



Committee of the Regions

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OPINION

The EU response to the demographic challenge

THE EUROPEAN COMMITTEE OF THE REGIONS

- states that demographic change is one of the major challenges facing the European Union. Its factors include an ageing population, a decline in the number of young people, and a lower birth rate;
- considers that the demographic change that Europe is experiencing is on such a large scale that if it is to be tackled, strong vertical cooperation initiatives are also required, which back up action taken at regional and local level by means of measures designed at national and supra-national level;
- indicates that cohesion policy should play a more vigorous role in tackling demographic challenges, in accordance with the explicit mandate of Article 174 TFEU. This Article stipulates that "particular attention shall be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and island, cross-border and mountain regions." Similarly, Article 175 TFEU stipulates that the objectives set out in the preceding article must be taken into account when formulating and implementing the Union's policies and actions; that their achievement must be supported by the Structural Funds, the EIB and other financial instruments. It adds that other specific actions might prove necessary. To date, however, these provisions have not been sufficiently implemented, while positive action measures corresponding to demographic handicaps have not been adopted;
- believes that the EU's response to demographic change should be broad, coordinated and integrated, as this is a cross-cutting issue. A European strategy on demographic change is needed, which will bring all policies – cohesion, innovation, transport, health, society and employment, ITC, rural development, emigration, etc. – more into tune with this issue. This strategy should have a firm basis in common EU values, equal treatment and human rights. A strategic approach should also involve cost-analysis and projections at national, regional and local level;
- recommends that the Europe 2020 strategy should be more attentive to local and regional demographic challenges, by means of a flagship initiative on demographic issues;
- emphasises the link that must exist between demographic change and the European Semester, and stresses the fact that the latter must have a territorial dimension.

Rapporteur

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Opinion of the European Committee of the Regions – The EU response to the demographic challenge

I. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

The demographic challenges facing the EU

1. **states** that demographic change is one of the major challenges facing the European Union. Its factors include an ageing population, a decline in the number of young people, and a lower birth rate. This means that demographic growth largely depends on migration, which varies widely between different regions of the EU. Imbalances are creating various challenges, both in areas suffering from depopulation and in major urban centres that are experiencing a population influx;
2. **considers**, however, that the contribution made by migration is only a short-term solution and will not be enough to resolve the problem of the falling birth rate. While migration provides more labour in the immediate term, it also increases the adult section of the population present in the EU and does not resolve the problem of the falling birth rate and the general ageing of that population;
3. **points out** that since 2000, Europe's population growth (around 0.5% per year) has been very modest in comparison to the preceding 50 years. The population of 12 Member States shrank in 2014, while it grew in 16. There are major differences between eastern and western Europe and, albeit to a lesser extent, between the north and south. Regional disparities are frequently seen even within single Member States. In particular, the overall pattern is that urban areas have more growth than rural areas in most European countries. Remote rural areas right across the continent are facing demographic challenges. The recent economic crisis has aggravated these divergent trends at both European and national level, as well as the challenges of population loss at regional level;
4. **stresses** the need to take into account the projections to 2060 contained in the 2015 Ageing Report. The interplay of fertility, life expectancy and migration means that major shifts in the age structure of the EU population are to be expected. The ratio of the active to dependent population will move from 4 to 1 to around 2 to 1. Europe will not only be older in 2060; its population will also be very unequally distributed. The projections suggest major disparities between and within the Member States, with population loss in about half of them and population growth in the other half;
5. **draws attention** to the enormous economic, social, fiscal and environmental impact – at national, regional and local level – of demographic change. It affects the sustainability of pension systems and health systems and dictates the evolution of the welfare state, most powerfully due to the pressure on health care systems and social care services for the elderly and dependent persons. It also affects the development of the various regions of the EU and the maintenance of traditional ecosystems and infrastructure. The Committee points to the risks of depopulation of certain areas of the EU. Remote areas, for example, face specific geographic and demographic challenges due

to mobility limitations. And while the characteristics of some areas or regions will mean that these changes will affect them later or to a lesser extent, it is indisputable that the effects will be felt across the entire EU;

