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**Demography Update 2010**



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Directorate-General for Employment, Social Affairs and Inclusion and Eurostat

COMMISSION STAFF WORKING DOCUMENT

# Demography Update

EXECUTIVE SUMMARY

2010

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Part II (Borderless Europeans): DG EMPL (Ettore Marchetti)

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The Update could not have been prepared without contributions from

- Giampaolo Lanzieri (Eurostat) for his populations projections by foreign background;
- the organisations Gallup<sup>(1)</sup> and Clandestino<sup>(2)</sup>, for data on migration intentions and irregular migration;
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- members of the Demography Expert Group, who provided feedback on the country summaries.

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<sup>(1)</sup> <http://www.gallup.com/>

<sup>(2)</sup> <http://clandestino.eliamep.gr/>

<sup>(3)</sup> <http://www.nidi.knaw.nl/smartsite.dws?lang=NL&ch=NID&id=2807>

<sup>(4)</sup> <http://www.oeaw.ac.at/vid/>

<sup>(5)</sup> <http://www.demogr.mpg.de/>

Any remaining errors or omissions are the sole responsibility of the authors in the European Commission.



# SUMMARY

Since the last 2008 Demography Report was published in 2008, the EU population has passed the 500 million mark while continuing to develop along lines that were already discernible two years ago. The EU's demographic picture has become clearer: growth is fuelled mainly by immigration, whereas the population is becoming older and more diverse. The impact of the economic crisis is still difficult to assess.

In its October 2006 Communication entitled 'The Demographic Future of Europe — from Challenge to Opportunity'<sup>(6)</sup>, the Commission presented its views on the demographic challenges the EU was facing and on options for tackling them. The Communication expressed confidence in Europe's ability to cope with demographic change and an ageing population in particular, but also stressed the need to act in five key policy areas: demographic renewal, employment, productivity, integration of migrants and sustainable public finances.

This third Demographic Report aims to provide the latest facts and figures that are needed for an informed debate on these issues. In addition to the EU-level overview, data are provided as far as possible for each EU-27 Member State, enabling policy makers and stakeholders to compare their own country's situation with that of other Member States, to understand the specific characteristics of their country and, possibly, to identify other countries that could provide interesting experiences from which to learn.

This year the report is a joint undertaking between the Directorate General for 'Employment, social affairs and inclusion' and Eurostat, and draws on Eurostat's experience in demographic analysis. It consists of two parts, a short annex on migration in the recession and a country annex.

Part I looks at historical and recent trends in fertility, life expectancy and migration - the three drivers of population change. It includes a review of population structure by age and family composition.

Part II explores an increasingly important phenomenon that was identified in a recent Eurobarometer survey: the increasing number of European citizens who seek opportunities across national borders for study, work, life experience and inspiration, resulting in different forms of international connectedness across national borders.

## 1. MORE, OLDER AND MORE DIVERSE EUROPEANS

### 1.1. New patterns lead to slight increases in fertility

Gradual but nonetheless major changes are affecting the population of Europe. Two main positive trends are emerging: a slight increase in fertility and greater life expectancy. Lowest-low fertility – below 1.3 children per woman – has ended in all Member State and the most recent figure for EU-27 was 1.6 and could rise to over 1.7 if adjustments for the postponement of births (the so-called 'tempo effect') are taken into account. This small adjustment does not make up for the shortfall in relation to the replacement

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<sup>(6)</sup> COM(2006) 571, adopted on 12 October 2006.

ratio of 2.1, but it could contribute to a slower rate of population decline in the medium/longer term, in conjunction with a possible increase in fertility as EU Member States become wealthier.

The modest increase in fertility results from somewhat new family building patterns: countries with fewer marriages, more cohabitation, more divorces and an older average age of women at childbirth tend to have higher fertility rates. Changing social perceptions of the role of marriage and greater fragility of relationships have resulted in more extramarital births, including to lone parents, or in childlessness.

The impact of family policies on these trends is difficult to assess since cultural factors play an important role. However, the data suggest that postponement of childbearing to a later age is accompanied in some countries (France, Denmark, Finland and the Netherlands for instance) by higher fertility rates and relatively generous public support for parents. At the other end of the scale, in countries such as Romania, Slovakia and Hungary, a lower age at childbirth is not associated with a high fertility rate.. This would also be consistent with the first indications that fertility rises again with wealth, after decades of decaying fertility as countries grew richer. The emerging evidence reinforces the case for having better policies that can help parents to cope with the constraints of a modern society.

## 1.2. An "ageing" population structure

Although it is difficult to predict the impact of policies, an analysis of the impact of changes in population structure is more straightforward. Low fertility rates are only one side of the coin, the other being a decline in the number of deaths or, in more positive terms, an increase in life expectancy. In 2009, the median age of the population was 40.6, and it is projected to reach 47.9 years by 2060.

