### **European Commission - Press release**





# Commission sets out tools to manage demographic change in the EU

Brussels, 11 October 2023

The Commission has today adopted a Communication presenting a set of policy tools available to Member States for managing demographic change and its impacts on the EU's society and economy, including its global competitiveness. The Communication outlines the wide range of tools (including regulatory instruments, policy frameworks and funding) available to Member States to do so. These tools can be effectively combined with national and regional policies to empower and support everyone in reaping the benefits and smoothly face off the challenges of demographic change.

### Decisive and concerted EU action to manage demographic change

The demography toolbox draws on experiences from across the EU and sets out a comprehensive approach to demographic change structured around four pillars:

- 1) support **parents** by better reconciling family aspirations and paid work, notably by ensuring access to quality childcare and good work-life balance;
- 2) supporting and empowering **younger generations** to thrive, develop their skills, facilitate their access to the labour market and to affordable housing;
- 3) empowering **older generations** and sustaining their welfare, through reforms combined with appropriate labour market and workplace policies;
- 4) where necessary, addressing labour shortages through managed legal **migration**, in full complementarity to harnessing talents from within the EU.

The toolbox recognises the need to take on board the territorial dimension of demographic shifts, specifically in regions that experience the phenomenon of population decline and a significant outward mobility of young workers ('brain drain').

#### Implementing the demography toolbox

The demography toolbox can help spur, fine-tune and better coordinate policies at the EU and national level. The Commission calls on Member States to develop and implement integrated policies to tackle demographic change and to mainstream demographic concerns into all policy areas.

Member States' policies should be grounded in the local realities as demographic challenges differ across Member States and regions. Gender equality, non-discrimination and intergenerational fairness must be at the heart of policy choices. Digital technologies can boost Europe's competitive edge and help offset the impacts of demographic change. Policy-makers should promote citizens' active participation in this effort and involve all players – social partners, civil society organisations, and others.

In addition to regulatory instruments and policy frameworks, a number of financing instruments are available at EU level to support Member States, such as the Recovery and Resilience Facility and the European Social Fund+ (ESF+).

Furthermore, with a view to enhancing the available tools to tackle demographic challenges, the Commission will:

- Reinforce the data and evidence base, notably by further developing the **Atlas of Demography**, by supporting Member States in enhancing their population and housing statistics and by supporting relevant analytical activities and research;
- Support the development and/or upgrading of demography-related policies at all levels, notably by making use of the **Technical Support Instrument** and by mainstreaming, where appropriate, demographic concerns in relevant policy proposals at EU level;
- Ensure that no region in the EU is left behind, notably by officially launching the **Harnessing Talent Platform** on 23-24 November 2023 and proceeding with further calls under the **Talent Booster Mechanism.**

### Demographic change is reshaping our economies and societies

According to a Eurobarometer survey on demography published today, 7 in 10 Europeans agree that demographic trends put at risk the EU's long-term economic prosperity and competitiveness. The most pressing demographic challenges are considered to be population ageing (42%) and the shrinking of the working-age population and labour shortages (40%).

In the coming years, in the absence of concerted and decisive action on these issues, the EU population may continue to shrink and age, having a negative impact on the EU's economy, society, and long-term competitiveness. If such trends do continue, they might exacerbate labour shortages and increase pressure on public budgets, while having a profound impact on investments and productivity.

Some Member States and regions are currently more affected than others: demographic change also affects the social, territorial, and intergenerational cohesion of our democratic societies, potentially worsening existing socio-economic rifts to the detriment of everyone.

## **Background**

Europe is undergoing a major demographic transformation. Demographic change has a profound impact on everyday life and requires holistic and integrated solutions.

The <u>June 2023 European Council conclusions</u> called on the Commission to put forward a toolbox to support Member States in addressing demographic challenges and their impact on Europe's competitive edge.

The Commission is already supporting Member States in their efforts to manage demographic change through a range of legal, policy and financial instruments. Today's Communication identifies the key reforms and investments needed, using all possible instruments in combination, to maintain the EU's competitive edge.

#### For more information

Link to the Communication 'Demographic change in Europe: a toolbox for action'

Link to Factsheet

Link to Flash Eurobarometer on demography

The impact of demographic change in Europe

IP/23/4807

#### Quotes:

Demographic change has a profound effect on our societies and economies: from falling birth-rates across our continent and as we move from an aging towards a longevity society. With demographic change becoming so tangible, there is a sense of urgency to act also on the European level so that it does not become an obstacle to the EU's economic growth and competitiveness! The toolbox that we are presenting today aims to empower all generations; its objective is to activate the right mix of skills and talents necessary for the needs on the labour market and the way we propose to do it is in synergy with Member States, by combining our EU level tools with national measures in order to make Europe longevity ready!

Dubravka Šuica, Vice-President for Democracy and Demography - 11/10/2023

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