

EUROPEAN COMMISSION GREEN PAPER

CONFRONTING DEMOGRAPHIC CHANGE: A NEW SOLIDARITY BETWEEN THE GENERATIONS

Response on behalf of CARE for Europe

PUBLIC CONSULTATION

Green Paper « Confronting demographic change : a new solidarity between the generations »

Submission from CARE for Europe

Contents

Executive Summary

1 – Introduction

2 – The Problem

3 – Possible Causes

4 – Policy recommendations

5 – Conclusion

EXECUTIVE SUMMARY

1. The demographic challenge currently facing Europe is one which must be addressed at the regional, national and European level. As stated by the Council of Europe, *“the current ‘toolbox’ of population- and family-related policies has in most countries proven to be either insufficient or/and inadequate to address these problems.”*¹
2. While we recognise that immigration can alleviate, to some degree, the impact of the demographic changes, we do not believe that a long-term solution can be achieved through immigration policies alone. The causes of insufficient births amongst the resident population must also be addressed in order for population replenishment to be sustainable.
3. We identify two key societal malaises as responsible for the current state of affairs: (i) decreased rates of family formation and the weakening of the family unit as a source of mutual support and care-giving for intergenerational solidarity (ii) employment and social benefit practices which discriminate against motherhood. European authorities must, at all levels and in all policies, support and protect families, particularly members who reduce their engagement in the labour market in order to fulfil a care-giving role.
4. Families should be supported in and enabled to make free choices regarding work, care and social arrangements. To this end, the EU should:
 - Encourage Member States to support families through the tax credits and benefits systems;
 - Introduce employment structures which are sufficiently flexible to allow individuals engaged in paid employment to prioritise their families;
 - Recognise the value, in idealistic and economic terms, of one parent choosing to remain at home, at least in the early stages of a child’s development;
 - Implement schemes to help women who wish to return to work following the birth of a child or an extended period of care giving to do so without loss of status or earnings level;
 - Provide adaptable childcare subsidies;
 - Ensure that the benefits of leave and financial support are available to those caring for sick, elderly or disabled family members as well;
 - Protect the rights of older workers to remain in employment for as long as they choose to do so and are capable of doing their job. This includes the option of gradual retirement.

1.0 INTRODUCTION

- 1.1 CARE (Christian Action, Research and Education) is an organisation concerned to see Christian ethical principles reflected in national and European law and public policy in issues relating to the family, medical ethics and the value of human life.
- 1.2 CARE is involved in a range of practical caring initiatives, the organisation of conferences, seminars and the publication of educational and research materials on parenting, marriage and other family issues. CARE also undertakes research and lobbying on associated issues.
- 1.3 CARE for Europe represents the views of our 100,000 supporters on the continent from our office base in the European Quarter of Brussels.
- 1.4 CARE for Europe welcomes the Commission Green Paper and public consultation as a timely response to a serious issue facing our society, which because of its nature and scale threatens to be the greatest challenge to the future survival of our society and way of life for a generation.
- 1.5 For this reason, we believe that a step change in policy focus is required rather than a continuation of the policies which have been undertaken up to this point. We believe this calls for a consideration of fresh policy proposals rather than the slight nuancing of existing programmes as would be implied by completion of the various boxes on the Commission's consultation form.

2.0 THE PROBLEM

- 2.1 As is recognised and highlighted in the Commission Green Paper, Europe is today facing a demographic situation never previously experienced. In Member States such as Latvia, Lithuania, Estonia, Hungary and Poland populations have already begun to decline ², while in no Member State is the fertility rate above replacement level. By 2050, Europe's population is predicted to have declined by nearly 8% from 728 million to 668 million people, even with increased life expectancy and immigration ³.
- 2.2 Associated with a declining birthrate in Europe are the processes of population ageing and population greying, which see an increase in the proportion of old and very old sectors of the population. Europe has the highest percentage of people over retirement age in the world at 14.7% of the population, and this is expected to increase to 23.5% over the next 25 years ⁴.
- 2.3 Prolonged population decline is likely to have unfavourable social, cultural and political consequences and so requires serious analysis of the underlying causes in order to craft policies aimed at tackling these demographic trends. These issues are pertinent for all levels of European society, necessitating discussion at European level in addition to national and regional levels, and in this context, we welcome the Commission Green Paper and current consultation.

