

Demography in the next institutional cycle: Preparing the landing space

Maria Gargano and Emilia Pauwels

With a yearlong programme filled with experts' workshops, exchanges of views with government officials and a conference at ministerial level held under the Belgian Presidency, the Egmont Institute attempted to capture the gist of this policy area and how this could be transposed to the next EU political cycle.

Demographic challenges, under different narratives, mediatic and political framing, have been more and more present in the European political debate. The Report on the Future of the Single Market, the so called 'Letta Report', mentions demographic shifts a dozen times.¹ Many parties in the run up to the elections for the renewal of the European Parliament in June 2024, have inserted this topic in their programmes. The Greens and the European Socialists approached demography through prioritizing the participation and wellbeing of older generations, with the latter also calling for a cohesion policy which reverses brain drain from remote regions.^{2,3} The European People's Party takes a more structural approach, promising to continue the support for the current Vice-President for Democracy and Demography with the suggestion of introducing a coordinating agency,⁴ while ECR Group adopts a fertility-centred view, advocating for measures to support birth rates and family values.⁵ In addition, the strategic agenda for the next five years provides to address in a comprehensive way demographic challenges and to ensure the support to a thriving longevity society.⁶ However, the borders of a landing space in which the different policy areas intertwine with the consequences of demographic change, remain very uncertain.

The aim of this policy brief is to put forward three different approaches to consider by the EU leadership, with the cooperation between the European Commission and the Member States along with the contribution from the European Parliament's hearings.

Keeping demography on the horizon of EU policymaking should remain a key intermediate objective, and calls for a scaling up of the actions, policies, and levels of government implicated. By nature, the impact of demographic change will play out in time spans surpassing five-year political cycles, thus the rationale behind these suggestions is to anchor the policies in standard EU activities. This should aspire to create a sense of continuity from the work that has been performed by the Vice-President for Democracy and Demography in the past five years and to structurally embed these initiatives into the institutions and budget. At the same time, it should overcome the limitations encountered during the previous cycle in terms of budget, services responsible and, above all, dedicated interlocutors in the capitals of Member States.

The following three options present a gradual approach depending on the level of ambition for this portfolio within the next five years. The first is the introduction of an Executive Vice-President (EVP) for Future Generations, anchored in the current foresight portfolio. The EVP will be responsible for the coordination of the policy areas relevant to prepare the EU for its future needs and opportunities. A second option is to prioritize a territorial approach, thus linking the demographic portfolio to cohesion policy with the objective of strengthening resilience in the most affected regions. A third option, requiring the least structural intervention, is

establishing a horizontal coordination network of Member States' national contact points to ensure consistency in addressing demographic change across the EU. Imagining these different configurations of what the EU and its Member States want to achieve, and what instruments and funding are available to face the ongoing and future challenges, is also a way of designing the possible landing spaces for this policy.

LEVELS OF AMBITION

1. An Executive Vice-President for the Future Generations

This first option aims to create a coordinating structure inside the European Commission, where the major policies affected by demographic change can be steered by an Executive Vice-President. This EVP would coordinate and oversee various Commissioners and Directorates-General with competences that cross demographic issues. As a portfolio this would be a **Commissioner for Future Generations** built upon the present foresight portfolio.

The overarching objective of such a structure would be to set the direction for the EU to **enhance the Union and its citizens' preparedness for future generations** which will be older and smaller in numbers, but also healthier and active for longer time. As the EU becomes a frontrunner of longevity societies globally, and strives to reap its competitive advantage, it is of the essence to also adopt a life-cycle perspective. Longevity does not start at the end of an individual's life, rather it is built since the youngest age and is influenced by educational, social and economic situations during childhood. Therefore, gathering health, employment, education and social policies – including housing – as well as migration under a dedicated EVP overseeing the Directorates-General responsible for those policy areas would aim to build comprehensive resilience against the current and future challenges posed by population changes.

Anchoring this in a strategic foresight approach ensures that policy actions are sustainable in the longer term and policymakers are informed about possible future developments and how to tackle or prevent them.

