

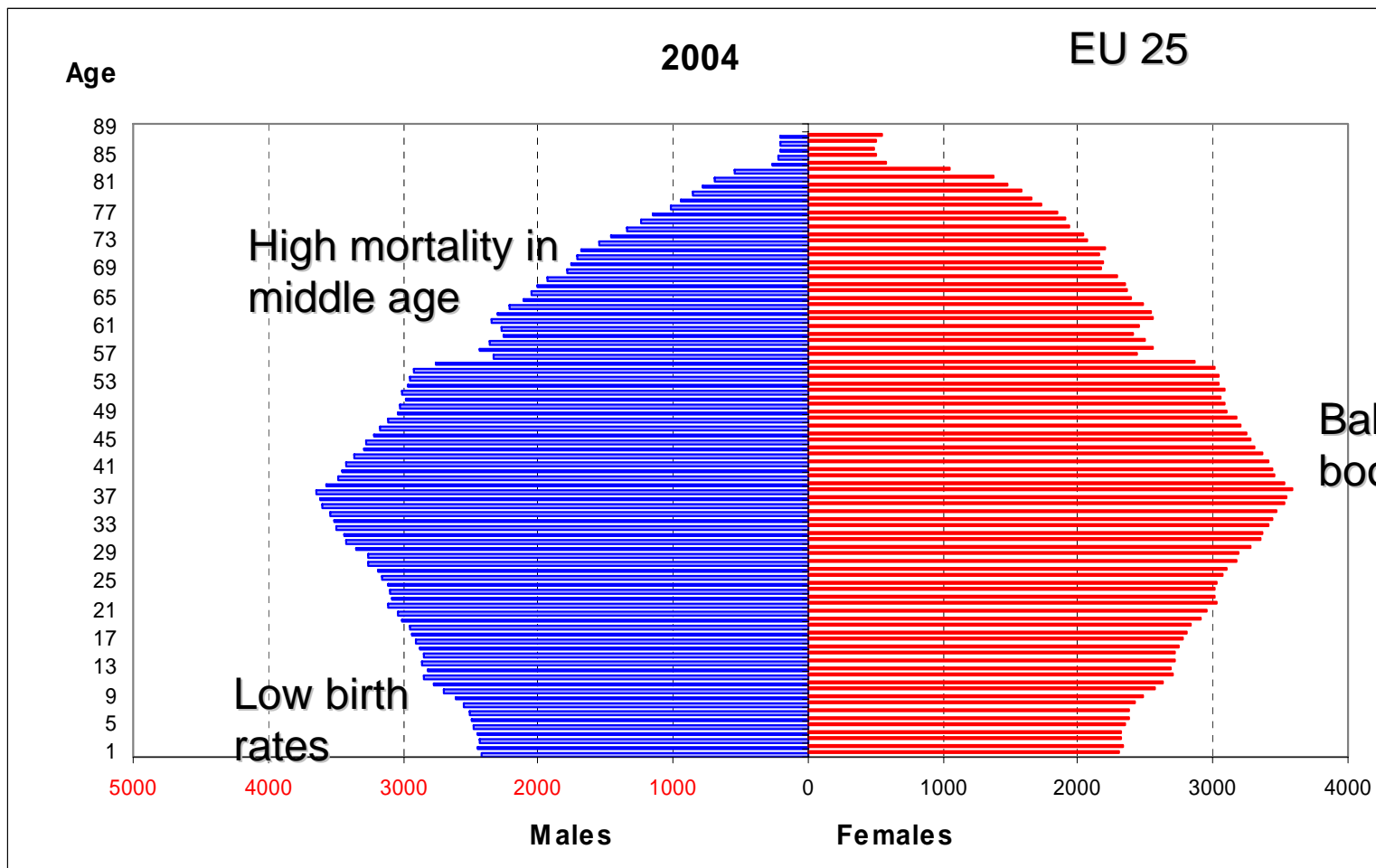


Overview of activities European Commission in the Area of Demography

Julius op de Beke
European Commission
Directorate-General for Employment, Social Affairs and Equal
Opportunities

