Europe's ageing population & role of European Investment and Structural Funds in mitigating and adapting to longevity

Wolfgang Munch/Justyna Podralska
Directorate General Regional and Urban Policy
European Commission
Europe's policies aim at improving competitiveness and advancing the economy with sustainable knowledge-based growth with more and better jobs and greater social and territorial cohesion.

The ageing of the EU society makes this goal more difficult to sustain in a longer term as the longevity, if not properly managed, may be disruptive to social cohesion and territorial equalities.
Longevity in Europe: facts and numbers

- One of the highest life expectancies in the world, but large regional variations;

- Shrinking share in world population: only 6.9% of the world population down from 13.5% in 1960;

- The 65+ as a percentage of the population aged 15-64 will increase to 53% in 2060 from 26% now;

- Population decline has a strong geographical dimension and needs territorially-based policies: demographic decline occurs mostly in South and East of the EU as well as in remote, rural and industrially declining areas whereas most of capital cities from Western Europe (London, Paris, Copenhagen, Amsterdam) benefit from a population boom.

Source: European Parliament Research Centre
Live Long, Live Well?

- **Migration is necessary for stabilising Europe's active population**, but they also create polarisation between "us" and "them". EU neighbourhood policy needs to export stability;

- **Sustainability of healthcare systems is under risk**: chronic diseases cause 4 out of 5 deaths in the EU and consume 75% of the healthcare resources. There is a need to develop coordinated health and social care, particularly in many Eastern European countries;

- **Burden on pension schemes will require extending working lives**: in 2060 there will be only two people in the working age (15-64) for every person aged 65+. The EU needs to replenish workforce, but unexpected cuts in retirement age in some countries (i.e. Poland) buck European trends.
EU27 population by age and sex

**2010**
- 12% 6%
- 16% 15%
- 69% 65%
- 5% 6%

**2060**
- 10% 14%
- 17% 18%
- 58% 55%
- 15% 14%

*Source: European Parliament Research Centre*
• **Poverty alleviation, reduction of inequality and intergenerational solidarity:** almost 1/3 of the 65+ live alone and up to 2/3 of the 75+ are dependent on informal care; social exclusion is more important to older females due to lower pension scheme, weak digital skills amongst the 65+ affect social interactions and lead to isolation;

• **Age-friendly city design and public services:** 44% of the 65+ in the EU cities rely on public transport - its adaptation to physical vulnerabilities will be of concern; public administration buildings, post offices, cultural places, open spaces, gas stations etc need to support elderly;

• **But the ageing may also be boon for business:** boosting private investment and innovation will help sustain the growth and the successful economic convergence between the EU countries. The medical market in Europe is estimated at €5.2 bn and will be mainly driven by person-centred care, with more focus on prevention, early detection and active living for the elderly.
Forever young? EU policy responses

- As a **territory-based policy**, the **EU Cohesion Policy** has a proven potential to reduce the economic, social and territorial inequalities resulting from the population ageing;

- This is the only EU policy to **combine financial investments with structural reforms** to deliver a systemic change for elderly people:

  - **Accessibility of public services and infrastructure as a requirement for investments**; demographic trends need to be taken into account;
  
  - **Focus investments on primary care services, prevention and community-based services to trigger transformational changes in health and social care systems**;
  
  - **Smart specialisation strategies**: Healthy longevity driving innovation and growth in the EU regions;
  
  - **Increasing adult work ability**: adult training support, employment support and business support;
  
  - **Speed Internet and upgraded IT skills of the elderly** to make urban space an inclusive place for all. Around 70% of the 65+ never used the Internet.
Territorial instruments and programmes play a key role in enhancing the adaptability of regions and cities to the ageing population needs:

- **Integrated Territorial Investments (ITI) and Community-Led Development (CLLD), strengthen local capacities** and enable investments to improve access and quality of health and social services with the possibility of acting beyond the administrative boundaries of a city and bringing about a lasting improvement in a broader functional area;

- **European cross-border and transitional programmes support exchange of good practices between regions and cities** focused on senior entrepreneurs, cross-generational business innovation, healthcare technologies, independent living and cities for all ages e.g. Q-AGEING project;

- The **Urban Innovative Actions Initiative** identify and test new approaches to the challenges faced by ageing cities through pilot projects

- **EU-Japan programme to exchange on urban development.**

- **World Cities** promotes the exchange of experience and best practice between the European Union and non-EU countries for implementing twinning schemes EU, Australia, South Korea, South Africa, Indonesia and Vietnam.
Next policy experiment:

Focus on small and medium cities in economic decline from the regions of Kujawsko-Pomorskie and Zachodniopomorskie experiencing severe and multidimensional deprivation;

Measures focused on the population ageing:

- **Organisation of integrated health services to meet elder people's needs:** how to shift focus from long-term clinical care to stronger primary and community-based care and ensure better integration of health and social services, including supportive regulatory frameworks and incentives, workforce development, ICT investments in ICT etc?;

- **Rationalization of public transport for the elderly:** how to incorporate travel needs of elder people, including transportation planning, coordination with other agencies and transport providers and enhancement of vehicles with better ergonomics?
Thank you for your attention!

More questions?

wolfgang.munch@ec.europa.eu