Towards a European strategy for older persons

REPORT

European Economic and Social Committee

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Europe is facing a fast demographic change It is by now common knowledge that the large bars in the European demographic pyramid are pushing upwards to ever-more dizzying heights, propped up by a thinning base of younger generations.

The European Union has not been active in addressing demographic change. In fact, the few policies presented to date – the EU Green Paper or the EU Care Strategy - evolve around the concept of assistance and support to older people, ignoring the possibilities that an ageing society brings about.

To break this cycle, the Spanish Presidency of the Council of the EU asked the European Economic and Social Committee (EESC) on 8 December 2022 to draft an exploratory opinion on a possible future European strategy for older people, which the EESC did under the rapporteurship of **Miguel Ángel Cabra de Luna**.

To discuss the EESC opinion, which was adopted at the EESC plenary on 12 July 2023, and the development of a possible EU strategy more broadly, the EESC organised a conference in Madrid on 29 November, 2023 with the support of the Spanish Presidency. This article aims to bring together the thoughts and ideas exchanged during that Madrid conference in a digestible three-part format.

First, it lays out the challenges and the opportunities that ageing creates for Europe. Then, the report takes a cursory look at the relevant EU policies to date, before it finally sketches some avenues for a future EU strategy for older people, based on the discussions that took place at the Madrid conference.

The challenge and opportunity of ageing

The demographic change offers a number of challenges as well as opportunities People get to know their grandparents and, in many cases, even their great-grandparents, thus enriching family lives. But it is clear that a society and political economy designed for a radically lower life expectancy and higher birth rate, will find the adaptation to the new normal mired in problems.

The economic challenge

On the economic front, the central problem is the relative growth of the number of people in retirement depending on the payout of their pensions compared to the number of people at working age who are paying into the pensions system.

Cabra de Luna's EESC opinion stresses that in the EU the number of people older than 65 is estimated to rise from 90.5 million people at the start of 2019 to 129.8 million in 2050. Moreover, the number of people aged 75-84 will grow by 56.1% and the number of people aged 65-74 by 16.6%, while the number of people aged less than 55 will decrease by 13.5%.

While this pressure is felt across the economy, it shows most strongly in the healthcare and old-age nursing sector. Older persons rely much more heavily on care services than young people, and with them getting more numerous, care needs will grow disproportionately while healthcare providers and nursing homes already suffer from labour force shortages.

Under a paradigm of balanced public budgets and without strong countermeasures, this trend will require a relatively larger portion of Europe's productive capacity to be diverted towards caring for older persons, leaving the rest of the economy with relatively less capital and human resources. This, in turn, would put an additional question mark to the global competitiveness of the European economy, which is already severely challenged due to skills shortages and high energy prices.

Several participants of the Madrid conference also pointed out that the economic consequences of demographic change were felt differently across territories, as younger people tend to move to cities leaving rural regions with an even more inverted population pyramid.

However, many other panelists rested the case for more policies aimed at reaping the economic benefits of a better active inclusion of older persons into society. In fact, Professor Calero insisted on the argument that investments into active ageing – including employment, volunteering, etc. – can reduce costs for the State, reverting into clear economic benefits.

Moreover, some participants said that the inequality in an aging Europe also had a gender dimension, as pension systems often reproduce the gender gap in lifetime earnings in their payout of pension benefits.

The societal challenge

Apart from the economic perspective, there's a societal challenge, as Europe grapples with demographic transformation .

Participants of the Madrid conference pointed towards three key challenges that older people face: Solitude, Lack of access to essential services, and ageism.

Solitude in old age is exacerbated by the fact that, after retirement, people tend to lose the community that a work environment naturally forms, and more years in retirement can mean a gradually bigger loss of community. Accessibility is a physical problem if infrastructure is not accessible for people with reduced mobility or eyesight, but it can also be a digital problem as many older people still lack digital skills to access public and financial services that are increasingly offered online.

Again, it's in rural areas that some of these problems are felt most vividly, where older people see their children depart for far-away cities and where public infrastructure is less densely clustered and thus more difficult to access.

Ageism, the disrespect and discrimination of older people on grounds of their age alone is a societal ill that has only become more widely known as a concept in the recent past, as older people have started denouncing it more vocally. Also in the Madrid conference, representatives of organisations defending the interests of older people, e.g. **Heidrun Mollenkopf** of **AGE Platform Europe** and **Luis Gallegos Chiriboga** of the **Global Initiative on Ageing** (GIA), fiercely denounced this problem, arguing that older people had to be respected as equals and may not be regarded as mere burdens on society as they still had a lot to offer.