- 2.4 The *increasing longevity of the population* is a direct result of improved living standards and medical care. The average life expectancy of a European increased from 71.5 in 1970 to 78 years in 2000 ⁵. It would be neither feasible nor desirable to seek to reverse this trend. However, much can and should be done to improve the quality of life of the additional years gained and combat the feeling of alienation and exclusion from mainstream society felt by many.
- 2.5 However, *the shortage of babies is a different order of problem*. Improved living standards and health care have drastically reduced perinatal and infant mortality in Europe which means that such babies as are born can expect to live long and healthy lives. The rate of infant mortality has decreased from between 10-50 deaths per 1000 infants born in the 1960s to between 0-10 in 2000 ⁶. The sad loss of infants in early life still experienced in much of the southern hemisphere is thankfully a thing of the past for Europe.
- 2.6 The shortage of babies growing up into young working adults is not due to mortality or morbidity but to the fact that women are unable or unwilling to have the number of children required to attain replacement level fertility (2.1 children per woman). The current European average is approximately 1.5 children per woman ⁷.
- 2.7 Although there is doubtless a degree of conscious lifestyle choice on the part of a minority of the female population not to have children, the survey evidence is that the average woman in fact aspires to a family of 2.3 children ⁸, safely above the replacement level.
- 2.8 This discrepancy between the number of children Europeans say they would like to have and the realised number of children lends further credence to the Council of Europe's claim that "*the current 'toolbox' of population- and family-related policies has in most countries proven to be either insufficient or/and inadequate to address these problems.*" and "*Without some considerable changing of present cultural values, socio-economic living conditions and policy context, it is unlikely that the coming decades will see a substantial and durable recovery of present fertility rates*" ¹.

3.0 POSSIBLE CAUSES

Declining Birth Rates

- 3.1 Modernisation in the latter part of the twentieth century produced many beneficial results, including increased life expectancy and reduced morbidity among the old and very young; an improved standard of life for the majority of the population; and individual development and emancipation, particularly for women.
- 3.2 However, societal and cultural developments have not succeeded in creating an environment which is truly child-friendly, in achieving a harmonious work-life

balance or in ensuring that healthy older citizens still have access to employment.

- 3.3 Two factors stand out as symptoms of this malaise. Firstly declining rates of family formation, and secondly advancing age of first pregnancy.
- 3.4 The family, as the primary place where individuals develop, feel secure and learn to socialise, provides the best environment for having and raising children. However, traditional *family formation* (ie. based on a married couple) has declined drastically over the past half century and the alternative forms of family that have been developed (eg. cohabitation) have not proved so successful in providing the necessary supportive environment for women to feel confident about having and raising children. Women who conceive outside marriage are more likely to have an abortion than those who become pregnant within marriage. In the UK in 2001 36% of all conceptions outside marriage resulted in abortion, compared to 9% of conceptions within marriage⁹. Family formation also has an impact upon the environment in which a child grows up. In UK the percentage of children born in 1997 likely to grow up with their parents remaining together was 70% for those born to married parents, compared to 36% of those born to cohabiting parents¹⁰.
- 3.5 The *advancing age* at which first pregnancy commonly occurs is a separate, but compounding factor. For women to achieve the desired 2.3 family size they need to both find a partner willing to commit, and start a family early enough to have the remaining fertile years necessary to complete their family. The average age of a woman in the European Union at the birth to her first child in 1985 was 24.6, rising to 26.7 years by 2000¹¹.
- 3.6 A critical rôle in this is played by societal expectations and financial and career pressures. In too many of our societies the choice to have children, particularly at an early career stage, is inevitably accompanied by financial and career path losses which may never be recouped. An estimated 75% of new mothers return to work sooner than they would like due to financial pressures, despite worries that they will miss important milestones in their child's development¹².
 - Discrimination against childbearing women is still prevalent, whether in the direct form of dismissals linked to pregnancy or in the more indirect and difficult to prove context of being passed over for promotion and advancement opportunities. In a British study, 28% of employers disagreed that it was worth training a pregnant woman if it was possible she would not return to work after the birth, and 17% of employers felt that pregnant women were less committed to their work¹³. Another survey found that 45% of women felt they had experienced some tangible form of discrimination whilst pregnant, with 7% leaving their job through redundancy or feeling that they had no option but to leave because of poor treatment in the workplace¹⁴. In many societies state social security and pension provisions depend on a continuous contribution record which can only be achieved if paid employment is not interrupted.

