Overview of activities
European Commission in the Area of Demography

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The population pyramid today

![Population Pyramid Graph]

- **2004**
  - Males: High mortality in middle age
  - Females: Baby boom

- **EU 25**
  - Males: Low birth rates
  - Females: Baby boom

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European Commission

Directorate-General for Employment, Social Affairs and Equal Opportunities - Unit E1
...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, proactive 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!
- Infrastructure, 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 RTD has supported many demography research projects in the 5th 6th and also in 7th Frame Work Programme (DIALOG, SHARE, GGP etc).
- 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 of.
- 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