

Comparison between Generation 65+ in Source of Major Income in Germany and Taiwan

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Abstract

Demographic transition and ageing society force Taiwan to seek after measurements to cope with the unprecedented future. Taiwan could benefit from learning other countries in terms of policies while recognizing different characteristics in population and society in between. This presentation aims at comparing the source of major income of people who are 65 years and older according to gender and life forms in Germany and Taiwan. Data for Germany is based on the result of micro census – Population in Family / Life forms in major residence in 2014 by Federal Statistical Office of Germany, and data for Taiwan is from the “Report of the Senior Citizen Condition Survey 2013” by Ministry of Health and Welfare.

Major findings are:

1. Over all, the major income source for elderly in Germany is largely and almost exclusively the pension. In Taiwan, the major income source is more diverse. Roughly “support by the family” and “government subsidy” accounts 60% of their major income source.
2. For both countries, gender and life form both influence the source of major income. In Germany, 25% of women living as a couple are mainly support by family while all other categories are mainly supported by pension (at least 90%).
3. Taiwanese men and women have different orders of major income sources: in order, men are supported by pension, family, government subsidy and investment or savings. Women are supported by family, government subsidy, investment or savings and pension.
4. By family support, in Germany it usually refers to spouse or partner, while in Taiwan it mainly means children / grandchildren.
5. Women in both countries tend to be more financially supported by their family. This might ascribe to their role in society as the major caretaker in the family and therefore give up their career.

Keywords

Source of major income, elderly, ageing society, pension, family support

Background

Extremely low fertility rate and higher life expectancy have led Taiwan to a drastic demographic transition. The major consequences of an ageing society include shrinking productivity, provision of elderly support and care, medical care and expenses and senior's financial support. Taiwan government's concern about the demographic change and ageing society are seen in the statements related to seniors in the Population Policy Guidelines. Both government and society are eagerly seeking for answers and solutions to the ageing society.

On the other hand, population ageing is not a unique phenomenon in Taiwan. Most of the countries in the world are also experiencing population ageing. Therefore Taiwan could benefit from learning from other countries or getting inspiration from their policies or measurements.

Germany has very long history with population ageing and is also the country that has the 2nd highest median age in the world, following Japan and ahead of Italy. (Taiwan Research Institute, 2006; Statistisches Bundesamt, 2015) (United Nations, Department of Economic and Social Affairs, Population Division, 2013) At the same time, its percentage of population aged 60 years and over is the 3rd highest, following Japan and Italy. Therefore, in terms of long experiences with population ageing, Germany among others should be a resourceful country to research.

Research Question:

This research aims at the comparison between people who are 65 years and older in terms of source of major income in Germany and Taiwan. By such comparison, it is hoped know how the elderly live and to find out the differences and similarities between them and the reasons behind.

Such a comparison will also be a foundation for policy suggestion by using one country's model for another. Therefore this research has its interest and importance.

Demographic Information between Germany and Taiwan

	Germany	Taiwan
Population of people who are 65 years and older	17 Million of 81 Million (2013)	2.86 Million of 23.45 Million (2015)
Percentage of people who are 65 years and older	21% (2013)	12.2% (2015)
Population Projection on percentage of people who are 65 years and older around 2060	33%	41% (Projection for 2061)
Percentage by gender (Female : Male)	57% :43% (2013)	53.57% : 46.42% (2015)
Life expectancy for people who are 65 years old (Female : Male)	20.75 years : 17.5 years (2010/2012)	21.33 years : 17.91 years (2014)

Source of Data:

To answer this question, the paper use “The Generation 65+ in Germany” from the “Federal Statistical Office of Germany” for Germany and “Report of the Senior Citizen Condition Survey 2013” from the “Ministry of Health and Welfare” of Taiwan for Taiwan. The data in “The Generation 65+ in Germany” is based on the result of the micro-census –Population in Family / Life forms in major residence in 2014. The “Report of the Senior Citizen Condition Survey 2013” includes 5,674 successful samples, and it was conducted by telephone interviews for private household residents and by face-to-face interviews for institution residents. It is a regular and representative survey for people who are 55 years and older.

Comparison and Analysis

Though both data provide information about the source of major income, they have different ways of presentation and analysis.

Category of Major Income

For the source of major income in Germany, there are four major categories: 1) pension; 2) employment; 3) from family; 4) other sources. For “other sources”, examples may include unemployment benefits, social welfare, basic security at old age and personal properties.

In Taiwan, those categories are: 1) employment; 2) from spouses / partners; 3) own savings, interests, rent or investments; 4) pension, survivor’s pension, insurance; 5) from children or grandchildren; 6) loans from other people or banks; 7) government subsidy; 8) help from society, relatives and friends; 9) others.