The opportunity

Shifting the societal focus from what older persons cost to what they can offer is also where the opportunities of the demographic change lie. One of the Madrid conference participants suggested that older people should not be referred to as "old" but as "rich in experience", arguing that many older people were glad to share their experience.

However, as demographic change also means later frailty, older people will be able to take an active role in society in many more aspects than by just sharing their experience. It is here that a European strategy for older people can generate added value that will help it tackle the challenges laid out above.

The EU policies to date

Based on the European Treaties, the EU only has limited competences to act on social issues, which is part of the reason why there is no comprehensive European strategy for older people yet. Nevertheless, over the years, the EU has started addressing some of the issues that an ageing Europe is faced with.

Green Paper

In January 2021, for example, the European Commission published a **"Green Paper" on ageing**. In this document, the Commission concluded that healthy and active ageing had a positive impact on the labour market and thus also on social security systems. As the 2023 EESC exploratory opinion points out, the Commission's paper acknowledges the need for concrete and decisive action to support older people in all policy areas, but it refrains from formulating a specific programme of initiatives to answer the identified need.

EU Care strategy

In September 2022, the European Commission presented an **"EU Care Strategy"**, targeted both at improving childcare and long-term care for older people and people with disabilities. The strategy that came in the form of non-binding Council recommendations was subsequently approved with minor changes by the EU Council in December 2022.

One of the recommendations suggested higher targets for early childhood care and education to make it easier for parents to combine work and family life. The second recommendation calls on member states to invest in long-term care, stressing that care responsibilities, that are often shouldered by women, reduce female labour market participation. Moreover, the long-term care recommendation suggests member states should invest in closing territorial gaps in the availability of long-term care services.

Demography toolbox

In October 2023, the EU Commission presented what it called a **"demography toolbox"** in response to the European Council's invitation from June 2023 to present such a "toolbox to address demographic challenges and notably their impact on Europe's competitive edge."

The toolbox is a list of policies that EU member states can implement to manage the consequences of demographic change, including making it easier for parents to reconcile work and family, enabling young people to more easily transition to work life, supporting healthy and active aging, as well as facilitating migration from outside the EU.

In addition to presenting this list of suggestions for member states to pick and choose from if they so wish, the Commission committed itself to reinforce data gathering and to start considering demographic concerns in other EU policies as well.

Other EU initiatives

Apart from the rather timid EU advances into demographic policies and older persons, participants of the Madrid conference pointed towards other EU initiatives as examples that could be emulated by an eventual European strategy for older people: the European disability strategy, the European Child Guarantee and the reinforced Youth Guarantee.

Presented in early 2021, the "Strategy for the rights of persons with disabilities 2021-2030" lays out a set of actions that the EU will take and, in some cases, has already taken to improve the inclusion of people with disabilities.

The Child Guarantee is a Council recommendation that was adopted in June 2021 and sets out non-binding targets for childhood education and well-being that member states should achieve by means of national action plans. The reinforced Youth Guarantee, meanwhile, is a set of support measures that should help young people get jobs.

While these strategies and initiatives also largely rely on non-binding measures, they show that the EU can take a more active role in the field of social policies and that it can encourage policies for specific age groups even if the ultimate competence in this field is rather limited for the EU.

Organisational changes

The participants of the Madrid conference commended the Commission for taking the demographic questions more seriously. With **Commission Vice-President Dubravka Šuica**, for the first time an EU commissioner is made responsible for tackling the demographic problems Europe is faced with.

Moreover, as the **secretary-general of AGE Platform Europe Maciej Kucharczyk** mentioned, the EU Commission's DG Just set up a policy unit working on the issues of older people.

Avenues for a European strategy

With action at the EU level limited for now, there is potential for the EU and its Member States to rethink and improve their policies for older people and to seize the opportunities offered by demographic change. Below are some of the aspects that a European strategy for older people should consider, based on the discussions of the Madrid conference.

1. Reinforce what's already there

In some cases, there is no need to re-invent the wheel, argued AGE Platform Europe's Maciej Kucharczyk. For example, statistical tools like the Active Aging Index and the Healthy Life Years Indicators already exist and could be used again and communicated more proactively to increase awareness of demographic issues.

2. Push for action at the global level

Europe is not the only continent faced with demographic challenges. The marked increase in the number of older people is a global phenomenon. That is why, several participants of the Madrid conference urged the EU to take a leading role in pushing for a UN human rights convention to protect the rights of older persons at a global level, just as it was done in the case of persons with disabilities in the first decade of this century.

3. Mainstreaming in practice

Speakers at the Madrid conference emphasised the importance of thinking about the impacts EU policies have on older people even if their primary purpose is not related to old age: the so-called "mainstreaming" of EU policies on issues of older age.