Foresight methods have become increasingly relevant to guide action plans across different policy areas, and the latest Strategic Foresight Report by the European Commission features conspicuous reference to the impact of demographic changes on the EU's future.⁷ The pressures and needs posed by the shrinking working age population today and in the coming years are well-known: shortages in the care sector, a lack of digital skills throughout regions and communities at risk of disappearing, to name a few. Where strategic foresight can play an important role in this context is to look beyond the near future to predict the impacts of ageing and longevity on the EU, and most importantly to offer scenarios to build upon for adaptation policies. As an example, the analysis of the budgetary needs given a shrinking tax-base in the next 20+ years can help guide strategic policy or reform decisions with lasting, future-proof solutions for financing social models. Moreover, understanding the long-term needs of a population with a different age structure also means being better prepared to grasp the opportunities sparked by longevity. This can inform the restructuring of training and education systems, from an early age, to respond to not just the current labour shortages but those to come when the economic transitions have been 'completed'.

The feasibility of such an approach could be inspired by the experience of the **NextGenerationEU** which concurs to the relaunch of EU Member States and their regions in the aftermath of the COVID-19 pandemic. In fact, this initiative was created under the motto 'build back better' and the funded projects aimed at building more resilience in the societies and supporting them with navigating challenges beyond those posed by the pandemic. The Recovery and Resilience Facility (RRF), for example, as the centrepiece of NextGenEU, finances reforms and investment plans to strengthen preparedness for the twin transitions in accordance with country-specific needs. The management of this funding shows how each country has presented their planning in coordination with their respective regions and within the priorities agreed. Some examples of projects include networks to support modern vocational training and lifelong learning,⁸ efforts to improve access to local nurses and care⁹ and several efforts to improve digital literacy and skills.¹⁰ Without

mentioning the few manifestations of interest to replicate the experience,¹¹ the coordination structure that has allowed this constant contact between Member States and the European Commission could be of interest to be kept going. In addition, to avoid these actions getting lost in the next institutional cycle, it would be beneficial to integrate them in a larger perspective to boost even more the continuity and coherence in the exercise of creating a future-proof EU.

Yet, the sustainability of the NextGenEU on the longer-term perspective needs to be handled with caution so as not to pass on excessive debt burdens to future generations. Shaping this portfolio with a life-cycle approach is key to not losing sight of intergenerational solidarity, which remains unmissable in any approach to tackle demographic challenges. Ensuring that societies are accessible and functional for all ages, and that borrowing to support longevity does not disproportionately burden younger populations, should thus be a consideration in this structure.

2. Regional approach through cohesion policy

The impact of demographic change in the territories and regions of the EU is the most tangible part of this phenomenon. When young and highly skilled workers leave in search of better career opportunities towards more dynamic or urban centres, while the remaining working age population is ageing, these places risk falling into ‘the talent development trap’. This concept refers to the combination of factors including a shrinking working age population, a low share of tertiary-educated people, and a lack of diversity in economic opportunities.¹² Currently, it affects 46 regions in the EU, and 36 more are at risk of falling into this pattern because of the high number of departures of young people (aged 15-39).¹³ This reality is likely to worsen existing disparities among regions and threaten cohesion between and within the Member States. Tackling demographic challenges from the standpoint of cohesion policy and approaching it through a territorial lens would mean providing tailored responses to place-specific needs and ensuring that the regions and populations struggling the most receive the

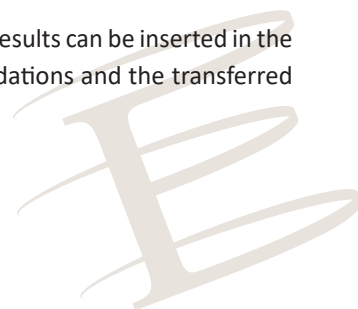
attention needed and participate in the design of the response. Furthermore, with the undergoing enlargement process and its consideration within the next funding cycle, the cohesion policy and the importance of the territorial perspective will also remain key, as the majority of the candidate countries deal with similar demographic challenges.

In continuity with the work done through the Talent Booster Mechanism, the Smart Specialisation Strategy and the Functional Areas approach, there is thus an opportunity to address demographic challenges from a territorial perspective through the existing structures dedicated to Cohesion policy and supported by their anchorage of demography to this policy area in the Treaties (art.174 TFEU). In brief, the treaties provide that demography interventions are necessary to promote development of the territories to ensure equal opportunities and cohesion within and between Member States.

Several **pilot projects** under Cohesion policy have already been working to address disparities in demographic challenged areas. The Harnessing Talent Platform (HTP), launched as part of the Demography Toolbox,¹⁴ was formed as a knowledge-exchange platform to support regions affected by talent development traps through developing strategies for talent retention. Under the HTP, the Talent Booster Mechanism aims to support reskilling and upskilling initiatives in regions facing depopulation, and where tertiary education achievement is low.¹⁵

Similarly, the Commission’s ‘long-term vision for the EU’s rural areas’¹⁶ lays out the possibilities for enhanced support and financing for development in rural areas, informed by a foresight study on the possible future scenarios in rural areas facing depopulation.¹⁷ This vision has translated into tangible results through the Action Plan and the Rural Pact framework to find innovative and sustainable solutions to strengthen resilience and prosperity in rural areas, particularly those facing depopulation.