- 3.7 If discrimination and financial losses are suffered by women who take the minimum possible maternity leave, they are much greater for parents of either sex who choose to stay at home and nurture children within the family context, at least for their earliest years. Such activity saves considerable sums in state childcare provision that would otherwise be necessary and yet is accorded no value by contemporary society. Childcare costs may also influence the decision of mothers whether or not to return to work. The European average cost of childcare is €60 per a week, rising to €180 per week in the Republic of Ireland, which is 38% of the average weekly take home pay¹⁵.
- 3.8 It then follows that in order to stabilise Europe's population, women must be empowered to have the number of children they desire, by acting upon the factors which play a role in this decision.
- 3.9 Family friendly policies, centred on the needs of children and the parent-child relationship, are key to reversing the falling birth rate in the EU.

Ageing Population

- 3.10 In a society where longevity is the norm, attention must be paid to ensuring an age-friendly environment, to enabling individuals to live a full life free from age discrimination, and to enhancing solidarity and interaction between the generations.
- 3.11 Families have a key role to play in promoting intergenerational solidarity, in creating a space where all members, but particularly the younger and older groups, can be cared for and valued for their intrinsic worth rather than for what they can do or produce. Thus measures taken to support the family can act on both key aspects of Europe's demographic challenge, ie. falling birth rates and quality of life for the increasing numbers of elderly people.
- 3.12 While we recognise that immigration can alleviate, to some degree, the impact of the demographic changes, we do not believe that a long-term solution can be achieved through immigration policies alone. The causes of insufficient births amongst the resident population must also be addressed in order for population replenishment to be sustainable.

4.0 POLICY RECOMMENDATIONS

Supporting the Family

- 4.1 The European Union must recognise and reaffirm the family as the natural and fundamental group unit of society, as declared in Article 16(3) of the Universal Declaration of Human Rights and reiterated in the Doha Declaration of 2004¹⁶, and as such promote, protect and encourage family relationships.
- 4.2 In recognising the value of the family, the European Commission should undertake studies to exchange examples of best practise in supporting families

in the different Member States, and encourage family mainstreaming into all policy and legislative areas.

4.3 But central to support for the family must be state recognition and support for caring rôles provided within the family, whether for children or for the elderly or disabled. Working age adults who take time out from full-time employment should have their contribution to societal wellbeing and reduction in the state's direct care expenses recognised through:

- ***Encouraging Member States to support families through the tax credits and benefits systems.*** Under the current UK tax credit system, a couple with 2 children can be up to £200 (€290) per week better off if they are living apart than if they are living together¹⁷. This is a significant disincentive to creating a stable family environment for raising children.
- ***Encouraging Member States to support families caring for the elderly and disabled.*** The family can also be a source of care, support and integration for the elderly in society. It is important that the policy recommendations outlined within this document regarding leave and financial support for childcare also be applicable to care for the sick, those with disabilities or the very elderly, to enable individuals to choose to undertake this care within the family – which is always a far more economical option than direct state care.
- ***Flexible childcare subsidy provision.*** When considering different forms of subsidised childcare, policies such as those employed in Finland, where a cash benefit is offered to all parents, would be best for facilitating genuine choice for mothers and fathers in deciding how best to care for children. Such support does not dictate who works when and for how long, but allows parents to invest their childcare credit either in external arrangements or in their own care for their children, or a mixture of both.

Acting Against Discrimination

4.4 The various pressures preventing women and men from achieving their desired family size as discussed in the previous section can effectively be summed up as a deep seated discrimination against motherhood, particularly at an early career stage, in employment practices, in state social security provision and in societal values generally. What needs to be put in place is an effective series of policy measures to combat that discrimination so that couples are free to choose if and when to start a family free from negative financial, career and societal pressures.

4.5 CARE fully endorses the European Parliament report of 2004 “on reconciling professional, family and private lives”¹⁸ and encourages the Commission to include its recommendations in future proposals.

