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.

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

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.
- Ensure macroeconomic stability.
- Diversify the financial products and ensure people's access to these products.
- Promote financial education.

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

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 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).

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

HOW DO DEMOGRAPHIC TRENDS INFLUENCE THE ECONOMY?

WHAT POLICIES SHOULD THE GOVERNMENT DEVELOP?

Data sources: Center for Demographic Research (National Institute for Economic Research, National Transfer Accounts, author's calculations)
Data collection and systematization: Alexandru Fala, Program Director, Expert-Grup