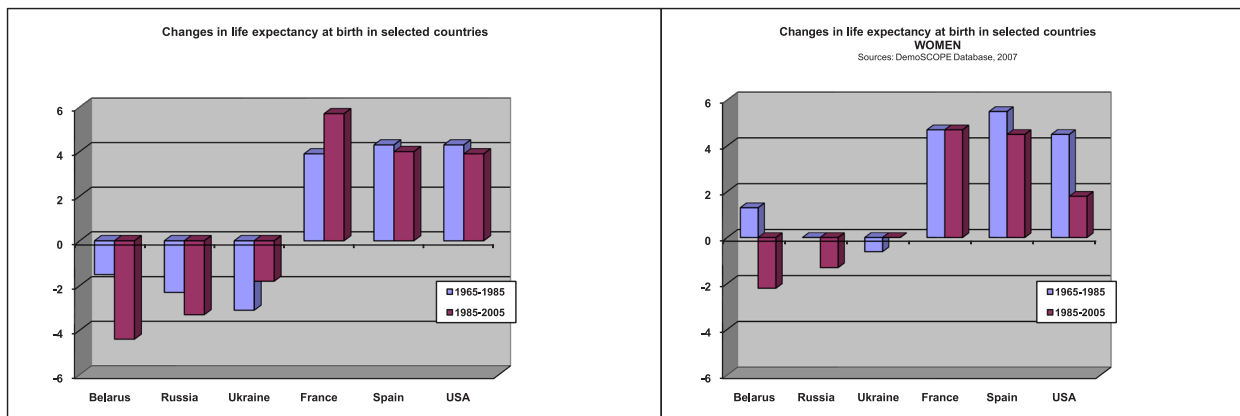
Even if fertility patterns converge, the past differences will continue to have an imprint, particularly on inter-generational relations. Earlier fertility means shorter generational length. This raises the question whether one would relate differently (in terms of emotional attachment, compatibility of interests, etc.) to her/his parents in later life if the age difference with them is 20 years instead of 38 years. If shorter generational length fosters relations across generations, it could counter-balance the effect of the 'rift' discussed earlier. Generational length could also affect the availability of care – smaller age difference implies that the children's generation would be more likely to be retired by the time their parents are in their 80s and most in need of care. In that sense the shorter age gap between generations could help avoid the 'sandwiched generations' effect, as it increases the probability of co-survival of four generations.

In most EE countries earlier fertility, the high labour force participation among women, and the inadequate child care facilities resulted in a redistribution of child care responsibilities between generations, as grandparents took over part of that care from parents. This was further facilitated by the low retirement age among women, which made them available to provide child care, as well as by the chronic housing deficits in the former communist countries, which resulted in forced co-residence of three or more generations. In a sense, the situation was one where children were bearing children and grand parents were rearing them. This raises yet another question--would the fact that grandparents were a major provider of child care affect relations across generations? If it fosters relations with grand-parents in later life and influences positively the image of older persons, it could also counteract partially the inter-generational rift discussed earlier.

Clearly the countries in EE will face a number of issues in harnessing the opportunities of ageing and addressing the challenges that arise from it. This will be due to a number of idiosyncrasies in their demographic development, a situation that will be complicated further by the fact that rapid demographic change coincides with political and economic transitions. Given the diversity of the region, it could be expected that the magnitude of the challenges will differ from country to country, as will the preparedness of the state and the other social actors to address them. The approaches to policy formulation will also inevitably differ. Some countries have already embarked on developing targeted sectoral policies and programmes to address ageing (one of the best examples is Slovakia, which over the past 15 years has adopted a number of programmes and legislative acts to address the challenges associated with ageing. Other countries pursue a mainstreaming approach to policy formulation and address ageing and the status of older persons in the context of broader social policies or national population strategies, rather than through sectoral policies and programmes.

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Source: DemoSCOPE database 2007

Figure 1: Changes in life expectancy at birth in selected UNECE countries, 1965-2005

