
Number of over 65s to treble by 2045

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THE NUMBER of over 65s in Cyprus is set to treble in the next 35 years and there will be more elderly people on the island than children under 15, research released yesterday showed.

The Muhanna Foundation, an actuarial education and research organisation, revealed that between now and 2045 the number of 65 year olds will treble, and that octogenarians will be the fastest growing age group.

George Psaras, Managing Actuary at Muhanna, said: "Population ageing constitutes a positive development, since we live longer. However, challenges are created. The labour force is decreasing and ageing, creating the imperative need for policies of employment that would promote its efficient use and the training of the workforce."

These findings were the starting point for the Muhanna Foundation's 16th regional conference for pensions and provident funds, held yesterday under the auspices of the Minister of Labour and Social Insurance Sotiroula Charalambous titled: 'The Demographic Ageing under the Shadow of Economic Crisis: Employment-Human Resources-Retirement',.

The conference looked at how the ageing population would affect the economy, enterprises and labour and pension costs.

Leading figures from the financial industry, government and academia the demographic challenges and employment policies in Cyprus and the EU, as well as retirement policies to encourage longer working lives.

Representatives of various multinational firms, including Pricewaterhouse Coopers, Xerox Corporation, Metro Group and Marfin Laiki Bank also presented and shared their insights into improving their workers' ability to remain in employment for longer, as part of their corporate social responsibility strategy.

The Cypriot government has undertaken to increase the birth rate by offering financial incentives and tax breaks. Their efforts have been successful and this year Cyprus they reported the third largest increase in birth rate, from 10.9 per cent to 11.7 per cent.

However the rate must increase further if Cyprus is to avoid the scenario described by the Muhanna Foundation's. Currently, Cypriot women have, on average, only 1.5 children in their lifetime.

The key could be further financial incentives to young families. Paraskeras Samaras, President of the Cyprus association for large families (POP) has proposed that governments offer a subsidy of £4,000 for the birth of a third child, and £1,000 thereafter. This type of policy succeeded 1992 when the government increased benefits to young families. Conversely, the decline in birth rate in 2005 to 2007 coincided with a decrease in funding of 7.5 per cent.