The demographic situation in the European Union. 1995 Report

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OBJECTIVE: This second report on the demographic situation in the European Union provides a thorough analysis of the causes of the European demographic situation and the implication thereof for the society of the future and it devotes particular attention to the effect of population ageing on social protection and employment in Europe. SUBSTANCE: The main conclusions of the report may be summarized as follows: the Union is characterized by slow demographic growth (disregarding the leaps in population size owing to successive enlargement) and even a population decrease owing to the combination of two factors: a drop in fertility (to between 1.1 and 1.8 children per woman, whereas the generation replacement threshold is 2.1) and a fall in the mortality rate, the age pyramid resulting from the baby-boom is becoming inverted, the consequence of which is a rapid ageing of the population (the number of young people under the age of 20 will fall by 11% by the year 2025, whereas the number of retired adults will increase by nearly 50%) and the emergence of a new category of 'old people', the 4th age (totally dependent people aged over 80). significant demographic differences may appear at regional level (small depopulated areas versus large, densely-populated cities), which will require major changes to be made in terms of health, education, housing and transport, the ageing of the population could possibly be compensated for by large-scale immigration, but that would mean between 8 and 14 times as many immigrants as today entering the Community. - Generally speaking the main implications of demography for the development of society affect employment and social protection: as regards employment: major changes will occur over the next 10 years in the working-age population, with a significant fall in those aged between 20 and 29 (-17%) and a relative increase in those aged between 30 and 49 (+7%). Paradoxically, the fall in the working-age population will not result in a major fall in unemployment. The fact that the working-age population will gradually age will also have implications in terms of productivity, competitiveness (since older workers cost more) and qualification; as regards social protection, the question of funding will be the focus of the debate since the reduction in the number of working-age people (i.e. the basis of social security funding) will coincide with an increasing need for health care owing to the ageing of the population (in particular the large number of people entering the 4th age).