

# Demographic challenges: Europe should combine a plethora of labour market and social measures to stop its depopulation and growing inequalities



With its share in the global population at an all-time low and another baby boom unlikely, Europe will need to take a holistic approach if it is to reverse its demographic decline, stimulating employment and embracing strong economic and social policies that can restore the confidence of its citizens in the future, the **European Economic and Social Committee (EESC)** said on 7 May.

In the opinion [\*Demographic challenges in the EU in light of economic and development inequalities\*](#), the EESC said that such an approach should prioritise active labour market policies that combat unemployment and help create quality jobs, especially for young people, whose unemployment rate remains about twice the average in every Member State.

Another key to ensuring positive demographic trends is stable and proactive family policies and human-centred labour market policies that promote work-life balance, such as parental leave and flexible work.

High-quality, affordable care and assistance for children, people with disabilities and the elderly is of paramount importance and investing in efficient public services is indispensable for the establishment of decent living and working standards and for an environment in which people want to work, live and raise a family.

Although it can make up for labour and skills shortages, immigration is not the ultimate solution for tackling the consequences of demographic ageing in Europe, the EESC said in the opinion.

The opinion, drafted at the request of the Croatian Presidency of the EU, was adopted at the EESC's first plenary session since the outbreak of COVID-19, held remotely for the first time in the EESC's history and with members casting their votes in writing.

The EESC warned about the important implications of the COVID-19 crisis for the future EU policies addressing demographic challenges and growing inequalities between Member States. It called upon the EU to urgently prepare relevant policies with ambitious funding to protect citizens from the effects of the pandemic and from the negative social impacts of the economic crisis that is bound to follow. This should be done in consultation with the social partners and organised civil society.

*Member States with active family policies, which are diverse and reflective of their cultures, have higher birth rates than those which have none or weak ones", said the rapporteur for the opinion, **Stéphane Buffetaut**. Such policies are part of a broader framework that guarantees their effectiveness: jobs, economic and social dynamics, a family-friendly culture, an adapted housing policy, an efficient education system, and environmental policies.*

*The aim, he stressed, is to guarantee that having children, who ensure the future of Europe, does not have a penalising effect on the standard of living or career prospects.*

According to the co-rapporteur of the opinion, **Adam Rogalewski**, the implementation of the European Pillar of Social Rights is a very important factor in improving the EU's demographic situation, thanks to the strong social measures it proposes.

*Most of the European population's income comes from work, and without job creation, dynamic labour market perspectives, security in the labour market and quality employment it is difficult to establish a family and to provide them with decent living conditions, **Mr Rogalewski** said, this is why the most feasible and effective remedy to negative consequences of population ageing is neither focusing on higher fertility rates nor more migration, but rather increasing labour force participation.*

The opinion sets out figures that testify to Europe's demographic decline and its demographic weight hitting rock bottom, with its share in the world's population dropping from 21.7% in 1950 to less than 10% in 2017.

In the last 25 years, parts of Europe have seen depopulation every year, with

the number of deaths surpassing that of births and with the fertility rate in the Member States often significantly and lastingly below the threshold for generational replacement. This depopulation affects a little more than half of EU countries: Germany, Bulgaria, Croatia, Spain, Estonia, Finland, Greece, Hungary, Italy, Latvia, Lithuania, Portugal, Romania and Slovenia.

Furthermore, in spite of migration, Europe is seeing a rise in the proportion of people aged 65 and more in the total population.

The problem could become especially acute in central, eastern and southern Europe, which is seeing a labour force drain at all skill levels as well as a brain drain, as its workers leave for economically stronger countries. These workers are mostly young, their countries having invested in their education and training only to see other countries that can offer better working and social conditions benefit from that, further deepening the gap between western Europe and its southern and eastern parts.

In the EESC's view, although the free movement of EU citizens is a fundamental freedom of the EU, such high levels of intra-EU migration can pose particular challenges for the Member States of origin, as it speeds up the ageing of its population and the loss of their workforce and skills. It equally brings challenges for the receiving countries.

*Care should [...] be taken not to foster the systematic migration of the highly qualified and highly skilled, further exacerbating the skills gap with developing countries which would harm their economic and social development,* the EESC said in the opinion.

Eliminating economic and social disparities between west and south and east and west is the best way to slow down this labour leakage, the EESC maintains. In its view, the European Regional Development Fund, the Cohesion Fund and the European Social Fund must be specially geared towards helping EU countries with weaker economic performances to develop projects to improve their social and economic development if these countries are to remain or become attractive to their own population.

In the opinion, the EESC also proposed recognising and supporting the work of unpaid caregivers, usually family members, who do not work as they have to care for sick, disabled and other dependent family members. Member States should give these people an appropriate status and financial support as well as social security entitlements.

However, changes cannot be expected overnight. *Demography is the domain of the long term and requires coordinated European action. The EU should develop common guidelines based on intergenerational solidarity and gender equality, taking into account national cultures and social policy differences,* the EESC concluded.