Limitation of the Comparison

As more detailed information from both countries are not available at the moment of the research, a detailed parallel comparison of all the categories is still not possible. However, with the available data at hand, it already shows some significant differences. In order to extensively describe but not to further complicate the data, it is portrayed as below:

Result:

Source of the Major Income (in %)

Source of the Major Income			Germany	Taiwan
Pension (Taiwan data includes pension, survivor’s pension, insurance)	Total		88	17.9
	Men	Total	(>90)	27.1
		Living alone	93.7	27.5
		Living as a couple (and family)	93.9	26.8
		Living in other forms	90.8	30.9
	Women	Total	(>71.1)	9.7
		Living alone	95.7	13.8
		Living as a couple (and family)	71.1	9.2
Living in other forms		92.5	8.5	
Their own employment	Total		(<4)	7.5
	Men	Total	(<4)	11.3
		Living alone	2.7	8.3
		Living as a couple (and family)	3.2	11.9

Source of the Major Income			Germany	Taiwan
	Women	Living in other forms	4.0	7.4
		Total	(<1.5)	4.2
		Living alone	0.8	2.7
		Living as a couple (and family)	1.5	4.6
		Living in other forms	1.0	3.8
From family	Total		(<25)	38.4
	Men	Total	(<1)	24.6
		Living alone	/	22.9
		Living as a couple (and family)	0.5	24.7
		Living in other forms	/	25.9
	Women	Total	(<25.4)	50.8
		Living alone	0.5	39.3
		Living as a couple (and family)	25.4	53.3
Living in other forms		3.2	49.6	
---From spouse / partner	Total			4.4
	Men	Total		1.5
		Living alone		0.0
		Living as a couple (and family)		1.8
		Living in other forms		0
	Women	Total		7.1
		Living alone		0.5
		Living as a couple (and family)		9.8
		Living in other forms		0.5
---From children or grandchildren	Total			34
	Men	Total		23.1
		Living alone		22.9
		Living as a couple (and family)		22.9
		Living in other forms		25.9
	Women	Total		43.7
		Living alone		38.8
		Living as a couple (and family)		43.5
Living in other forms			49.1	
Other sources (Germany data include unemployment benefits, social welfare, basic security at old age and personal properties)	Total		(<3.8)	36.1
	Men	Total	(<3.8)	37
		Living alone	3.5	41.3
		Living as a couple (and family)	2.4	36.7
		Living in other forms	3.8	35.8
	Women	Total	(<3.3)	35.2
		Living alone	2.9	44.2
		Living as a couple (and family)	2.1	32.9
Living in other forms		3.3	38.3	
---Own savings, interests, rent or investments	Total			13.5
	Men	Total		15.9
		Living alone		11.0
		Living as a couple (and family)		16.7
		Living in other forms		12.3
	Women	Total		11.3

Source of the Major Income			Germany	Taiwan
		Living alone		11.7
		Living as a couple (and family)		10.3
		Living in other forms		15.6
---Government subsidy	Total			21.5
	Men	Total		20.0
		Living alone		25.7
		Living as a couple (and family)		19.3
		Living in other forms		21
	Women	Total		22.9
		Living alone		30.9
		Living as a couple (and family)		21.5
		Living in other forms		22.2
	---others	Total		
Men		Total		1.1
		Living alone		4.6
		Living as a couple (and family)		0.7
		Living in other forms		2.5
Women		Total		1.0
		Living alone		1.6
		Living as a couple (and family)		1.1
		Living in other forms		0.5

Result

Major findings are:

1. Over all, the major income source for elderly in Germany is largely and almost exclusively the pension. In Taiwan, the major income source is more diverse. Roughly “support by the family” and “government subsidy” accounts 60% of their major income source.
2. For both countries, gender and life form both influence the source of major income. In Germany, 25% of women living as a couple are mainly support by family while all other categories are mainly supported by pension (at least 90%).
3. Taiwanese men and women have different orders of major income sources: in order, men are supported by pension, family, government subsidy and investment or savings. Women are supported by family, government subsidy, investment or savings and pension.
4. By family support, in Germany it usually refers to spouse or partner, while in Taiwan it mainly means children / grandchildren.
5. Women in both countries tend to be more financially supported by their family. This might ascribe to their role in society as the major caretaker in the family and therefore give up their career.

The reasons or causes of those differences between two countries may be: Germany has a very long and completed pension system, while Taiwan’s national pension program for homemakers and unemployed is relatively young. In contrast, traditionally and culturally it is

common in Taiwan that people take care of the elderly (parents, grandparents) by living with them and/or supporting them financially.

This research shows how the elderly in two countries finance themselves. This finding – similarities and differences - will be important when making policy suggestions by using another country's model.

Data:

Ministry of Health and Welfare, R.O.C. (Taiwan). (2014). Report of the Senior Citizen Condition Survey 2013. Taipei: Ministry of Health and Welfare, R.O.C. (Taiwan).

Statistisches Bundesamt. (2015). Die Generation 65+ In Deutschland. Wiesbaden: Statistisches Bundesamt.