The EUROPOP2008 projections prepared by Eurostat and presented in the previous Demography Report indicate that by 2014 the working age population (20-64) will start to shrink, as the large baby-boom cohorts born immediately after World War II are now entering their sixties and retiring. The number of people aged 60 and above in the EU is now rising by more than two million every year, roughly twice the rate observed until about three years ago. The working population is also ageing, as the proportion of older workers in employment increases compared to the cohorts made up of younger workers. Every year about 5 million children are born in the EU-27 and over 2 million people immigrate from third countries. Births outnumber deaths by several hundred thousand persons each year, whereas net migration is well over a million. As a result, migration accounts for the largest proportion of the EU's population growth.

In 2008 life expectancy for the EU-27 was 76.4 for men and 82.4 for women. Differences among Member States are still very significant, ranging from almost 13 years for men to 8 for women. Infant mortality in 2009 was also still relatively high in some countries like Romania (10.1 ‰) and Bulgaria (9.0 ‰), even though a reduction of about 50% for EU-27 has been achieved over the last 15 years. Socio-economic status appears to play a major role, especially in some Central European countries. Consequently, by improving the life expectancy of disadvantaged groups, a general increase in overall life expectancy is also to be expected.



A possible development is the improvement in healthy life expectancy by delaying the stage at which physical condition starts to deteriorate rapidly, thereby postponing death to a later age. More evidence and analysis is required on this important subject.

Policies which address the ageing of the population and the work force focus on enabling older workers to remain active and productive for a longer proportion of their life span. One of the benefits of an ageing population is that it offers more opportunities for flexible arrangements during the life course. A longer active life allows for extended or recurring periods in education; greater working-time flexibility during the intense years when childbearing and career commitments coincide; occasional career breaks when it becomes necessary to take care of family members; and productive retirement through volunteering and general engagement in the civil society.

### 1.3. Europe on the move

Migration, especially from non-EU countries, could provide a (temporary) respite from population ageing, since most people migrate primarily as young adults (aged 25-34). As young cohorts of foreigners feed progressively into the older national cohorts, the total population is rejuvenated and diversity increases. Unprecedented levels of immigration both from third countries and within the EU-27 (intra-EU mobility) over the past decade have substantially increased the proportion of European inhabitants who do not live in their own native country or culture.

EU-27 Member States are host to some 20 million non-EU-nationals. A further 10 million EU nationals are living in another Member State, and about 5 million non-nationals have acquired EU citizenship since 2001. As most migrants are relatively young and have arrived quite recently, they contribute to the size of the EU-27 labour force. In the future, the labour force will increasingly include people with a migration background. Among EU nationals, in addition to the approximately 8% of foreign-born<sup>(7)</sup> people residing in the EU, a further 5% have at least one foreign-born parent, and this category will continue to grow. By 2060, persons of all nationalities with at least one foreign-born parent are expected to account for close to a third of the EU-27 population. An even larger percentage of the work-force will be of foreign descent.

These trends imply that additional efforts are needed to ensure that immigrants have the opportunity to integrate into their host society and, crucially, to enable them to contribute to the labour market by making full use of their education. A mobile population can be seen as an asset to the host countries. As more people seek experience abroad, they can contribute to a more efficient and productive economy, while also enhancing their personal skills.

## 2. AN INCREASINGLY DIVERSE AND MOBILE EU POPULATION

As the flows of migration from non-EU countries and mobility between Member States have intensified, a growing proportion of the working-age population (15% in 2008) was either born abroad or has at least one parent who was born abroad.

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<sup>(7)</sup> Here foreign-born includes those who were born in a different Member State than the one in which they reside.

Changing patterns of migration and mobility in Europe are making national sentiments and feelings about belonging to a particular nation more diffuse and complex, especially in the case of mobility between EU Member States. Although traditional long-term, employment-driven, male-dominated migration still takes place, other forms of migration and mobility are emerging. Mobility flows have also changed: some of the major traditional emigration Member States have become poles of attraction for migrants.

Large-scale migration and mixing of cultures are clearly not new phenomena in the history of the EU. Past flows have had a different impact on the size and structure of the population in most EU-27 Member States, and they have contributed to a more European outlook among its citizens. Immigrants often want to maintain a close attachment to their country of origin, but these linkages tend to weaken over time.

The integration of immigrants across generations occurs rather rapidly. In most countries with a substantial proportion of second-generation immigrants, these fare far better in education and on the labour market than first-generation immigrants and almost as well as those of no foreign descent; this applies to descendants of mobile people from other Member States and of immigrants from non-EU countries. Nevertheless, even after three generations – the time it usually takes for full integration – descendants of migrants maintain some attachment to the countries of their ancestors, through their knowledge of foreign languages, for example.