4.6 Discrimination related to short-term consequences

Many couples find themselves under economic pressure to have two full time jobs to provide financially for their family. This reduces ‘family time’,

particularly when employment structures are inflexible and involve working during weekends or school vacations. It is in the public, national and EU interest to reduce this financial burden on families by:

- ***Recognising the value, in idealistic and economic terms, of one parent choosing to remain at home to raise children, at least for the early stages of a child's development.*** Parental leave and paternity/maternity pay structures should be sufficiently flexible so as to allow one parent to remain at home as a full-time carer, if so desired, at least until their child is ready to start full-time education. A mixture of state and employer provision should ensure at least the national minimum wage level.
- ***Ensuring employment structures are sufficiently flexible to allow individuals engaged in paid employment to prioritise their families.*** This could take the form of flexible working hours, the option of working at or from home in normal working hours, job sharing, part time work or parental leave after the birth of a child and while their children are young, at school and during adolescence. For example, in cases where both parents work full time, annual leave may only give them two weeks during their child's school summer holidays to spend with children. Parental leave could be used, where chosen, to provide parents with increased time with their children during school holidays, particularly when exam preparation and pressure is dominant and parental support especially valuable.

4.7 **Discrimination related to long-term consequences**

- ***Ensuring no loss of pension rights and providing earnings-related parental pay.*** The long-term discrimination consequences of taking time off for motherhood can include loss of pension entitlement through an interrupted contributions record and loss of income through earnings being reduced from a professional wage to a minimum wage. Policies should therefore include state payment of pension and National Insurance (social security) contributions for those who are not in paid employment because of caring responsibilities. It may also include a parent's wage, as in the case of Sweden where those on maternity leave receive 80% of the income previously earned whilst at work for a twelve month period¹⁹, thus offsetting the higher opportunity costs often experienced by professional women.
- ***Implementing schemes to help women who wish to return to work following the birth of a child or an extended period of care-giving to do so.*** It is not enough to ensure that parents do not lose out on current income through spending time with their children. Steps need to be taken to ensure that those re-entering the labour market after a career break do not do so at a disadvantage. This should include provisions for employers to take staff back at at least an equivalent level to that enjoyed before the career break, as is guaranteed in Sweden¹⁹, and for employers and the state jointly to take responsibility for providing adequate refresher training to enable new developments in the parent's area of expertise that have occurred during the career break to be assimilated. Under Bulgarian employment law, women are entitled to 45 days paid leave prenatally, followed by a two-year period during which she receives the national minimum wage and her

employer keeps her position open²⁰. This provides job security and reduces the pressure to return to work as soon as possible.

Provision for the Elderly

- 4.8 As individuals remain healthier for longer, it is essential that older people in society are enabled to remain in employment for as long as they choose, provided they are capable of doing the work. European legislation must ensure that anti discrimination policies include age discrimination to protect the rights of older workers, and that older workers are able to choose to retire gradually.
- 4.9 At all levels and in all policies, it is essential that the intrinsic worth of the human being is recognised and respected, and that policies do not unwittingly place increased value on those members of society seen to be more economically productive. This involves:
- Continued protection for those at the end of life, through provision of holistic medical care or, when appropriate, palliative care;
 - Recognition of the skills and talents of the retired population, improved links between, for example, schools and retired individuals who wish to be involved in and contribute to the local community life;
 - Promotion of the voluntary sector as a valuable field in which skills and experience can be gained and shared to the benefit of the whole society.

5.0 CONCLUSIONS

- 5.1 CARE welcomes the Commission Green Paper as an opportunity to address the underlying causes, as well as the symptoms, of the current demographic challenge faced by European societies. This challenge represents the greatest threat to the survival of our society and way of life for a generation.
- 5.2 Two underlying symptoms characterise this demographic disorder: inadequate rates of childbirth and greater longevity leading to rising numbers of elderly persons. In the case of the latter we believe the causes are wholly beneficial (improved standards of living and healthcare) and no attempt should be made to reverse them. In the case of the former, however, we believe the causes are reversible and there is a pressing need for society and public administration at all levels to adopt the policies necessary to do so.
- 5.3 We know that falling birth rates are not inevitable because of the gap between the current achieved fertility rates in Europe of below replacement level (2.1 children per woman) and the average family size of 2.3 desired by Europeans.
- 5.4 In order to enable women to choose to have children freely without negative financial, career and societal pressures militating against that decision, two key topics need to be addressed: (i) Support for the family (ii) Combating discrimination against motherhood, particularly in early career stages.