6. **underlines** that these factors should be examined in the context of worldwide demographic change. In this respect, it warmly commends the OECD's efforts to gather comparative population data at local and regional level, enabling the context of demographic challenges to be understood more broadly, beyond their European dimension. Valid tools for understanding demographic challenges and gathering data on demographic changes could be demographic maps at EU level, meaning digital tools used for data mining and for mapping demographic indicators through GIS – geographic information system;

Regions' and cities' responses to demographic challenges

7. **notes** the various ways in which regions and cities are responding to demographic challenges:
 - Measures to promote production and employment, essential to tackle both increases and falls in population.
 - Policies to support families as well as measures to balance work and family life, which can contribute to achieving higher birth rates.
 - Through policies aimed at maintaining educational establishments in rural areas that are isolated.
 - Actions to make it easier for young people to become autonomous and remain in their home region, matching qualifications with the needs of the labour market.
 - Launching initiatives for the return of emigrants and the recovery of talent.
 - Ensuring equal opportunities for women and men, and improving the integration of immigrants.
 - Adapting health and social services to an ageing population, with particular focus on supporting independent living, on improving prevention and on coordination between services, in a climate of reduced resources and increasing demand.
 - Adapting towns and cities to make them more liveable, particularly for the elderly and dependant people.
 - Adapting transport policies and further specific measures to ensure mobility and increase interconnectivity in and among all regions, with innovative approaches such as "transport on demand";
8. **encourages** European regions and cities to continue to address these problems, and also to seize the opportunities associated with demographic change, such as those related to the "silver economy" for businesses and entities that devise and provide innovative products and services for older people, especially as it is precisely this potential that is exploited in the areas most affected by demographic change. Challenges also provide an opportunity to boost investment in human capital, to make better use of local resources, to institute more effective and efficient public services, and to come up with new ways to improve everyone's quality of life. The aim is to improve quality of life but also well-being, intended as the three-dimensional state of physical,

mental and social well-being. Opportunities related to demographic change are also employment opportunities connected with services for the elderly (physical, digital, healthy lifestyles, etc.);

9. stresses the importance of the fact that the adjustments to service structures needed in regions with a shrinking population can be carried out in such a way that those who remain in these regions, who are often older people, have access to services in accordance with their basic rights. This will mean developing forms of service provision through vertical cooperation and initiatives between different levels and so ensuring that the local and regional level have the resources they need to adapt to demographic change;
10. **is committed** to continuing to support the European Covenant for Demographic Change initiative launched by AGE Platform Europe in close cooperation with WHO Europe and built on the AFE-INNOVNET project, a platform for local and regional authorities to promote the creation of environments designed for older people in areas such as health, social services, housing, information and communication technologies, and urban policy and mobility;
11. **underlines** the importance of European municipalities and regions as key actors in the implementation of European policies tackling the demographic challenge, in particular in setting up initiatives that build on diversity and promote an intercultural society. It is also necessary to work on the design of regional and local strategies to support the establishment of links between R&D centres, businesses and public bodies, promote business incubators, foster rural tourism, etc. in order to generate employment, with a view to making them more attractive to the working age population;
12. **highlights** the importance of cross-cutting cooperation in relation to demographic change. Territorial cooperation programmes have occasionally been geared towards this objective, particularly in response to ageing, the decline in rural areas, and (to a much lesser extent) aspects related to birth rates in connection with demographic change. The CoR welcomes frameworks for reflection and sharing best practices in this area, such as the Demographic Change Regions Network (DCRN), which has created an environment conducive to formulating joint initiatives and responses;
13. **considers** that the demographic change that Europe is experiencing is on such a large scale that if it is to be tackled, strong vertical cooperation initiatives are also required, which back up action taken at regional and local level by means of measures designed at national and supra-national level;

The EU's current response to demographic challenges

14. **notes** that the EU's current response to demographic challenges is limited and is poorly developed. It is limited because it focuses almost exclusively on ageing, while insufficient attention has been paid to other aspects such as low birth rates or population loss due to socio-economic reasons, and to transport, mobility and emigration issues. It is poorly developed because many policies that could help address demographic challenges are not specifically geared to this end;

