

PRESS RELEASE

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Study: Ageing population slows economic growth in the EU

- *New evidence that an older population hampers growth*
- *Despite the rising share of older workers, automation is not accelerated and possibly even slowed down*

With a median age of 44.1, Europe is now the region with the [oldest population in the world](#). Between 1995 and 2021 the share of people aged 50-64 rose substantially in the majority of the 27 member states of the EU, with the highest increases registered in Austria, Belgium, Italy, the Netherlands, Poland and Spain. Europe will be challenged further by demographic changes over the next few decades, even under favourable assumptions about fertility and migration, and the economic effects are not yet fully understood.

In a new study Economists Robert Stehrer and Maryna Tverdostup from the Vienna Institute for International Economic Studies (wiiw) have therefore looked at how an ageing population affects the growth and automation of the economy in the EU27. *‘On the one hand, there is the theory that the demographic time bomb is ticking in Europe, leading to a period of slow growth,’* says Maryna Tverdostup. *‘On the other hand, there are also a number of studies which show that countries with a more rapidly ageing population grow faster and invest more in automation. We wanted to check which of these is true for the EU.’*

In their key findings the authors conclude that the relationship between population ageing and annual economic growth, measured as growth in GDP as well as GDP per capita, shows a weak negative correlation.

‘This means that the ageing of the population in the EU could contribute to weaker growth,’ says Robert Stehrer, pointing out that a similar negative relationship between the ageing of the labour force and economic growth has been found in several US states.

Robotisation is dependent on the level of economic development

While the introduction of new technologies is postulated by many as a solution to the ‘silver tsunami’ of ageing societies, the researchers found no significant link between robotisation and ageing. *‘Our results suggest that the level of robotisation is largely dependent on the level of economic development and other absorptive capacities,’* according to Stehrer.

The study was conducted as part of the EU's UNTANGLED project, which aims to examine how the three megatrends of globalisation, technological change and demographic change affect labour markets in the EU and beyond. The two authors investigated the effect of an ageing population on economic growth, investment in information and communication technologies, software, databases and

robotisation in the 27 EU member states. For this purpose they analysed national data, Eurostat data on the capital stock by asset types, the EU Labour Force Survey and data from the International Federation of Robotics (IFR).

[The study *Demography, Capital Accumulation and Growth* is available to download here.](#)

About the Vienna Institute for International Economic Studies (wiiw)

wiiw is an economic think tank that has been producing economic analyses and forecasts for currently 23 countries in Central, Eastern and Southeastern Europe for almost 50 years. In addition, wiiw conducts research in the areas of macroeconomics, trade, competitiveness, investment, the European integration process, regional development, labour markets, migration and income distribution. www.wiiw.ac.at

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