

Political Issues and Social Policy in the E.U.

Professor John Wilton

Lecture 7

The ‘demographic time bomb’

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Political issues raised by the demographic imbalance:

- a) equality between generations;
- b) the social and economic integration of older people;
- c) the problems of ensuring funding for pensions;

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d) the provision of adequate and effective public social services within the context of reducing numbers of taxpayers

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Community Charter of the Fundamental Social
Rights of Workers, 1989:

“at the time of retirement, every worker should be able to enjoy resources affording him or her a decent standard of living, and should be entitled to sufficient resources and to medical and social assistance specifically suited to his or her needs.”

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- Feb. 1982, European Parliament resolution on the situation and problems of the aged in the European Community
- Mar. 1986, European Parliament resolution on services for the elderly
- May 1986, European Parliament resolution on “Community measures to improve the situation of old people in the Member States”

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1991, Programme of European Community
actions;

- to monitor and exchange information about
demographic trends and their impact on
social protection and health systems

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Observatory on Ageing and Older People:

- monitoring role, concentrated on 4 areas for elderly people:
 - a) living standards and way of life;
 - b) employment and the labour market;
 - c) health and social care;
 - d) the social integration of older people in both formal and informal settings.

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1991 programme for Community action –
Member States to address:

“the challenges resulting from present
and future demographic developments
and the consequences of an ageing
population for all Community policies.”

= ‘mainstreaming’

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1999, European Commission communication entitled ‘Towards a Europe for all ages’ recommended the development of measures and policy for elderly people in E.U. in 4 areas:

- 1) action was needed to maintain the capacity of workers and to promote life-long learning and flexible working arrangements;

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- 2) attention was to be paid to reversing the trend towards early retirement, exploring new forms of gradual retirement and making pension schemes more sustainable and flexible;
- 3) in the area of health and old age care, research and studies were to be initiated to develop adequate responses to health-care needs;
- 4) action to combat discrimination, unemployment and social exclusion among older people

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2020 - 27 per cent of E.U. population
aged over 60 (70 per cent increase
compared to 1960) (Eurostat,2001)

From 2005 to 2030 E.U. will lose 20.8
million (6.8%) people of working
age (European Commission Green
Paper on Demographic Change –
COM(2005)94final)

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- by 2030 the E.U. will have 18 million fewer children and young people than in 2005
- by 2030 there will be 2 people of working age for every one person aged over 65 (in 2006 there were 4 people of working age for every one person over 65)

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Since 1960 average life expectancy for women in EU risen by 5 years, for men by almost 4 years

E.U. estimates that by 2050 the number of people aged 80 plus will have increased by 180 per cent

By 2030 will be 34.7 million E.U. citizens aged 80 plus (18.8 million in 2005)

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Ratio in E.U. of dependent young and old
people to people of working age:

2005 = 49 per cent

2030 = 66 per cent

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E.U. Commission communication, Oct.2006 entitled
‘The demographic future of Europe – from
challenge to opportunity’ states that:

“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 ageing 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.”

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- Oct. 2006 European Commission communication entitled ‘The demographic future of Europe – from challenge to opportunity’
- set out 5 areas for action to help Member States adapt to demographic change in their own national context:

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1. Helping people to balance work, family and private life so that potential parents can have the number of children they desire;
2. Improving work opportunities for older people;
3. Increasing productivity and competitiveness by valuing the contributions of both older and younger employees

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4. Harnessing the positive impact of migration for the job market;
5. Ensuring sustainable public finances to help guarantee social protection in the long term

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The demographic time-bomb issue within the E.U. states overlaps with, and interacts with, many other social and economic policy areas, such as for example:

- migration and immigration policy
- economic and employment policy
- health and social care policy
- transport policy and housing policy