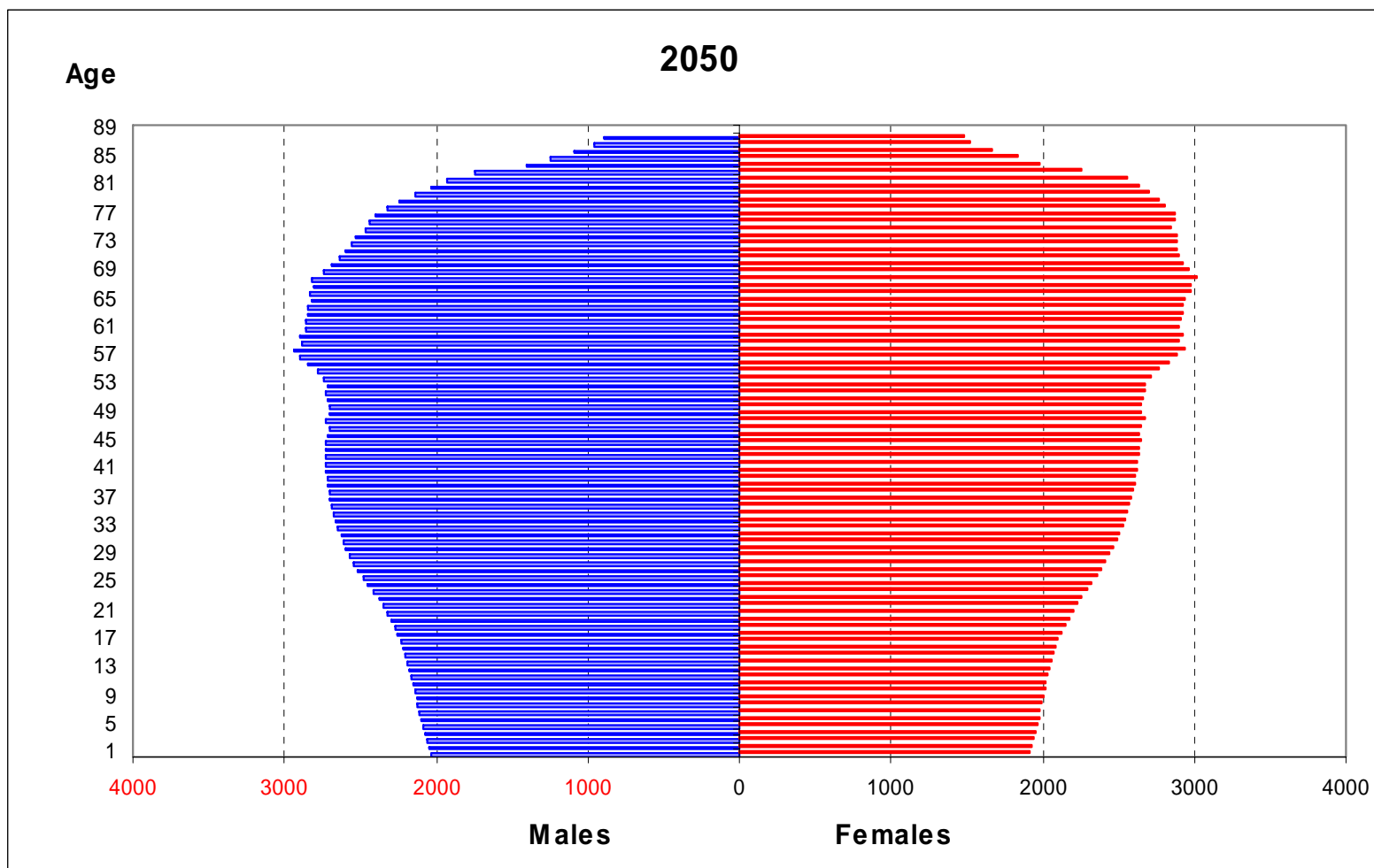


The population pyramid today





...and what it could be in 2050





"From pyramid to pillar"

(Title of an ILO report of 1989)

- Pyramid shape results from high birth rates and high mortality risks at all ages
- Pillar implies that most people get a chance to grow old (mortality risk no longer strikes at young or middle age)
- Narrow base of pillar can reflect low birth rates or significant immigration boosting higher age cohorts
- *The pillar, not the pyramid, is desirable!*



Challenge: sharing resources between young and old



- GDP produced by the young and active must meet the needs of all age groups
- Old-age dependency ratio (people aged 65+ / 15-64) to rise from nearly 25% to over 50% in 2050
 - One older person for four working-age people today
 - One older person for two working-age people in 2050





Main EU Policy documents

- **Lisbon Strategy with its employment targets of 70-60-50% is necessary step to prepare for ageing**
- **COM(2005)94 Green Paper on a new solidarity between the generations in 2005, adaptation and mitigation, life cycle approach, but also a role for fertility and migration**
- **2005 Informal summit at Hampton Court declared ageing together with globalisation and climate change as the main long term challenge for the EU**
- **COM(2006)571 Demographic future of Europe, from challenge to opportunity , multi annual agenda, 5 key policy areas.**
- **May 2007 Communication on family solidarity, creation of European Alliance for Families**
- **Sept 2008 communication on needs of ageing society**





Lisbon Strategy for Growth and Jobs is working

- Necessary condition to prepare for ageing
- Raising employment rates can compensate for the declining working-age population at least until 2020
- Lisbon employment rate objectives of 70-60-50% are within reach by 2015
- After 2020 economic growth will inevitably depend more on productivity gain
- Lisbon is about adaptation not about mitigation





