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NOTE

From: General Secretariat of the Council
To: Delegations

Subject: Demographic challenges – the way ahead
- Draft Council Conclusions

With a view to the meeting of the Social Questions Working Party on 12 March 2020, delegations will find attached a set of draft Council Conclusions on the above subject, as prepared by the Presidency.

Demographic challenges – the way ahead

Draft Council Conclusions

ACKNOWLEDGING that

1. The Strategic Agenda 2019–2024 stipulates that the basis for long-term sustainable and inclusive growth needs to be renewed and cohesion in the EU strengthened. This requires achieving upward convergence of our economies and addressing a range of challenges, including in relation to demographic change,
2. The European Pillar of Social Rights, which expresses principles for better working and living conditions, is the key guideline for a socially fair and just transition to climate-neutrality, digitalisation and demographic change,
3. Changes in climate, technology and demography affect and transform our societies and way of life.¹ As sustainable development and economic growth require an adequate population size, demographic renewal needs to be supported in all Member States and should have the same transformational impact as climate-neutrality and digitalisation at EU level. It should be reflected in all future Commission initiatives,
4. Intra-EU labour mobility interacts with demographic change, easing demographic pressures in some regions while exacerbating the situation in others. The free movement of workers is and should remain one of the fundamental freedoms of the Union. While it has facilitated intra-EU labour mobility inside the Union as such, it has also led to diverse phenomena in different regions: brain drain, brain gain, brain regain, brain circulation and population decline in general,

¹ Political guidelines for the next European Commission 2019-2024.

5. Between 2023 and 2060, the European labour force (aged 20-64) is projected to decline by 8.2 % (approximately 19 million people). This shrinking working-age population is expected to provide the means for pensions and healthcare services for the rapidly growing cohort of pensioners, challenging the sustainability and adequacy of pension systems,²
6. Demographic trends are clearly pointing to the ageing of the population, with fertility rates just below or well under the replacement level of 2.1.³ Almost one-fifth (19.7 %) of the total EU population is over 65 years old and this cohort is expected to make up 28.5 % of the total population by 2050.⁴ An ageing society brings opportunities for economic development. It could play a vital role in job creation and in supporting activities in a hugely diverse range of sectors. As we live longer and healthier lives, thanks to progress in medicine and public healthcare, new opportunities will emerge in the silver and care economies. Apart from its economic importance, the ‘Silver Economy’ should be considered a sign of social and cultural progress and connected to a positive and socially inclusive identity for the elderly in Europe,
7. The elderly are valuable to society and therefore should effectively participate in society to the fullest possible extent and live their lives with dignity and as independently as possible,
8. Young people are vulnerable because of the transitional life periods they are going through, their lack of professional experience, their sometimes inadequate education or training, their often limited social protection cover and restricted access to financial resources, and precarious work conditions,⁵

² European Parliament, in-depth analysis: ‘Demographic outlook for the European Union 2019’.

³ Source: - Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: ‘A Strong Social Europe for Just Transitions’, 14 January 2020.

⁴ ‘Ageing Europe, Looking at the lives of older people in the EU’, 2019 Edition.

⁵ Council Recommendation of 22 April 2013 on establishing a Youth Guarantee - 2013/C 120/01.

9. Raising children is a long-term endeavour, and in order for demographic policies to be effective, they need to be reliable and enduring. Investment in early education and care can strengthen outcomes, in particular for disadvantaged children, helping to make the future labour force more resilient in the face of demographic challenges, as well as achieving better social outcomes across the lifecycle,
10. The Barcelona targets with regard to the availability of high-quality and affordable childcare facilities for pre-school children (90 % of children from age three until mandatory school age and 33 % of children under three participating in childcare facilities) should be further pursued,
11. Public policies should be designed in order to create the conditions enabling individuals and families to have the children they wish and to enjoy a better quality of life, living in safety and achieving a better reconciliation between work, family and personal life,
12. The 2019 Work-Life Balance Directive is aimed at achieving equality between men and women with regard to labour market opportunities and treatment at work, by facilitating the reconciliation of work and family life for workers who are parents or carers, as also enshrined in principle 9 of the European Pillar of Social Rights,
13. Due to urbanisation and the lack of job opportunities, as well as the lack of adequate services or transport connections, many rural areas are seeing their population decline, which increases the urban/rural divide,
14. Demographic change offers an opportunity to adapt pension, healthcare and long-term care systems. Improved cover, adequacy and sustainability are key to modernising social protection systems,⁶

⁶ Joint Employment Report [6346/20] (to be adopted on 19th March EPSCO).

15. The EU is currently moving towards longer-living, lower-fertility, and better-educated societies. A comprehensive picture can be obtained by examining data on migration, fertility and mortality, together with education levels and labour force participation rates. Knowledge-based policy-making requires valid, relevant and timely data. Data on demographic processes and on factors influencing them, as well as data on the specific needs and preferences of all age groups, are needed in order to inform and guide the formulation of demographic policies and evaluate their results,
16. Cross-sectoral cooperation between social, family, health, employment and education services, taking into consideration the economic conditions of each Member State, play an important role in designing demographic policies,
17. The key to success often lies in the hands of national, regional and local authorities, as well as social partners and relevant stakeholders at all levels, cooperating at EU level to make it work,

CONSIDERING that

18. The exploratory opinion of the European Economic and Social Committee on [‘Demographic challenges in the EU in the light of economic and development inequalities’] stresses that high-quality, accessible and affordable care and assistance (for children, people with disabilities and the elderly) are key to tackling demographic challenges and supporting population growth,⁷
19. The message conveyed in the framework of the European Year for Active Ageing (2012), that solidarity between generations can withstand the test of population ageing, is still pertinent,
20. The exploratory opinion of the European Committee of the Regions on [‘Demographic change: proposals on measuring and tackling its negative effects in the EU regions’] emphasises the need for a comprehensive local strategic approach, through a systematic process of incentives and networking strategies, for areas in decline,⁸

⁷ To be adopted on 18 -19 March.