Alongside traditional migration and mobility, new forms of mobility are taking place. People are moving abroad for shorter periods, mainly to other Member States, to seek work, pursue their education or other life opportunities. These mobile people tend to be well-educated young adults, towards the higher end of the occupational scale. Increasingly, this form of mobility is based on personal preferences and life choices, and not only on economic opportunities. The increased propensity to be mobile could be of great benefit to the EU by enabling a better matching of skills and language ability with job opportunities. The results of a Eurobarometer survey <sup>(8)</sup> point to the presence of a diverse, growing number of mobile young people characterised by a common interest in looking beyond national borders.

The Eurobarometer survey also indicates that around one in five of the EU-27 respondents has either worked or studied in another country at some point, lived with a partner from another country or owns a property abroad. Half of these respondents have ties to other countries by ancestry; the other half are most often young and well educated and consciously making a life choice that brings them into contact with other countries. They share a strong willingness, if not propensity, to move abroad, up to four times greater than those who do not have any connections with another country. Given that this phenomenon is likely to become even more important in the future, policy makers may want to consider its implications in planning for the socio-economic future of the European population.

### 3. DEMOGRAPHIC POLICY IN THE RECESSION

Before the economic recession, EU Member States' commitment to implementing the policy goals in the Lisbon agenda had begun to show results in the form of employment for young people, women, older workers

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<sup>(8)</sup> Eurobarometer EBS 346 at [http://ec.europa.eu/public\\_opinion/archives/ebs/ebs\\_346\\_en.pdf](http://ec.europa.eu/public_opinion/archives/ebs/ebs_346_en.pdf)

and migrants. When the recession struck, the first groups to be affected were younger people and immigrants. Governments faced increasing difficulties in balancing support for families, consolidation of budgets, assistance for young people and immigrants in a shrinking labour market, and funding for retirement schemes.

It is too early to draw any firm conclusions about the effect of the crisis on fertility and life expectancy. Recent experience with past recessions indicates that both fertility and mortality may initially decrease slightly, only to return to their pre-recession levels shortly after the crisis has ended.

New Eurostat data on residence permits throws light on the reasons for migration from non-EU countries. The available data show that the decline in migration is largely due to a reduction in migration for employment and family reasons, while the number of residence permits issued for education and other reasons increased slightly from 2008 to 2009.

#### 4. WHAT IS BEING DONE

In June 2010 the European Council adopted the new 10-year Europe 2020 strategy for more jobs and smart, sustainable and inclusive growth<sup>(9)</sup>. The strategy sets out to reorientate existing policies from crisis management to medium- and longer-term goals to promote growth and employment and ensure the future sustainability of public finances. The latter is a precondition for sustainable social cohesion in the EU.

The recession has not diminished the commitment of Member States to respond to the demographic challenge; on the contrary, the commitment appears to have been reinforced. The strategy adopted in addressing demographic change seems to dovetail with the overall thrust of the new Europe 2020 strategy. In the wake of the recession, and despite the bleak outlook for public finances, the European Commission is convinced that the demographic dimension deserves to be taken fully into account by Member States when they are formulating their exit strategies from the current recession.

The need to mobilise the EU's demographic potential was already highlighted in October 2006 in the Commission Communication on Europe's Demographic Future<sup>(10)</sup>. This Communication suggested that the problem of low fertility should be addressed by creating better conditions for families to deal with the problem of a shrinking labour force by raising employment rates and productivity levels, by relying on immigration and better integration and, finally, by preserving the ability to meet the future needs of an ageing society by creating sustainable public finances. Member States are responsible for deciding how they realise their potential. The Communication highlighted the type of support that the EU can offer to Member States in terms of existing policy coordination. At the request of the Member States, and with the support of the European Parliament, this process is complemented by the activities organised under the umbrella of the European

<sup>(9)</sup> [http://ec.europa.eu/europe2020/index\\_en.htm](http://ec.europa.eu/europe2020/index_en.htm)

<sup>(10)</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2006:0571:FIN:EN:PDF>.

Alliance for Families <sup>(11)</sup> and the planned European Year 2012 for Active Ageing <sup>(12)</sup>.

The success of the strategy hinges largely on the EU's ability to face up to the major demographic transformations of this coming decade.

Europe's future depends to a great extent on its capacity to tap the strong potential of the two fastest growing segments in its population: older people and immigrants. Three policy areas appear crucial to boost economic growth and achieve greater social cohesion:

- The promotion of active ageing: older people, and in particular ageing baby-boomers, can look forward to many more years of healthy life, and they possess valuable skills and experience. More opportunities for active ageing will allow them to continue to contribute to society, even after retirement.
- The integration of migrants and their descendants: this is crucial for Europe because migrants will make up an even larger share of Europe's labour force. The low employment rate of migrants is both socially and financially unaffordable.
- The reconciliation of paid work and family commitments: people with caring responsibilities still lack adequate support and suitable arrangements for combining their different responsibilities. As a result, economic growth is hampered because too many people are not able to exploit their high level of skills and education on the labour market. Women are particularly affected because of the persistent gender-employment and pay gaps.