While it sounds straight-forward, a serious mainstreaming of EU policies will require European policymakers to think carefully about various trade-offs.

Migration policy, for example, is politically highly contentious and the interests of older people who need carers, the interests of companies that need to replace retired workers, and the interests of a social security system that needs to sustain a larger number of retirees are often overlooked in favour of cultural issues.

Important trade-offs that true mainstreaming would have to consider can also be found in European fiscal policy. For example, lofty, non-binding targets on the quality of long-term care are unlikely to be met if much more binding fiscal rules are forcing member state governments to rein in public spending.

Due to the territorially unequal demographic developments, changes to EU cohesion policy should also consider their effect on older people. Moreover, when changes to public services and public infrastructure are made, the digital and physical hurdles for older people to use them have to be taken into account.

4. Develop dedicated policies

But all the efforts in mainstreaming a demographic dimension across economic, social or health policies will not be enough to ensure active ageing or the respect of and access to all the rights older persons are entitled of.

This is why most panellists at the Madrid Conference rallied behind the same call on the European institutions to commit to proposing a European Strategy for Older Persons and demographic change. Such Strategy, supported by national plans, will be the platform upon which to build dedicated initiatives and regulatory measures to reaping the benefits of demographic change.

To do so, the new Strategy would have to be built on intergenerational pact based on respect and solidarity between generations, with the fundamental objectives of access to lifelong quality education opportunities, to regulated employment with decent jobs and to extensive social protection systems covering all members of society.

5. Demographic dividend

Clearly, longevity also provides for economic potential. For one, people who live longer consume more. This phenomenon that some have called the "silver economy" is likely to be exploited by the market.

The real potential of Europe's current demography changes, however, is that people stay healthier and more productive for longer, on average. The EESC exploratory opinion states that a European strategy for older people would have to emphasise the "human, social, and economic opportunities" and improve "active citizenship and participation, as older people still have intellectual, economic and social capital that often goes to waste."

Some participants of the Madrid conference also argued that Europeans would have to think about a way to overcome the mandatory retirement age.

6. Dignity

Dignity is a word that is seldom used in EU policy discourse. Alas, it's so important. "We want to live with dignity until old age and we want die with dignity," GIA-President Luis Gallegos Chiriboga underlined at the Madrid conference.

Dignity is difficult to define. It is one of those powerful emotions the importance of which only really becomes evident in its absence. Dignity is lost when a 67-year-old construction worker with broken knees and hips has to beg his employer to keep him on as his pension is too low to live. Dignity is lost when residents of a nursing home are left lying in their excrements because the staffing is too thinly stretched and overworked to give every resident the attention that dignified aging would command. Dignity is lost if the opinions of an 80-year-old woman are dismissed in a discussion just because they come from an older, frail-looking woman.

If ageing is viewed under the prism of competitiveness only, as an asset to be extracted for economic growth, or as a "demographic dividend" to be reaped, dignity is at risk of falling by the wayside.

As the rise of populism in the past decade showed, people who feel disrespected can lash out. And the demographic trends will give older people power that will enable them to exact a political cost on politicians that violate their dignity. Policies that risk violating the dignity of older people are thus unlikely to remain politically sustainable.

7. A better equilibrium

At the same time, the rising political strength of older people also risks causing a backlash among younger people as they feel politically less represented while having to sustain more people for longer from the fruit of their labour.

Policies that ignore these sentiments risk creating a counterproductive, embittered blockade, sowing division among generations.

Policies can thus only be successful if they get buy-in from across generations. As multiple speakers at the Madrid conference stressed, the interests of older people cannot be defended against other generations, but with them.

For example, public spending on better working conditions and pay for care-givers could help attract new recruits to the job and older people would get higher quality care, more respectful of their dignity.

Another example is the retirement age. A blunt increase of the retirement age without any accompanying measures – reaping the benefits of the demographic dividend – will be seen as an affront to many people of working age and will thus find itself confronted with bitter resistance. **Member of the European Parliament Milan Brglez** emphasised at the Madrid conference that the retirement age could not just be linearly adapted to the increasing life expectancy.

However, a longer working life could also be achieved in an intergenerationally more harmonious way, for example if a steady increase of the retirement age were combined with a steady decrease of working hours of people in working age. Workers who have to work less per week, could stay healthier into old age and might even have more time at hand to spend time with and care for older family members.

These and other changes will require significant changes to social security systems and labour law. As the EU does not have the power to mandate certain policies to member states, the role of the EU could be to coordinate, share best practices, and encourage experimentation, while making sure that its core policies are designed in a way that do not harm such experiments that probe away towards an ageing society.

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