The demographic situation in the European Union. 1997 Report

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OBJECTIVE: Presentation of the third report on the demographic situation in the European Union (1997 report). SUBSTANCE: Taking up the main conclusions of the second demographic report (1995 report - see COS0386) concerning the effects of an ageing population on social security systems in the Member States, this report concentrates on three main aspects of European demography: 1) the labour market: according to the report, future economic growth will to a large extent be dependent on quantitative and qualitative changes in the labour force. The stabilisation and then fall in the size of the population of working age could prove a favourable factor in reducing imbalances between labour supply and labour demand. However the pressure of ageing will increase considerably on social protection, especially pay-as-you-go pension systems, and in certain sectors it could involve keeping workers in employment for longer. However, keeping older workers in employment will inevitably imply the internal ageing of the labour force. It will therefore be necessary to do everything possible to adapt the work force to demand and thus to adopt active measures such as re-qualification and life long learning. Measures will also be needed to enhance employability of the labour force and ensure economic competitiveness. For women an innovative approach will be necessary, including measures to encourage more flexible access to the employment market allowing reconciliation of work and family life. At the same time hitherto exclusively voluntary activities must be encouraged and a better organization of work; 2) regional demographic impact: in most of the Union countries, future demographic growth will be unevenly distributed. In certain cases the differences between the national and regional situations will be considerable with not insignificant repercussions in relation to the convergence process and economic and social cohesion. These demographic imbalances will also be the source of malfunctions in the labour market because of the shortage of labour in certain regions. Optimum use must therefore be made of labour resources in the regions where they are scarce and a maximum of jobs must be created where labour is in surplus or where unemployment is persistently high. Lastly, it is necessary to respond to the major challenge with regard to labour in the 21st century: the mobility of the workforce which is crucial in the context of rapid technological change; 3) effects of demography in the applicant States: although it will occur later by comparison with the situation in the Union, population ageing will also affect eastern European countries. In half of these states demographic trends have already started to put pressure on the social protection system. These states are also going to experience a sometimes significant fall in the population of working age which will involve problems of a similar nature to those with which the Union will be faced after 2010. A future of sustained growth would require the activation of the existing labour force reserves. The gulf between the cities and the countryside may pose a special challenge in these states, as also may health (mortality rates which are still too high in certain countries).