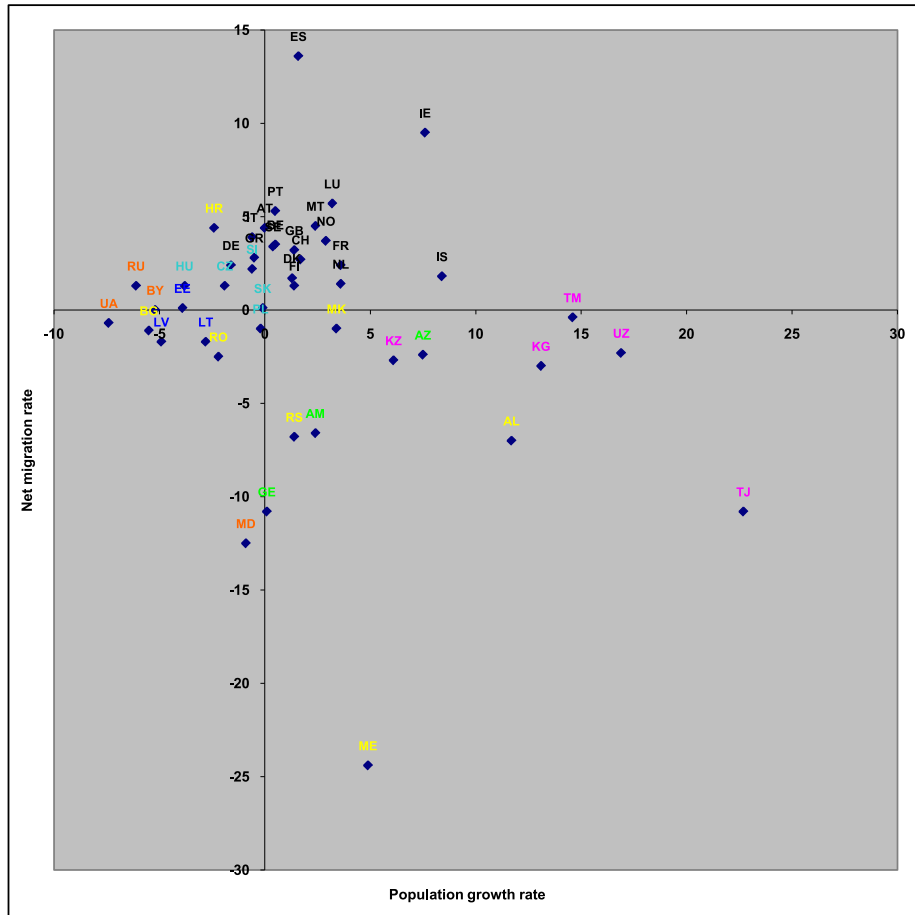
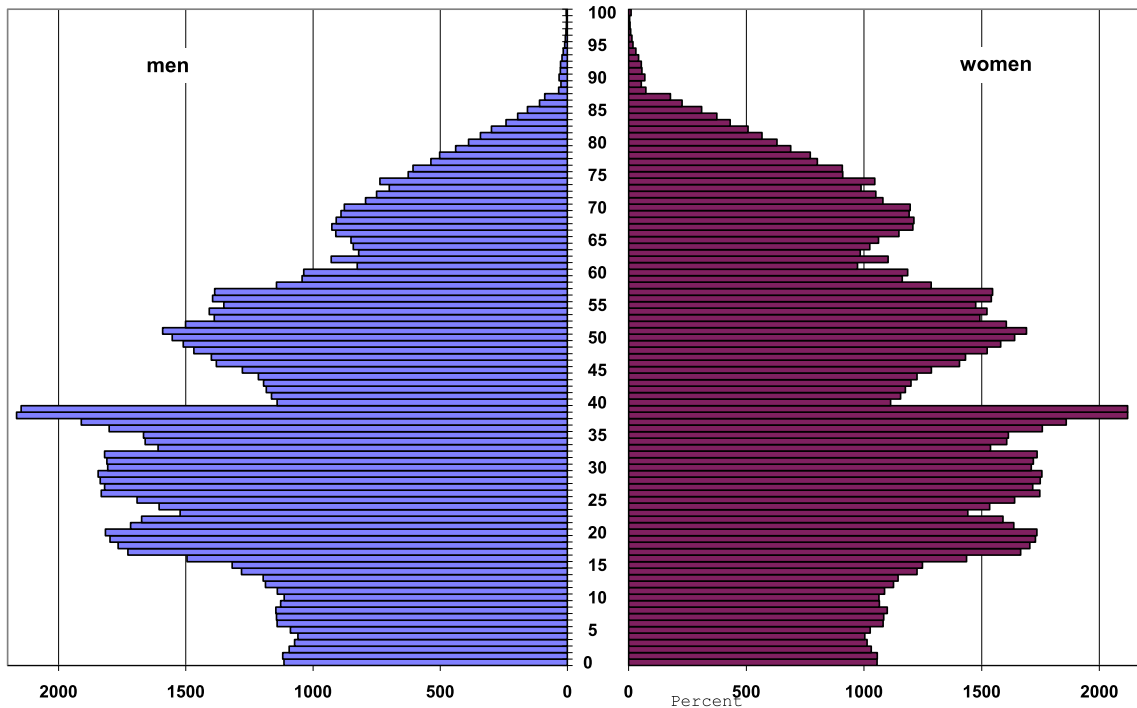
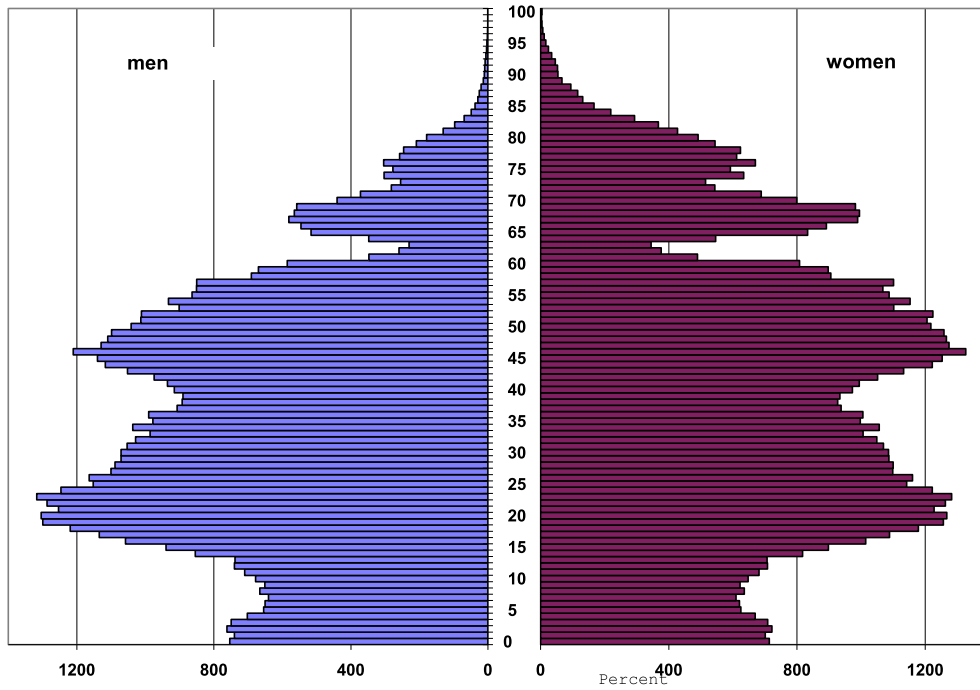