15. **points out** that the majority of initiatives to manage demographic challenges – almost always focused on ageing – have been driven by innovation and research policies. The flagship Innovation Union initiative under the Europe 2020 strategy has given rise to the European Innovation Partnership on Active and Healthy Ageing. The third pillar of the Horizon 2020 programme considers demographic change as a societal challenge. The More Years, Better Lives JPI, the KIC on Innovation for Healthy Living and Active Ageing, and the Ambient Assisted Living programme are other examples;
16. **emphasises** that the "second pillar" of the common agricultural policy (CAP), which deals with rural development, helps to tackle demographic challenges. During the 2014-2020 programming period, efforts are being focused on encouraging "the development of services and infrastructure leading to social inclusion and reversing trends of social and economic decline and depopulation of rural areas". The ageing of the population is a major concern in rural areas, which is why the CAP is promoting generational renewal and women's employment;
17. **indicates** that cohesion policy should play a more vigorous role in tackling demographic challenges, in accordance with the explicit mandate of Article 174 TFEU. This Article stipulates that "particular attention shall be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and island, cross-border and mountain regions." Similarly, Article 175 TFEU stipulates that the objectives set out in the preceding article must be taken into account when formulating and implementing the Union's policies and actions; that their achievement must be supported by the Structural Funds, the EIB and other financial instruments. It adds that other specific actions might prove necessary. To date, however, these provisions have not been sufficiently implemented, while positive action measures corresponding to demographic handicaps have not been adopted;
18. **regrets** that many European policies that could contribute to tackling demographic challenges do not contain specific measures to assist areas affected by these challenges. This is true of policies relating to transport, the information society, employment and social policy, the environment and climate, business, etc.;
19. **regrets** that more attention is not paid to demographic problems under the European Semester, as it has hitherto considered only the effects of ageing on the sustainability of Member States' budgets. In particular, more sensitivity is needed to local and regional concerns, both in terms of evaluation and when formulating recommendations for Member States;

A fitting EU response to demographic challenges

20. **believes** that the EU's response to demographic change should be broad, coordinated and integrated, as this is a cross-cutting issue. A European strategy on demographic change is needed, which will bring all policies – cohesion, innovation, transport, health, society and employment, ITC, rural development, emigration, etc. – more into tune with this issue. This strategy should have a firm basis in common EU values, equal treatment and human rights. A strategic approach should also involve cost-analysis and projections at national, regional and local level;

21. **recalls** that the European Parliament, in its resolution of 9 September 2015 on the Report on the implementation, results and overall assessment of the 2012 European Year for Active Ageing and Solidarity between Generations¹, called on the Commission "to adopt an EU Strategy on Demographic Change to coordinate EU action in various areas in order to ensure synergies and maximise their positive impact on Europe's citizens, economy and job creation, as well as protect the human rights of older persons in all EU policies";
22. **considers** that such a strategy should prioritise the creation of life sustaining and creating opportunities to help to attract and retain young people in all regions and to foster balanced growth between densely populated areas, areas experiencing population loss and thinly populated areas, focusing on the provision of high quality public services for all citizens. It should also promote family-friendly policies, in particular measures to remove barriers that discourage parenthood; increase the birth rate; incorporate a gender-related perspective; encourage independent living for older people; increase healthy life expectancy and reduce dependency; combat the social exclusion faced by some of the population and promote renewed efforts to support the recognition of unpaid domestic work and the implementation of policies to balance work and family life;
23. **indicates** that a future European strategy should involve society as a whole and give due consideration to the role of regional and local government in combating demographic change, promote mutual exchange of best practice and encourage approaches based on prevention and early intervention;
24. **is committed** to highlighting the importance of a response at European level to demographic challenges via the ESPAS system, a platform for political planning involving the various EU institutions and bodies. The platform could exploit the experience of many networks at EU level which deal with healthy ageing issues, such as the WHO Healthy Ageing Task Force, the Age-Friendly Cities Network, European Covenant on Demographic Change, the AFE-INNOVNET, AGE Platform Europe;
25. **insists** that all EU policies and measures should take demographic challenges into consideration and set out ways to deal with them. The EU should seek to mainstream demographic considerations across all policy areas. The EU should also consider this when drawing up future multi-annual financial frameworks, should include budget headings that aim to enable the further development of these policies and measures, and should set up priority measures for regions that are particularly affected by the consequences of demographic change. Reference should be made here to the NUTS 3 classification system;
26. **underlines** that demographic change is affecting mobility in demographically challenged regions, particularly rural areas close to major urban areas experiencing a population influx, and reiterates its call for a Green Paper on the issue²;