- 5.5 Support, protection and assistance to the natural and fundamental group unit of society, the family, will both alleviate some of the factors militating against women achieving their desired family size and provide better care for, recognition of and inter-generational solidarity with the elderly. This should particularly include greater social and financial recognition for full-time caring roles undertaken by working age adult family members looking after both young children and the elderly and disabled.
- 5.6 Both employers and Governments also need to do more to ensure that both couples choosing to have children and return swiftly to full-time employment and couples where one partner chooses to provide care within the home, at least for the early stages of their child's development, are not disadvantaged either in terms of current income or future earning and career prospects.
- 5.7 Examples of good practice for this already exist in different EU Member States. These should not only be exchanged, but strong encouragement also be given to those States not providing, or encouraging employers to provide, adequate support to remove the disincentives to childbearing. A significant improvement in standards of provision Europe-wide is called for, as it is in the common European interest that the causes of declining childbirth are effectively tackled.
- 5.8 This support should primarily involve enabling families to make informed choices, free from financial and societal pressures, regarding the care of the individuals within that family and the shape of their family, school, personal and working lives. Financial, employment and health policies will all impact on the ability of families to make free choices, and family mainstreaming should be introduced to, at a minimum, these policy areas.

References

1. 'Population trends in Europe and their sensitivity to policy measures'. Document number 10182, Council of Europe Parliamentary Assembly Report, 2004
2. 'European demography 2003' Eurostat News Release 105/2004, 2004
3. 2004 World Population Data Sheet of the Population Reference Bureau
<http://www.prb.org/Template.cfm?Section=PRB&template=/ContentManagement/ContentDisplay.cfm&ContentID=11267>
4. 'Global Aging: The Challenge of Success', Kevin Kinsella and David R. Phillips, in Population Bulletin Vol. 60 no. 1, March 2005
5. The social situation in the European Union 2003, The European Commission, 2003
6. 'Infant Mortality', The UC Atlas of Global Inequality
<http://ucatlas.ucsc.edu/life/infantpl.html>
7. 'Population Implosion? Low Fertility and Policy Responses in the European Union' in RAND Europe Research Brief 2005
8. Report of the High Level Group on the future of social policy in an enlarged European Union, European Commission Directorate for Employment and Social Affairs, May 2004
9. Abortion Statistics Factsheet, CARE, 2005
10. For Better or For Worse: Marriage and Cohabitation Compared, Philippa Taylor, booklet published by CARE, 1998.
11. 'Trends in Europe and North America' in The Statistical Yearbook of the Economic Commission for Europe 2005 . *UNECE N.B. Data unavailable for Belgium and Italy*
12. 'New Mothers forced to return to work' Diversity Exchange, 4th August 2005
<http://www.diversityexchange.com/pre-live/news/viewnews.php3?ID=424>
13. 'Pregnancy discriminations at work: a survey of employers' Pregnant and Productive Working Paper Series no 20. UK Equal Opportunities Commission, 2005
14. Press Release 1st February 2005, UK Equal Opportunities Commission
http://www.eoc.org.uk/cseng/abouteoc/press_release_sacked_for_being_pregnant.asp
15. Press Release 19th August 2005, Irish Small and Medium Enterprises Association
<http://www.isme.ie/press-page.html>

16. Doha Declaration, Doha International Conference for the Family, November 2004. Text available at http://www.islamonline.net/English/In_Depth/Doha_Conference/News/03.shtml
17. Figures derived from UK Department of Work and Pensions Tax Benefit Model Tables, in The Failure of the Tax Credits System, CARE Briefing Paper, 2005
18. European Parliament Report A5-0092/2004 ‘on reconciling professional, family and private lives’, Committee on Women's Rights and Equal Opportunities, 2004
19. The State of our Unions 2005: The social health of marriage in America, The National Marriage Project, 2005
20. Social Security Programs throughout the World: Europe 2004, SSA Publication number 13-11801, Social Security Administration, Office of Policy, 2004