⁸ To be adopted by 25 March.

21. The Council Conclusions on the Economy of Wellbeing (2019) highlight that accessible and high-quality education and training, as well as lifelong learning, are key to the resilience of our economies and societies and their future prosperity,

THE COUNCIL OF THE EUROPEAN UNION

INVITES the Member States to:

22. **DEVELOP** a framework for demographic policies involving the social partners and other relevant stakeholders, according to their competences;
23. **ADDRESS** imbalances in intra-EU mobility in order to transform brain drain into brain circulation or brain gain and pursue the continuous upskilling and reskilling of the labour force, taking into account the dynamic nature of the labour market and environmental, technological and demographic transformation in order to tackle regional disparities, rural depopulation and urban challenge;
24. **ADDRESS** mismatches between labour supply and demand, since digital transformation, globalisation and demographic changes are shaping labour market demands through the creation and destruction of jobs, as well as by changing the nature of existing occupations;
25. **ENCOURAGE** the improvement of skills levels, through quality education and training and also through lifelong learning, to help include people in the labour market and sustain economic growth;
26. **ENCOURAGE** and **PROMOTE** investment in research, innovation and artificial intelligence which can enhance productivity and sustain economic growth in the face of a shrinking working-age population, while creating high-quality jobs which attract talent;
27. **ENCOURAGE** flexible working arrangements in order to enable women and men who are parents or carers to participate in the workforce and have gainful employment, while also enabling them to spend quality time with their children or care for relatives in need (sick or dependent);

28. RAISE awareness of the importance of including women and young people in the workforce in order to help mitigate the effects of demographic ageing on the sustainability of social protection systems;
29. PROMOTE the principle of equal pay for work of equal value for women and men;
30. STRIVE TO ENSURE comprehensive, accessible, affordable and high-quality social, family, health, employment and education services;
31. ENCOURAGE investment in children as the form of social investment that pays the highest return in the future. This includes tackling family poverty through targeted investments to reduce child poverty;
32. PROMOTE and EMPHASISE adequate and coordinated policies that ensure different kinds of material support for families raising children (e.g. paid leave, child allowances, appropriate tax reductions, subsidised housing solutions and support for students), including innovative solutions;
33. EMPHASISE the importance of solidarity between generations and PROMOTE the provision of the necessary assistance and services to the dependent ageing population and their families;
34. STRENGTHEN the awareness within the population of the rights of older persons to an autonomous, self-determined life and the right to social participation, by adopting adequate measures;
35. ADDRESS the challenges resulting from a rising demand for long-term care due to old age;

INVITES the Member States and the European Commission, in accordance with their respective competences, taking into account national circumstances and respecting the role and autonomy of the social partners, to:

36. PROMOTE the implementation of the principles of the European Pillar of Social Rights as an important step towards better working and living conditions;
37. IMPLEMENT evidence-based and effective policy interventions at national and Union level to address common challenges resulting from demographic change, including the availability of and social protection for high-quality long-term care and the sustainability of social protection systems;
38. RAISE awareness of the importance of the 'Silver Economy' and its economic impact;
39. STIMULATE innovative solutions that enable the elderly to continue to participate in society and the labour market in accordance with their capabilities and inclinations, and that encourage healthy and active ageing across all policies;

INVITES the European Commission to:

40. DEVELOP a common basis and interactive EU-wide resource for obtaining timely, consistent, reliable, comparable and accessible data for addressing demographic developments, taking into account the demographic projections and the identified impacts of demographic changes on European society;
41. ELABORATE an appropriate strategy for the regions most acutely affected by population decline, especially where this is a consequence of the lack of job opportunities and the lack of adequate services or transport connections;
42. ENSURE that all policy proposals and initiatives are accompanied by comprehensive territorial impact assessments, conducted in parallel with economic, environmental and social impact assessments, with the objective of making these regions vibrant and attractive;

43. LAUNCH a comprehensive reflection on ageing and its full implications, including its long-term effects on the EU economy, followed by concrete initiatives, with the objective of turning this challenge into new opportunities and thereby aiming to ensure, in the long run, sustainable economic growth and social protection systems;
44. PROPOSE a distinct long-term strategy aiming to increase women's participation in the labour market in order to maintain economic growth and mitigate the risks and pressures on public finances and social expenditure more generally related to population ageing, mindful of the balance between work and family life;
45. SUGGEST that [2022] be designated the European Year for combating child poverty;
46. ENSURE that investments through EU funds make a tangible contribution to addressing demographic challenges at regional level, by identifying specific actions mitigating the most acute impacts of demographic trends and creating the means for sharing best practices so that relevant stakeholders can learn from each other's experiences;
47. ENSURE that demographic challenges are appropriately taken into account in the European Semester, notably with regard to their impact on the economy and social protection systems, having regard to the particular contexts present in each Member State;

INVITES the Employment Committee and the Social Protection Committee to:

48. STRIVE TO ENSURE the availability of adequate sets of demographic indicators from those that are currently used and DEVELOP new sets, where required;
49. ENCOURAGE the exchange of best practices among Member States in tackling demographic issues.