Figure 3: Countries by contribution of natural increase and net migration to population growth, 2000-5

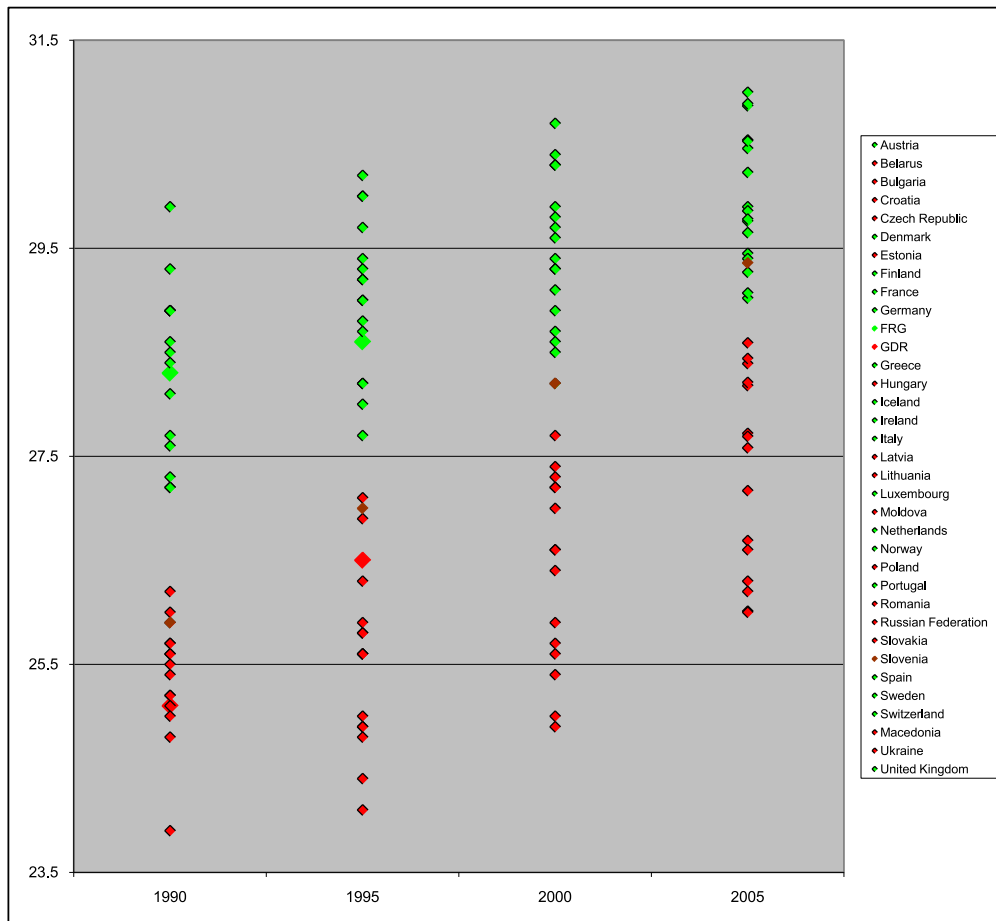


Source: Romania – EuroStat online database; Russian Federation – Human Mortality Database (www.mortality.org)
 Figure 4: Age pyramids for Romania and the Russian Federation (as of 1 January 2007)



Source: European Commission 2007

Figure 5: Child vs. old-age poverty in the 25 EU member States, 2001



Source: DemoSCOPE database 2007

Figure 6: Mean age at childbearing in the European countries, 1990-2005