

HOW CAN WE TURN DEMOGRAPHIC TRENDS IN THE REPUBLIC OF MOLDOVA INTO OPPORTUNITIES FOR ECONOMIC GROWTH?



HOW DO DEMOGRAPHIC TRENDS INFLUENCE THE ECONOMY?

- First demographic dividend**
 - The economy is advantaged by the fact that there are more effective producers (persons who can work on the labour market) than effective consumers (children and older persons who cannot work on the labour market).
- Second demographic dividend**
 - Is associated with the population ageing;
 - During their life, people save money, including to cover their consumption when growing older;
 - Savings stimulate the economic growth.

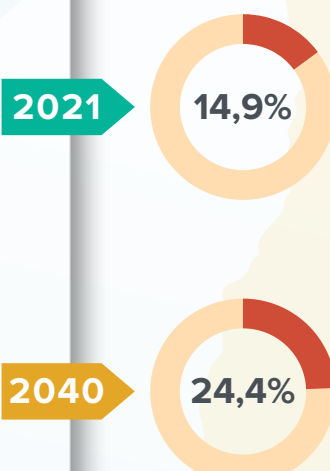
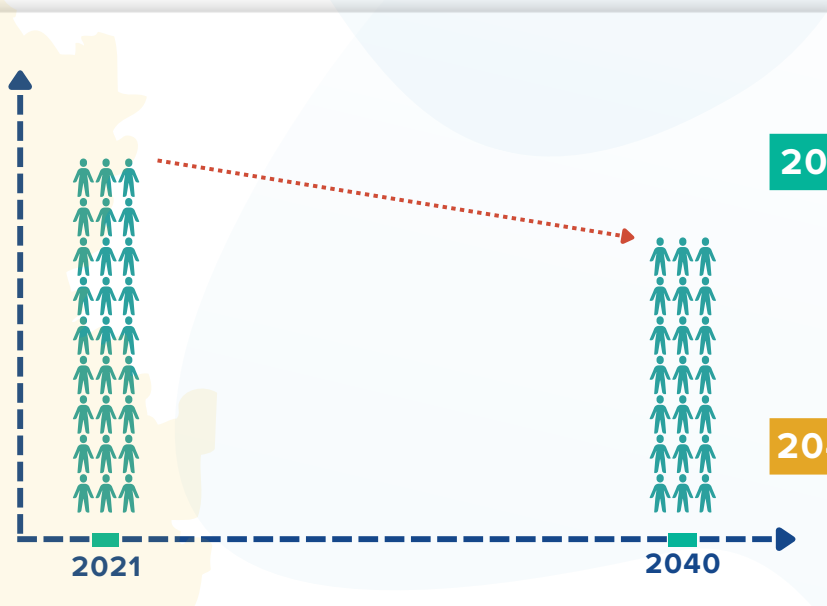
THE REPUBLIC OF MOLDOVA FACES INTENSE DEMOGRAPHIC TRENDS

The population decreases rapidly

Between 2021 and 2040 the country's population could shrink from 2.6 million to 2 million.

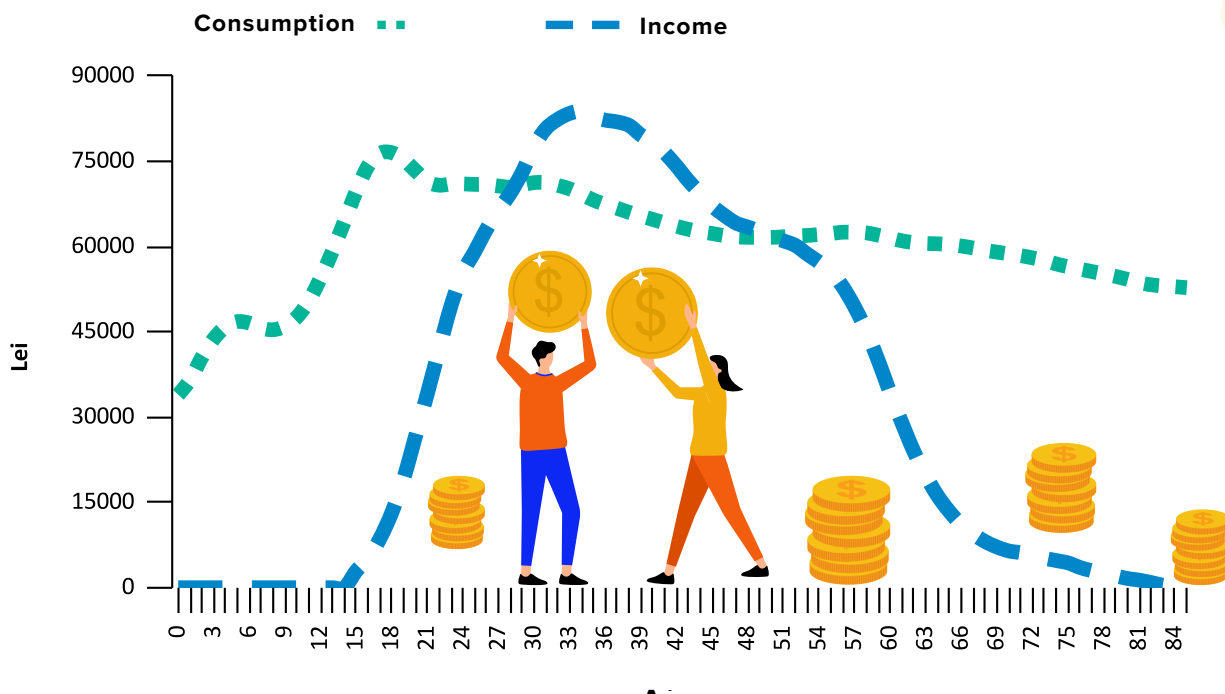
The country's population ages at an accelerated pace