¹ 2014/2255(INI), point 41.

² CDR 1691/2014: Mobility in geographically and demographically challenged regions.

27. **considers** that the EU should support immigration policies in the Member States, mainly based on employment, which can temper the negative demographic trends mentioned above and points to the need for a long-term vision for the integration of migrants, thereby helping to develop an intercultural society that respects fundamental European values. To this effect, the important role of local and regional authorities is highlighted, and they must be fully empowered to successfully implement integration policies on the ground, including in small rural municipalities;
28. **points out** that ageing demographics and combined public funding pressures mean that local authorities will have to prepare for an ageing workforce, plan for large numbers of people to retire over the next few years, and ensure that they can attract sufficient young, skilled professionals. The recruitment and retention of younger people and of returning emigrants and older people requires more attention at all levels of government;
29. **considers** that cohesion policy should have a strong focus on tackling the demographic challenge. This is an issue that should be emphasised in discussions on the future of the "post-2020 policy" and that should influence its scope, approach and future implementation mechanisms so as to enable the strengths of each region to be harnessed and barriers (including demographic barriers) to their balanced development to be overcome. It regrets that this aspect has not hitherto been sufficiently developed, despite the fact that the Treaty of Lisbon incorporated a territorial dimension into this policy;
30. **considers** that housing and planning services delivered by regional and local authorities must also take into account the housing needs of elderly people, respecting, as far as possible, their wish to remain in their familiar environment, and having a role in relation to modification or adaptation of existing accommodation, promoting the development of inclusive design in construction practice or carrying out social housing projects when available resources permit;
31. **calls on** the European institutions to provide a precise definition of the term "severe and permanent demographic handicaps" in Article 174 TFEU. And also calls on the EU to develop statistical indicators at an appropriate level to back up this definition;
32. **recalls** that the CoR opinion on "Indicators for territorial development – GDP and beyond"³ notes that GDP is not an accurate measure of a society's ability to tackle issues that concern it, such as demographic change, and calls for the establishment of international, national, local and regional indices to measure progress beyond GDP. In view of this, if it is decided to consider other indicators in addition to GDP, it would also be useful to explore introducing indicators which can assess the demographic situation of a country, region or specific area;
33. also **calls for** cohesion policy to provide specific instruments for areas that are most affected by demographic challenges, such as a higher weighting for demographic criteria in the method used for allocating funding or greater flexibility with regard to co-financing rates or choosing thematic objectives. Reiterates, in this regard, what was stated in its opinion on "The demographic future

³ CDR 4287/2015.

of Europe", that is, that support for regions experiencing the most difficulties is "an appropriate way of tackling demographic change throughout Europe"⁴;