If successful, these projects’ results can be inserted in the Country Specific Recommendations and the transferred



to the 2021-2027 midterm review of the Multiannual Financial Framework, to then eventually having demography as an explicit objective in the Common Provision Regulation for the new MFF 2028-2034.

Including the demography portfolio within the scope of Cohesion policy would allow for the work completed by the current Vice-President to be elevated towards a better-defined framework, and to secure the necessary resources and funding through the legal basis. It would bring recognition towards the actions undertaken through the Demography Toolbox so far, particularly those relating to regional development, and allow for the space and budget for them to be carried out on a larger scale.

3. European Demographic Change Network

The diversity of issues raised by the demographic change in EU society, at continental, national and regional level is very high. The correspondent diversity on responses could engender discordant and uncoherent results. This risks of strengthening the territorial inequality often at the root of the problem itself. The creation of a common European framework to address demographic change in Member States could be an answer from the past. In fact, following the Conclusion of the Tampere European Council in 1999, which encouraged Member States to step up in migrants' integration policies,¹⁸ in 2002 the Danish Presidency established a network of national contact points (NCP) which would ensure that the exchange of views and of good practices among Members States was established. Furthermore, the function of these NCPs would at the same time coordinate with the different pieces of the policies disseminated in the ministries such as employment, education, health, housing and culture and keeping into account the sub-national levels of government. This network of NCPs has also been tremendously instrumental in the establishment of ten Common Basic Principles, in fact they ensured that the **development of comprehensive national integration strategies** would go hand in hand with creating **new ways to ensure consistency**

between the actions taken at EU and national level.¹⁹

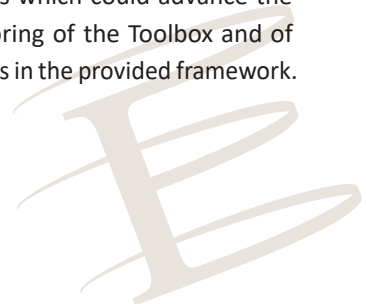
In addition, these national contact points also served the function of **monitoring progress across the policy areas** and in ensuring that efforts at national and EU level were mutually reinforcing.

The two policy areas, demography and integration, share a starting point which is the interest in bringing a common European framework to a societal issue, as it has been done with the previous European Commission's term. They also share the lack of general competence attributed to the EU by Member States. Finally, they both look at issues with transversal impact and responses through different levels of government and ministries' portfolios.

Because of this, the function of national contact points would be identifying priority areas, exchanging good practices, exchanging results and information among Member States. At the same time, they are tasked with monitoring the development of key policies and actions already undertaken and relevant to demography, would be extremely influential in providing a bottom-up approach. In the case of integration, the NCPs would be conveyed in a special committee hosted by the European Commission. This can be easily built upon the current work and institutional setting hosted by the Secretariat General of the European Commission in the form of a specific task force.

From the integration experience, another interesting practice is the annual conference with stakeholders which brings together expertise from various fields and keep the flow in between knowledge production and policymaking.

In summary, this third option is conceived to create a loose framework in which Members State's diversity can be embedded in the response, and by the same token as the Demography Toolbox, can choose the most appropriate instruments to act. However, it strives for a certain coherence among Member States and the EU, by the gathering of NCPs which could advance the implementation and monitoring of the Toolbox and of demography-related initiatives in the provided framework.



CONCLUSIONS

The three possible configurations of the demography portfolio outlined here present opportunities for EU policymakers to embed the demographic change in their decision-making to ensure that policies are adapted to the new structure of the population and to better cater to the needs of future generations. The EU's ageing is a success story: having completed its demographic transition and benefitted from its demographic dividend, the continent is now a place where longevity has become the norm. Thus, the Union has the unique opportunity to take advantage of this longevity of its citizens and set the example for other global regions to follow. Currently, while the recognition of the impact of demographic change on all corners of European society has come a long way, demography has yet to find its landing space.

