

DEMOGRAPHIC DEBATE

Introduction by Commissioner Vladimír Špidla* to the four essays written in response to the communication on *The Demographic Future of Europe*

With its Communication on *The Demographic Future of Europe—From Challenge to Opportunity* adopted in October 2006 (COM 2006/571) the European Commission set a very positive tone. We underlined that demographic ageing is the inevitable consequence of developments that are fundamentally positive, in particular increased life expectancy and more choice over whether and when to have children. And we insisted on the need to shift the focus from challenges to opportunities. This document is meant to be a framework for action and an expression of confidence in our ability to tackle the demographic challenge.

I welcome the initiative of Vienna Institute for Demography to invite four renowned experts to present, in this 2007 *Vienna Yearbook of Population Research*, their views on the Commission's Communication on Europe's demographic future. I am well aware that this Communication is not the final word on the fundamental issues raised in it and there is much scope for advancing our knowledge and understanding of the drivers of demographic change and the scope for policy intervention. Policy makers cannot wait, though, until all the academic arguments have been settled. In general, action needs to be taken on the basis of incomplete information at the risk of making mistakes—but doing nothing might be an even greater mistake!

Our aim with the Communication was to make sure that policy makers across the EU are fully aware of the fact that we have a relatively short window of opportunity to take action. Although the population of working age is beginning to decline, we can still expect rising employment over the next ten years, thanks

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to rising labour force participation. Thereafter, the EU's growth potential could be significantly reduced by a declining labour force.

The successful and timely implementation of the Lisbon Strategy for Growth and Jobs is the cornerstone of our immediate policy response to ageing. However, the Commission also took the view that we could not just respond to the—inevitable—ageing of our societies, but that we also have some influence on our demographic destiny. This is of course a most controversial subject. Politicians cannot order people to have more babies and immigration flows cannot be engineered to obtain a more desirable population size and structure. Not surprisingly, the experts invited to present their views on our Communication take a very critical look at these aspects.

Many EU countries are increasingly concerned about low birth rates. The fertility rate for the EU as a whole is about 1.5 children per woman, well below the estimated replacement level of 2.1. Moreover, this EU average hides significant differences between Member States, some of which are actually looking forward to more or less stable population development, while others (with fertility rates of 1.3 children or less) face dramatic population decreases. Can we do something about it? Certainly not if Europeans do not want to have children any more or far fewer than in the past! In our free societies, there is only scope for policies to increase birth rates if people would like to have (more) children but are being held back by unfavourable economic or social conditions for families. I believe it is not a coincidence that, today, birth rates are highest in countries that offer the best conditions for families and in particular for reconciling work and private life. But even if better support policies for parents did not have an impact on birth rates there would be good reasons for pursuing them for the greater welfare of parents and of children.

The good news is that modern forms of family support, and by this I mean measures that break with the traditional male breadwinner model, are beneficial for promoting gender equality, for raising the living standards of families and for higher birth rates. The emphasis has to be more and more on facilitating the reconciliation of work and private life. If such reconciliation is not possible, people will have to choose between career and family, and in most cases it is women who have to make sacrifices. Today, it is the countries in which women can pursue a career *and* raise children which tend to have the highest birth rates; not above the estimated replacement level of 2.1, but, in combination with moderate immigration, generally high enough to avoid population decline.

Can we be sure that modernisation of our family support policies will bring about results in terms of higher birth rates? No. However, because of the wider benefits in terms of gender equality, female employment rates and the welfare of families and children, and because the fight against intergenerational transmission of poverty starts in early childhood, we cannot go wrong with such reforms. Obviously, the Commission cannot prescribe Member States how to reform their family policies. But there is considerable scope for mutual learning and, for this

reason, the European Council decided in March 2007 to call for the establishment of a European Alliance for Families as a platform for the exchange of experiences. The Commission presented its views on how to support the Member States in their efforts to modernise family policies in its Communication on *Promoting solidarity between the generations* (COM(2007) 244).

The Communication on Europe's demographic future also argued that European labour markets will need both high and low skilled migrants. Being an attractive destination for migrants is more often seen as an inconvenience and, indeed, many of our fellow citizens fear that Europe might be swamped by immigrants from poor countries, making it impossible to ensure their successful integration into our societies. However, this attractiveness is first and foremost the result of the high economic performance and good living standards that we enjoy, and it is a great opportunity for Europe and our potential for future economic development. On 23 October 2007, the Commission adopted two legislative proposals in the area of economic migration. The first proposal aims at establishing a common framework for the admission of highly qualified migrants to the EU, creating the EU Blue Card. The second proposal is for a directive establishing a single application procedure for a residence and work permit and a common set of rights for third-country workers legally residing in a Member State.

The integration of highly skilled migrants generally does not pose major problems. By contrast one of the biggest challenges that many EU Member States will have to face is the integration of the many unskilled migrants of the past and their children and even grandchildren. Many of these children grow up in poverty and do significantly less well at school than native students, as the OECD's PISA study found out. Thus they grow up with poor opportunities for a good education and career and might well pass on these disadvantages to the next generation. This is a major challenge, but it would be totally unrealistic to try to postpone any further immigration until we have tackled it. Tight borders are simply not possible. Moreover, allowing in more skilled migrants would show the benefits of immigration and hopefully also result in a more positive attitude towards all immigrants.

So my firm belief is that, up to a point, we can take our demographic destinies in our own hands. It remains to be seen how successful this will be and, clearly, we still have a lot to investigate and learn. A continuous exchange between researchers and policy makers will be crucial and this section of the *Vienna Yearbook of Population Research* is part of this dialogue.