Between 2021 and 2040, the share of older people (65 and over) will grow from 14.9% to 24.4%.

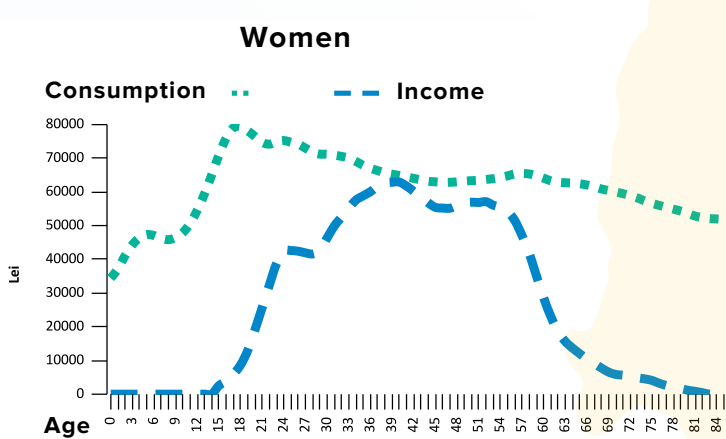
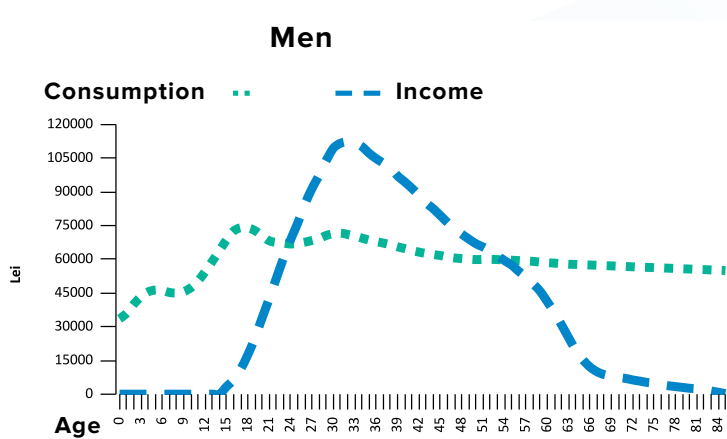


THE DEMOGRAPHIC TRENDS AFFECT THE ECONOMIC DYNAMICS

Only between the age of 29 and 50, the income earned by Moldovans exceeds their consumption. The rest of their life, they earn less than they consume.



During the entire life, women earn less than they consume and men earn a surplus only between 24 and 53 years of age.



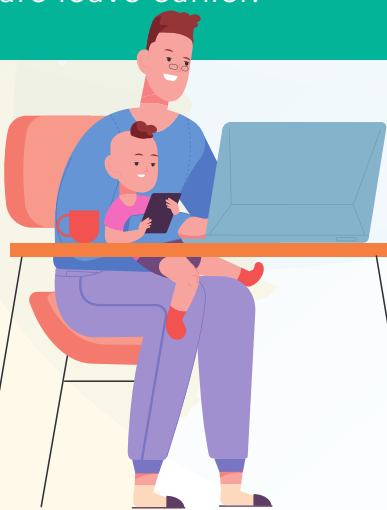
The Republic of Moldova does not benefit any more from the first demographic dividend because the number of effective producers decreases faster than that of effective consumers.

Nonetheless, the population ageing can offer opportunities generated by the second demographic dividend.

WHAT POLICIES SHOULD THE GOVERNMENT DEVELOP?

To reduce the negative influence associated with the first demographic dividend

Create conditions allowing parents to end the childcare leave earlier.

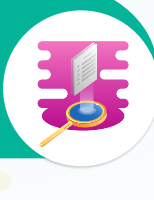


Offer more opportunities to work past the retirement age



To augment the opportunities offered by the second demographic dividend

Strengthen the corporate governance and transparency in the financial sector



Diversify the financial products and ensure people's access to these products



Ensure macroeconomic stability



Promote financial education