2005 Green Paper

- *Confronting demographic change: a new solidarity between the generations* (COM(2005)94)
- Possibilities for mitigation:
 - Tackling low birth rates, how to respond to postponement
 - Possible contribution of immigration, pro active approach
 - Better integration of young people and migrants
 - ‘life cycle approach’: how to avoid the rush hour in life, material desires can be postponed but not fertility
 - What should happen to the retirement age
 - Role of and support to older people, maintain employability
 - Role of the EU
- Around 250 replies, among them most Member States,
- Consensus that low fertility is a matter of public concern



Demography Communication, multi-annual agenda

- Commission adopts communication on "*The demographic future of Europe - from challenge to opportunity*", COM(2006)571)
- From alarmism to confidence building:
 - ageing seen as a positive development
 - and Europe as capable of tackling the challenges
- Still 10-year window of opportunity:
 - Absolute growth in jobs possible up to 2017





Comprehensive approach: opportunities in 5 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 '
- 4 Receiving and integrating immigrants
to respond to labour market needs
- 5 Ensuring sustainable public finances
to guarantee adequate social protection in the future



2007 Generational Solidarity communication



- Promote demographic renewal through a better reconciliation between private and professional life. This gives parents the possibility to have the number of children they want. Three types of support:
- Financial support to compensate family related cost
- Provision of high quality care services for children and dependent elderly
- More flexible working time arrangements including family friendly leave arrangements.
- Large differences between MSs, expenditure for childcare and social services ranges between 0,7 % of 3,9 % GDP
- Family friendliness may not only lead to higher birth rates, it also helps to raise employment, growth and gender equality



Structural Funds (ESF and ERDF)



- Regions for Economic Change network on demographic problems (Jan 2007 special conference regional demographic problems)
- Financial support, SFs make up 1/3 of EU budget!
- Infra structure, housing, silver economy, employability, training, childcare etc.
- DG EMPL will soon publish a brochure explaining how these funds can be best used to support demographic change



EU Legal Involvement

- General directive against discrimination in the labour market, was in 2004 extended with age and handicap.
- Discussion now about the extension to services
- Directives from 92 and 96 on maternity leave and parental leave
- Currently Article 138 consultation of the European partners on possibility for modernisation (i.e. include care leave for dependent elderly and part time care leave for fathers)





EU-MS cooperation in the Council

- Council resolution of March 2007 on demographic change welcomed the European Alliance for Families.
- Calls on MSs to make their labour markets more inclusive and to develop the economic potential of an ageing society i.e. the silver economy.
- Open Method of Coordination in the area of pensions, health, care and social inclusion.
- Employment Strategy focuses on realising Lisbon targets, enhanced with Barcelona targets for childcare (33% and 90% for 0-3 and 3-6 year olds) by 2010.
- Involvement of several EU presidencies (DE: family policy silver economy, FR: migration pact).



Government Expert group on demographic issues



- Created in June 2007
- Meets three times in combination with seminar or conference
- European Family Alliance, website to be filed by the MSs
- Family Observatory to be prepared by Eurofound in Dublin
- Evaluation of national family policies with the help of the OECD family data base





Events

- European Demography Forum every two years, peer review of good practices, key note speeches by demographic experts, next Forum 24-25 Nov 2008
- March 2008 conference on Dignity in Protecting Old Age Dignity
- Sept 2008 conference Social Consequences of Climate change.
- Support for other demographic conferences in Europe such as this GGP in Geneva and the EAPS conference in Barcelona
- Support for many national and regional demographic forums in the EU with the help of the Structural Funds





Policy Research and Data

- The Eurostat together with the MSs prepares every 4 years a population projection, including a regional projection at NUTS 2 level
- DG EMPL demography network, part of the social situation observatory, publishes annual monitor plus several research papers and policy briefs, see website EMPL E1
- DG ECFIN - EPC-Ageing Working Group prepares report on future of public finance, next report due in Feb 2009
- DG RTD has supported many demography research projects in the 5th 6th and also in 7th Frame Work Programme (DIALOG, SHARE, GGP etc)
- First Demography Report appeared in 2007, next report due in November 2008
- 8 "Walter" demographic impact studies, see 1st demo report, interesting results on productivity and labour market bottle necks





Conclusion: reason for confidence but no complacency

- Ageing is the result of positive developments, to be proud off
- Still a 10-year window of opportunity to increase employment before the full impact of the retiring baby boom starts to have an affect
- Comprehensive holistic approach is needed
- The completion of the Lisbon strategy is a necessary first step
- EU has created legal protection against age discrimination
- EU has created several platforms for the exchange of good practice in areas such as pensions, health and long term care, inclusion and family policy.
- EU offers funding for research and for ageing related projects on the ground
- But it remains up to the Member States to act, the EU is only a facilitator
- For more information please consult our webpage below

http://ec.europa.eu/employment_social/spsi/demo_and_social_situation_en.htm

