

Five ways to defuse the demographic time bomb

Europe's ageing population is an unprecedented challenge for the whole of society, but it is a challenge we must rise to, and we must rise to it now, concludes the European Commission's new Communication on "The demographic future of Europe – from challenge to opportunity". It underlines Member States' ability to meet the challenges of a shrinking workforce and an ageing population. The keys to success are the promotion of demographic renewal, more jobs and longer working lives, higher productivity, integrating migrants and sustainable public finances.

Vladimír Špidla, Commissioner for Employment, Social Affairs and Equal Opportunities said: "Concerns over the demographic time-bomb must translate into action and reform now. The next 10 years provide us with a window of opportunity. Let's not miss it!"

The new Communication sets out five areas for concrete action to help Member States adapt to demographic change in their own national context:

- Helping people to balance work, family and private life so that potential parents can have the number of children they desire;
- Improving work opportunities for older people;
- Increasing potentially productivity and competitiveness by valuing the contributions of both older and younger employees;
- Harnessing the positive impact of migration for the job market;
- Ensuring sustainable public finances to help guarantee social protection in the long-term.

Commissioner Špidla added: "The Europe of tomorrow starts today. Public policies need to be adapted to the new demographic order. For example: increasingly women between 30 and 45 have to carry a triple burden: having children, making a career and taking care of aging parents. In a "life cycle approach" we need to make our educational systems and our work patterns more flexible to support those who want to have children when they want them." He added: "It is important that member states give a strong signal to businesses and citizens to change their expectations and attitudes, particularly in the labour market."

The EU's strategy for "Growth and Jobs" is designed to meet the challenges of ageing. It sets out concrete steps for reform: Changes are needed in the way businesses operate, the way we organise work and how we manage change. Today's Communication does not call for a new strategy to deal with ageing, but rather underlines the need for Member States to step up efforts and make the "Growth and Jobs" strategy a reality. The challenge of Europe's ageing population needs to be integrated in all policies.

Europeans are living longer, in better health and women have more equal access to the job market. These are positive developments. But we also have to reform our retirement policies. First results in member states are encouraging and show that Europe can rise to the challenge.

Today, there are four people of working age for every person over 65. Falling birth rates, rising life expectancy and the retirement of the baby-boom generation mean that, by 2050, this ratio will have dropped to two workers paying for one pensioner. But even though the share of Europe's working age population will fall, overall employment in the EU is projected to continue rising until 2017, due to more women and older people entering the labour market and staying in work.

Today's communication follows up on the recent public consultation on demography¹ and the Hampton Court informal summit in October 2005. At the same day, the European Commission is launching a management and labour consultation on balancing professional, private and family life and publishing a communication on the sustainability of public finances (see IP/06/1356)

Launch of the first stage of consultation of the social partners on the issue of reconciliation of professional, private and family life

Much progress has already been made at EU level to ensure maternity and parental entitlements for workers. Member States that have gone beyond Community legislation in this area have shown the benefits of reconciliation policies: combine flexible leave arrangements, quality care facilities for children and other dependent family members and thereby ensure that more women participate in the labour market.

The Demography Forum

Most of the issues linked to the demography debate are the responsibility of Member States but they concern the EU as a whole. As a follow-up to today's Communication, the Commission will be hosting on October 30th and 31st the first biannual European Demographic Forum, bringing together national government experts in the field. The aim is to identify and exchange best practices on ageing policies (See attached MEMO/06/372 for examples of successful policies from Member States), providing Member States with new ideas as well as helping eliminate the perception of ageing as a threat to our economic and social prosperity.

Link to Communication on Demography:

http://ec.europa.eu/employment_social/news/2006/oct/demography_en.pdf

Link to Communication on First-stage Consultation on reconciliation of professional, private and family life:

http://ec.europa.eu/employment_social/news/2006/oct/consultation_reconciliation_en.pdf

The demography Forum:

http://ec.europa.eu/employment_social/emplweb/events/event_en.cfm?id=625

For more information:

http://ec.europa.eu/employment_social/social_situation/index_en.htm

¹ 2005 Green Paper public consultation on demography:

http://ec.europa.eu/employment_social/news/2005/mar/comm2005-94_de.pdf

http://ec.europa.eu/employment_social/news/2005/mar/comm2005-94_fr.pdf

http://ec.europa.eu/employment_social/news/2005/mar/comm2005-94_en.pdf