The EU currently stands at a point of opportunity to extend the demography portfolio in its next political cycle, in a way which allows European society to adapt gradually to the population-driven changes in the ways of working and living. The appointment of a Vice-President for Democracy and Demography in the last cycle was effective in defining more precisely the scope of demography within the sphere of EU policies, from which it is now possible to build upon the achievements. In recent times, and with the adoption of the Toolbox, this has been embedded in the EU's discourse to enhance its competitiveness.

The benefit of introducing an Executive Vice-President for Future Generations is evidently that it would be the best suited to take on a coordinated approach to preparing the EU for future population dynamics, with direct oversight and inclusion of all relevant actors. Beyond the future-oriented perspective of such an EVP, this configuration of demography in the EU institutions is likely to be the most effective to influence similar structures appearing at national level in the Member States. Alternatively, the advantages of coupling demography with Cohesion policy or establishing an EU-wide network of national contact points is firstly that both options would operate within existing structures, requiring less investment than a brand-new configuration. Moreover, these would follow

a bottom-up approach which allows Member States to tailor their responses according to the specific needs of their regions. Nevertheless, the three presented suggestions are not necessarily mutually exclusive, and can be constructed in conjunction with one another dependent upon the resources and ambition present at hand.

With the inclusion of support for a thriving longevity society in view of demographic challenges in the Strategic Agenda 2024-2029, the EU is on a positive path to act in accordance with the needs of future societies and generations. Similarly, the upcoming Hungarian Presidency of the Council of the EU will be a decisive time in shaping the narrative surrounding demography, which is set to be a top priority on the agenda and to figure as an item of discussion in many Council configurations.

It is up to the EU decisionmakers and Member States to agree on the direction in which they see the future of this portfolio, and the way they wish to embed it in the institutional landscape to allow for long-term prosperity and resilience.

Maria Gargano is a Junior Researcher in the European Affairs programme at the Egmont Institute. Her research interests include migration and the interlinkages between development and human mobility.

Emilia Pauwels is a Junior Researcher in the European Affairs Programme at the Egmont Institute. Her research focuses on the role of strategic foresight in policymaking.



Endnotes

- 1 [Enrico Letta, Much more than a market- Speed, Security, Solidarity, April 2024.](#)
- 2 [European Greens, Manifesto – 7th Extended Congress 2-4 Feb 2024.](#)
- 3 [Party of European Socialists, Manifesto for the 2024 European elections- 02.03.2024](#)
- 4 [European People’s Party, Manifesto 2024](#)
- 5 [European Conservatives and Reformists Group, The Benedictine Vision: A Charter for Conservative Values, 21.03.2024](#)
- 6 [European Council, European Council meeting \(27 June 2024\) - Conclusions. Brussels, 27.06.2024.](#)
- 7 [European Commission, Strategic Foresight Report 2023- Sustainability and people’s wellbeing at the Heart of Europe’s Open Strategic Autonomy.](#)
- 8 [European Commission, Investments in modern vocational training, higher education and lifelong learning - European Commission \(europa.eu\)](#)
- 9 [European Commission, Investment in the implementation of community nurses - European Commission \(europa.eu\)](#)
- 10 [European Commission, Recovery and Resilience Facility - European Commission \(europa.eu\)](#)
- 11 [Recovery fund should be ‘blueprint’ for permanent joint borrowing, EU Commission economy chief says – Euractiv](#)
- 12 [Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Harnessing Talent in Europe’s Regions, COM\(2023\)32 final, Strasbourg, 17.01.2023.](#)
- 13 *ibid*
- 14 [Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Demographic change in Europe: a toolbox for action, COM \(2023\)557 final, Brussels 11.10.2023.](#)
- 15 *ibid*
- 16 [Communication from the commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, A long-term Vision for the EU’s Rural Areas - Towards stronger, connected, resilient and prosperous rural areas by 2040, 30.06.2021](#)
- 17 [Bock, A. and Krzysztofowicz, M., Scenarios for EU Rural Areas 2040, EUR 30755 EN, Publications Office of the European Union, Luxembourg, 2021.](#)
- 18 [European Union Rural Vision, Action Plan](#)
- 19 [European Commission, Rural Pact Proposal, 16.06.2023](#)





The opinions expressed in this Publication are those of the author(s) alone, and they do not necessarily reflect the views of the Egmont Institute. Founded in 1947, EGMONT – Royal Institute for International Relations is an independent and non-profit Brussels-based think tank dedicated to interdisciplinary research.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without the permission of the publishers.

www.egmontinstitute.be

© Egmont Institute, July 2024

© Author(s), July 2024