34. **stresses** that the European Regional Development Fund can help areas with high levels of ageing, rurality and population outflow to improve their transport, telecommunications and tourism infrastructure, bridge the digital divide, and enjoy better public services and support the adaptation of housing and residential accommodation, among other goals;
35. **considers** that the European Social Fund can play a very important role in relation to training young people, stopping so many of them leaving, and making it easier for them to return to their place of origin. It can also help to promote women's employability, foster a better balance between work and family life, and combat the social exclusion of the elderly;
36. **considers** it essential to enhance cooperation between regional and local actors on issues related to demographic change. It therefore suggests that the European territorial cooperation programme should include the option – at cross-border level as well as at transnational and inter-regional level – of forming consortia to work together to solve demographic challenges;
37. **underlines**, with regard to transport policy, the importance of not isolating demographically less active areas, as well as regions suffering from severe natural or demographic handicaps, so as to stop these areas – which are often rural, peripheral, mountainous and remote – from being further excluded;
38. notes that the CoR opinion on Mobility in geographically and demographically challenged regions⁵ states that challenged regions fulfil essential tasks for the balanced development of the EU notably through access to raw materials, agriculture, fisheries, environmental protection, tourism, cross-border relations and leisure opportunities. Improved transport links both within these regions and with the rest of the EU should therefore be an essential component of both the EU's Cohesion Policy and the EU's mobility policies, not only for passengers but also for freight. Promoting greater economic growth in challenged regions would contribute to the effective functioning of the internal market and the territorial cohesion of the Union as a whole;
39. **stresses** the key role that information and communication technologies and intelligent environments can play in improving living conditions in areas most affected by demographic challenges. In this respect, calls on the EU to consider the digital divide affecting many of these areas;
40. **urges** the European institutions to acknowledge – in policies relating to the environment and the fight against climate change – the key role of many rural and sparsely populated areas, as well as areas with highly dispersed populations, in maintaining the rural environment, biodiversity and landscapes;

⁴ CDR 341/2006 fin, point 26.

⁵ CDR -2014-01691.

41. **encourages** the CAP to continue to incorporate measures to foster generational renewal in rural areas, promote female employment and enhance economic diversification and insists on the need to improve the methodology of Leader, increasing the participation of stakeholders from rural areas as well as drawing up and implementing integrated development strategies;
42. **calls on** potential demographic effects to be included in the Better Regulation programme's impact assessments, undertaken prior to any legislative initiative;
43. **considers** that the European Fund for Strategic Investments (EFSI) has the potential to be an important tool for promoting investment in EU priority areas such as energy, transport, intermodal logistics, tourism, culture, information and communication technology, research and innovation, SMEs, education, health, environmental efficiency, social infrastructure and the social and solidarity economy, as stated in article 9 of the Regulation on the EFSI⁶. It would be desirable for the EFSI to also benefit regions with lower demographic trends, thus helping to prevent regional divisions;
44. **recommends** that the Europe 2020 strategy should be more attentive to local and regional demographic challenges, by means of a flagship initiative on demographic issues. Is committed to including a specific mention of the approach to demographic issues in the Europe 2020 Monitoring Platform;
45. **emphasises** the link that must exist between demographic change and the European Semester, and stresses the fact that the latter must have a territorial dimension. Local and regional authorities should be active participants in measures taken under the European Semester to tackle demographic challenges, and recommendations made to Member States to address these challenges should take local and regional authorities into account;
46. considers that ageing, while undoubtedly a challenge, is also an achievement in the sense that advances of all kinds by European society are an opportunity for cohesion, employment and progress;
47. **concludes** that as the EU moves towards a scenario as described above, it is essential to continue to raise awareness at all levels of the significance of demographic challenges and to take steps in the right direction on the basis of existing tools.

⁶

Regulation (EU) 2015/1017 of 25 June 2015.

Brussels, 16 June 2016

The President
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II. PROCEDURE

Title	Own-initiative opinion on The EU response to the demographic challenge
References	Not applicable
Legal basis	Not applicable
Procedural basis	Own-initiative opinion (Rule 41(b)(ii) of the Rules of Procedure)
Date of Commission letter	Not applicable
Date of Bureau/President's decision	12 October 2015
Commission responsible	Commission for Social Policy, Education, Employment, Research and Culture (SEDEC)
Rapporteur	Juan Vicente Herrera Campo (ES/EPP)
Analysis	January 2015
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Previous Committee opinions	<ul style="list-style-type: none">– <i>The demographic future of Europe</i> CDR 341/2006– <i>Ageing well in the information society</i> CDR 84/2007– <i>Dealing with the impact of an ageing population in the EU (2009 Ageing Report)</i> CDR 212/2009– <i>Active ageing: Innovation – smart health – better lives</i> CDR 56/2012– <i>Age-friendly tourism</i> CDR 3637/2015
Date of subsidiarity monitoring consultation	Not applicable