At the same time, Europe needs to find ways of maintaining greater productivity while preparing for increasing levels of ageing-related expenditure, despite the demise of public finances as a result of the recession.

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<sup>(11)</sup> [http://ec.europa.eu/employment\\_social/emplweb/families/index.cfm](http://ec.europa.eu/employment_social/emplweb/families/index.cfm)

<sup>(12)</sup> <http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=860>

# INTRODUCTION

The Commission's Europe 2020 Strategy has identified concern about population ageing, together with globalisation, climate change, competitiveness and macroeconomic imbalances, as one of the key challenges that the European Union needs to overcome.

Sixty years ago the number of births rose sharply and remained high for about 20 to 30 years. Now the first of those baby-boomers, have reached the age of 60 and have started retiring. This marks a turning point in the demographic development of the European Union and makes it all the more important to consider the policy responses that are required by this major change. Population ageing, long discussed as a looming prospect, has now become a reality.

This Report is the third in a series of biennial European Demography Reports to which the Commission committed itself in its 2006 Communication 'The Demographic Future of Europe — From Challenge to Opportunity'. This Communication showed that Europe has reasons to envisage its demographic future with confidence. Population ageing is above all the result of economic, social and medical progress, as well as greater control over the timing of births and the number of children that people have. The same progress affords Europe significant opportunities for responding to the challenges of demographic change, notably in five key areas:

- better support for families;
- promotion of employment;
- raising productivity and economic performance;
- better support for immigration and the integration of migrants;
- sustainable public finances.

Major reforms and decisive action are necessary to meet these challenges. The Communication stressed that there is only a small window of opportunity, of about 10 years, during which further employment growth remains possible. Increasing the number of highly productive and high quality jobs is the key to ensuring that Europe's economy and societies will be able to meet the needs of ageing populations. The current economic crisis has not invalidated the EU's strategy; on the contrary, it has made the speedy implementation of this strategy more urgent.

The 2006 Communication announced that every two years the Commission would hold a European Forum on Demography to take stock of the latest demographic developments and to review where the European Union and the Member States stand in responding to demographic change. The first Forum took place on 30-31 October 2006, the second on 24-25 November 2008 and the third on 22-23 November 2010. The purpose of the present Demography Report is to provide the up-to-date facts and figures that are needed for an informed debate with the stakeholders taking part in the Forum and, in particular, with the group of government experts on demography, involved in the conception of this report.

As far as possible, data are provided for all EU-27 Member States, allowing policy makers and stakeholders to compare their own country's situation with that of others, to understand the specific characteristics of their country and, perhaps, to identify countries that provide interesting examples of practice from which lessons could be learned. In so doing, the report responds to request from Member States wishing to learn from the range of national experience across the European Union.

Comments and suggestions to help the Commission improve the Report will be gratefully received and should be sent to:

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Data sources and comments

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**Online data codes** Most of the data in this publication come from Eurostat's data base. Individual data tables used in the various figure (graph or table) are referenced by a code provided under each figure. To find more complete, updated or detailed data, visit [http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search\\_database](http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database) and insert the code(s) in the 'search in tree' textbox.

Where a code is not available, the data are not available as a standard table and were obtained in answer to a special query.

Some data comes from Eurobarometer surveys. Two main surveys are used in this publication, namely the November 2009 survey on mobility (EBS 337, from the EB round 72.5, can be found at [http://ec.europa.eu/public\\_opinion/archives/eb\\_special\\_339\\_320\\_en.htm](http://ec.europa.eu/public_opinion/archives/eb_special_339_320_en.htm) and the report at [http://ec.europa.eu/public\\_opinion/archives/ebs/ebs\\_337\\_en.pdf](http://ec.europa.eu/public_opinion/archives/ebs/ebs_337_en.pdf)) and the March 2010 survey on the 'New Europeans' (EBS 346, from the EB round 73.3, survey at [http://ec.europa.eu/public\\_opinion/archives/eb\\_special\\_359\\_340\\_en.htm#346](http://ec.europa.eu/public_opinion/archives/eb_special_359_340_en.htm#346) and the report at [http://ec.europa.eu/public\\_opinion/archives/ebs/ebs\\_346\\_en.pdf](http://ec.europa.eu/public_opinion/archives/ebs/ebs_346_en.pdf)).

This publication made use of other more ad-hoc sources and their links can be found in the text or in footnotes.

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**Comments** Comments and suggestions on this report will be gratefully received at

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