2nd Demography Forum and Report

Activities of the EC in the Area of Demography

European Commission
Directorate-General for Employment, Social Affairs and Equal Opportunities
Unit E1: demography and social analysis

Update on current trends

• Future demographic change: population decline and ageing
• The latest Eurostat projection expects an increase of 10 Million people by the year 2060 (from 495 to 506)
• The previous projection of 2004 expected a decline by 2050 of 5 million
• Move from pyramid to pillar shape
• Both projections expect ageing, in the 2008 projection the median age goes from 40.4 in 2008 to 47.9 in 2060
EU 27 population in 2008 and 2060

Change in age structure plus regional population decline

- The baby boom, which was born forty years ago, is about to take retirement
- Ageing at the bottom versus ageing at the top
- Great diversity of trends across the EU
- Growing or stable population in North and West Europe, move towards a pillar shape that results from birth rates closer to the replacement level
- At times shrinking population in Middle and East Europe
- But population decline in many regions all over Europe, due to outmigration and low birth rates, leading to large imbalances
### Demographic Balance 2008-2060 (europop 2008, in millions)

<table>
<thead>
<tr>
<th>Country</th>
<th>2008 births</th>
<th>2008 deaths</th>
<th>Migration</th>
<th>2060</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU</td>
<td>495</td>
<td>251</td>
<td>58</td>
<td>506</td>
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<tr>
<td>DE</td>
<td>82.2</td>
<td>32.2</td>
<td>8.1</td>
<td>70.8</td>
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<td>FR</td>
<td>61.9</td>
<td>40.9</td>
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<td>IT</td>
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<td>25.5</td>
<td>11.8</td>
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<tr>
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<td>23.2</td>
<td>11.5</td>
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<td>14.9</td>
<td>0.5</td>
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<td>42.4</td>
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<tr>
<td><strong>EU</strong></td>
<td><strong>495</strong></td>
<td><strong>251</strong></td>
<td><strong>58</strong></td>
<td><strong>506</strong></td>
</tr>
</tbody>
</table>

### Assumed Fertility Rates by 2060

- **EU27 = 1.68**
Mortality gap between East and West in 2005

Deaths in the age group 40-64 as a percentage of total deaths

Gender difference in life expectancy in years in 2005
Assumed life expectancy by 2060

Impact of assumed migration
March 2005: Green Paper

- “Confronting demographic change: a new solidarity between the generations” (COM(2005)94)
- Series of new key questions allowing for mitigation:
  - Tackling low birth rates, how to respond to postponement
  - Contribution of immigration, but what about integration?
  - ‘life cycle approach’ avoid the rush hour in life, material desires can be postponed but not fertility (35!!)
  - What should happen to the retirement age
  - Role of and support to older people
  - Role of the EU
- New consensus: fertility is matter of public concern
- Success with the Lisbon strategy is necessary condition to prepare our societies for ageing

Towards an integrated, holistic policy response…

- From alarmism to confidence building:
  - ageing presented as a positive social development
  - the EU is capable of tackling the challenge
- Good news, still 15-year window of opportunity:
  - Net employment growth possible up to 2025
  - Thanks to increasing employment rates
Lisbon strategy for growth and jobs

- Rising employment rates can compensate for the decline in working age population
- Attainment of Lisbon is a necessary condition in the preparation of ageing
- Lisbon is about adaptation to ageing and population decline, not focused at mitigation
- Enormous unused capacity according to SHARE 45% in AT while only 18% in CH

Opportunities in five key policy areas

1/ Promoting demographic renewal in Europe by creating conditions that allow Europeans to have the number of children they wish
2/ Promoting employment growth meaning more jobs and longer working lives of better quality
3/ Promoting a more productive and dynamic Europe notably by seizing the opportunities of the ‘silver economy’, and optimising skills at all ages
4/ Receiving and integrating immigrants in response to labour market needs
5/ Ensuring sustainable public finances to guarantee adequate social protection in the future
2nd Demography report

• First baby boomers are turning 60, ageing is no longer a phenomenon that is far away in the future, it is happening now
• Double challenge: keep the baby boomers in employment as long as possible and once they have retired to keep them involved in society (family care and volunteering).
• By 2015, Lisbon objectives 70-60-50% are within reach
• Focus on financial incentives is not enough, better, healthier and more satisfying working conditions are also needed
• Quality of work is becoming a major policy issue.

Population change over previous year, EU 27

Source: Eurostat, Convergence Scenario, EUROPOP2008
Older people in employment

Employment rate of older persons aged '50-69' in the EU27, by sex and individual year of age, 2000 and 2007

Source: Eurostat, Labour Force Survey

Employment rates - older workers

Chart: Employment rates across EU Member States for older workers (people aged 55-64), 2006

Source: Eurostat, EU labour force survey, 2006 annual average
Activities of the Commission

- Every two years a Demography Forum, accompanied by a Demography Report
- Government expert group on demographic issues focusing on family policies and active ageing after retirement, meets three times a year, always accompanied by a policy seminar with all stakeholders
- Support for the OECD family database, development of an evaluation tool for family policies.
- Support for the European Alliance for Families
- Conference on dignity of older people and elder abuse Feb 2008
- DG REGIO Regions for economic change: demography network

Intergenerational Solidarity

- 2007 Communication on intergenerational solidarity
- Better reconciliation between private and professional life, parents should be free to decide to have the number of children they want
- Support through services in kind, cash benefits and more flexible work arrangement
- Also support for family carers of dependent older people
- Large differences between MSs in expenditure for family support, ranges from 0.7 to 3.9% of GDP
Structural Funds (ESF + ERDF)

- Total budget is about 1/3 of total EU budget
- Support for infrastructure, housing, silver economy, employability, training, childcare etc
- EMPL has prepared a brochure on how to obtain support for more family friendly living and working conditions
- See website of the European Alliance for families

Policy research and data infrastructure

- Eurostat prepares in close collaboration with the 27 MSs every 4 years a new projections, including a regional projection at Nuts 2 level
- ECFIN-EPC- Ageing Working Group prepare a projection of future public finance, next report due in Feb 2009
- Cooperation with OECD, UNECE and Council of Europe
- RTD supports many demo research projects under its frame work programmes (DIALOG, SHARE, FELICE, GGP, MULTILINKS etc)
- 8 “Walter” demographic impact studies were used as input for the 1st demography report
EU legal involvement

- The general EU directive against discrimination was extended in 2004 with age and handicap
- Commission will propose an extension to services
- Commission is considering the modernisation of the 1992 and 1996 directives on maternity and parental leave
- To include part time leave for fathers and care leave for dependent elderly

Conclusions

- Ageing is a major socio economic achievement, the result of positive developments
- There many ways in which the challenge can be turned into an opportunity
- Completion of the Lisbon strategy is a necessary first step
- EU offers funding for exchange of best practices and research
- EU has created protection against age discrimination
- But it remains up to the MSs to act, the EU can only be a facilitator
- See also our web site http://ec.europa.eu/social/main.jsp?catId=502&langId=en