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06/07/2011

Meeting the challenge of an ageing Europe



Europe's population is ageing because people are living longer and not producing enough children, according to a recently published report. This issue represents a major challenge for the EU across many areas of life including employment, the sustainability of welfare systems and pensions provision.

The headline findings of the 'European Demography Report 2010' reveal a population that is larger, older and more diverse than ever.

A more diverse, more mobile Europe

This year's report had a special focus on mobility and immigration.

Figures reveal that Europe's population growth is still driven by immigration. Non-EU migrants have been adding to the EU Member State populations at a rate of one to two million a year (overcompensating for those who left the EU).

Meanwhile mobility is increasing within the EU. In a survey, one in five citizens has either worked or studied in another country, lived with a partner from another country or owns a property abroad. And 1 in 10 plans to move to another EU Member State in the next decade.

A version of the report is published by every two years by the European Commission. The aim is to provide data that can be used by the EU Member States and the EU to develop policies and initiatives that address demographic change.

Fertility rates across the whole of the EU are rising slowly, up from 1.47 children per woman in 2003 to 1.6 in 2009. However, a rate of 2.1 would be required for Europe's population to become self-sustaining and only two EU Member States are close to this threshold. Indeed, given current migration and life-expectancy trends, the current levels of fertility mean that the EU's population will start to decrease in 2040.

In 2008 average life expectancy in the EU was 76.4 years for men and 82.4 years for women. The report also shows that life expectancy continues to rise –by two to three months every year.

In some ways Europe has become a victim of its own success as increased prosperity is allowing people to live healthier, longer and more active lives. While this is a positive development, the downside is that not enough younger people are replacing retiring older workers on the labour market.

According to the EU, the working age population (aged 20 to 64) will start to shrink from 2013, just as Europe needs more people in employment to pay for pensions and to support welfare systems. These social provisions are likely to come under even more pressure over the next 20 years as the 'baby boomer' generation retires from work.

Responding to change

The EU is addressing issues surrounding demographic change across a range of policy areas.

Europe 2020, the EU's strategy for economic growth, explicitly recognises the need to keep employment rates high if Europe is to cope with growing old. The strategy contains a headline target of achieving a 75 % employment rate for men and women between the ages of 20 and 64 by 2020. The 75 % figure is estimated to represent full employment by the end of the decade.

To help meet this target, Europe 2020 has launched a flagship initiative called the 'Agenda for new skills and jobs'. The aim is to help people acquire the skills they need to get good jobs and work for longer. The initiative also seeks to make labour markets more efficient in order to raise employment levels and productivity.

Over the past few years, the EU has made some changes to legislation that will enable people to strike a balance between family life and work, which should make it easier for them to raise children. In the long-term, such actions should help raise fertility rates.

For example, rules were amended last year which extend the minimum period for parental leave from three to four months per child. The European Commission also presented a proposal to extend periods of paid maternity leave from 14 to 18 weeks, which is currently being discussed by European Parliament and Council of the EU.

Pushing for pension reform

The European Commission has put forward proposals to reform pensions in a bid to ensure that the EU Member States and their citizens can properly fund old age.

The 'Green Paper – towards adequate, sustainable and safe European pension systems' was put out for consultation in 2010. It addresses a number of interrelated issues including:

- Finding ways to ensure adequate incomes in old age while guaranteeing long-term sustainability of pension systems;
- How best to achieve the right balance between work and retirement while making it easier to live an active old age;
- Making pensions safer in times of economic crisis; and
- Giving pensions systems transparency so that people are better placed to make their own decisions about retirement.

Active ageing

The EU is already committed to promoting the concept of active ageing, which is about helping older people to stay in the workforce and share their experience, while ensuring that they can play an active role in society. It is also about helping them to live as healthy, independent and fulfilling lives as possible.

In fact, 2012 has been designated the European Year for Active Ageing and Solidarity between Generations.

Promoting active ageing calls for action in many different areas — employment, social protection, education and training, health and social services, housing and public infrastructure. It will require the involvement of many different stakeholders: EU Member States, regional and local government, civil society and the social partners must all work to make active ageing a reality.

The European Year 2012 should do more than just raise awareness and disseminate examples of good practice. It should also mobilise policymakers and stakeholders at all levels to support active ageing.

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