

Liberal Responses to the Challenges of Demographic Change

Theme Resolution approved at the ELDR Congress, 15 October 2010, Helsinki, Finland

The ageing of populations sets one of the biggest challenges for the 21st century. Increased life expectancy is one of the greatest successes of the 20th century: who would not prefer a longer healthy, active and autonomous life? Older people provide Europe with a major social, economic and political resource and contribute a great deal to society. At the same time, European and global populations are ageing and still growing, although Europe has the lowest birthrate of all of the continents. Shifting demographics raise questions about health, social care and ecological sustainability, how to ensure sustainable economic growth and fairly distributed access to shrinking natural resources, and the type of social protection systems that we expect and can maintain. Taking this into consideration, European Liberal Democrats hold the view that dealing with demographic change should be seen as a cross-sectional task of high priority and that its consequences should be discussed at all political levels as well as in civil society; the discussion should particularly include the policy fields of migration and labour as well as family, social and structural policy.

Demographic change has not happened overnight. However, without policies to address these issues now, many EU Member States will discover sooner rather than later that their economies are less productive; our health care systems are unbalanced with the demands for health care in later life and reductions in the number of family carers and voluntary caregivers; and state pensions systems are in crisis. Europe's Liberal Democrats believe these questions must be answered now with policies that actively engage both older and young people in society and working life, with liberal reforms of our labour market, healthcare and pension systems, in order to safeguard people's right of self-determination to create and pursue their opportunities.

Not only addressing the implications of demographic change but dealing with its consequences will be the key to long-lasting prosperity. Sustainable spatial and settlement development, the promotion of lifelong learning and the creation of a positive age image are the most promising approaches.

Liberal Democrats also acknowledge that the consequences of demographic change differ from region to region across the EU and therefore appropriate, tailor-made measures have to be applied at national and regional levels.

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Taking this into consideration, European Liberals consider it necessary to adapt infrastructure in sparsely populated regions in response to the ongoing decrease in population; regional and structural policies should be reconsidered respectively and local actors should be included in the discussion.

It is not only older people and the impact of ageing on society that we need to consider. Currently, it seems that young people are especially bearing the brunt of the economic downturn. Soaring youth unemployment rates are alarming. We must take all steps necessary to avoid the emergence of a „lost generation“.

Population ageing is also likely to become a problem in the developing world, where resources to care for the elderly are inadequate. This could have important implications for the EU’s development policies and will affect the development of trade and competition.

It is imperative that changes to Europe’s demography do not hinder our ability to innovate, create and be competitive and in this regard the free movement of people and knowledge and a fully functioning Single Market are vital. Equally important is having a skilled, mobile and diverse workforce and, in addition to increasing the participation of country nationals into labour markets, we must also take advantage of the emergence of the pan-European labour market and the process of migration.

Seniors, young people, women, single parents, people with a low educational level should in particular be encouraged to participate in the labour market, and volunteering should be encouraged. As regards the prolongation of working life a new work-life balance with flexible labour times needs to be found.

Migration affects the composition of our European societies and is not a new phenomenon; the relocation of people across the world has been taking place for centuries. Without policies which address the economic and social aspects of immigration, undue pressure can be felt in recipient countries. Liberals consider that the legal migration of skilled third country workers into and between member states to complement the workforce of member state nationals remains an important way to maintain Europe’s workforce, stimulate research and innovation and ensure the EU’s global economic competitiveness. However, to tap into the full potential, measures to facilitate the integration of foreign nationals must be increased.

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The ELDR Congress:

Economic Impact of an Ageing Society

- Notes that longer life expectancy in the EU should be celebrated and that there are consequences for the structure and financing of health, social care and social protection as well as the need to meet the housing, security and environmental needs of older people. Special attention is needed for people suffering from dementia;
- Considers that it is crucial to mobilise local and regional authorities to minimize the impact of an ageing population;
- Notes that the baby boom generation is ageing. Without effective policy responses, this change could significantly reduce the size of Europe's workforce and threatens economic competitiveness, productivity and service provision;
- Notes the EU's Barcelona Summit proposals to raise the average actual age of retirement; that a number of member states are discussing raising the age of eligibility for state pensions; and that some have already done so;
- Notes that Europe's economy needs more entrepreneurs to stimulate economic growth and knowledge sharing;
- Considers that universal reliance on state expenditure to meet large parts of the income of all retired people is not an indefinitely sustainable economic model. Pension systems must be reformed in order to enable individuals to secure sufficient income when retired, whether funded through state and employer funds, private insurance or pension schemes, or a combination of these;
- Recognises that the need to maintain an adequately skilled workforce across the EU is vital for sustainable economic growth, particularly in a post-recession period, and notes that previous economic downturns have led to the loss of skilled and experienced workers and to increased costs in social support, health and care services;
- Notes that knowledge and skills run the risk of becoming rapidly outdated, and this can lead to a shortage of a highly qualified and skilled workforce. Therefore it is of great importance to facilitate lifelong learning, managed through the public and private sectors, for all European citizens, in order to safeguard their position in the labour market, from an earlier start to the working life of young people to a longer working life for older people;

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- Considers that the employment of older workers has positive effects on the economy in terms of them remaining active consumers and spenders, which in turn creates demand and jobs;
- Recognises the importance of flexibility in labour markets which allows employers to pay appropriately for the contribution which workers make, while safeguarding older workers' pension and employment rights;
- Calls for the development of tailor-made working and employment structures and conditions for older workers in order to facilitate their participation in the labour market;
- Calls for the abolition of mandatory retirement ages in EU member states. Older people are not a collective group and must have the individual freedom to continue working, if they so wish. Employers need to appreciate the advantages of elderly employees;
- Calls on employers to create a favourable climate for ageing and older employees to stay in work;
- Supports the concept of a fourth pillar of income in later life, focussing on the flexible extension of working life in order to supplement retirement income;
- Calls for common EU guidelines for member states on how to ensure people's financial future, including the abolition of retirement ages, greater incentives for longer-term saving and private investment, and a review of unsustainable public sector pension schemes;
- Calls on governments actively to promote healthy ageing programmes, and to pay attention to developing positive professional relationships between staff and older people throughout residential and community-based services, including appropriate staff training;
- Calls on EU governments to enable independent living of disabled people, regardless of age;
- Calls on governments at every level in the EU to support the development of age-friendly communities to enable older citizens to play their full part in society;
- Notes that we need to rethink how we provide access to services such as public transport, care, education, social events and healthcare, with more e-health, e-training, e-care and e-assistance; examples include broadband, home automation, telecare, teleshopping, telelearning and more accessible transport systems;

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- Calls on EU governments to take into consideration the reality of elderly abuse and mistreatment in our countries, in order to give the right answers to these situations;
- Calls for a business climate that is favourable to entrepreneurs without discrimination;
- Calls on the EU institutions and member states to recognise the implications of societal ageing in their policies for aid, development and trade;
- Stresses that fighting youth unemployment is an important priority, for it is a problem that frustrates the expectations of young people and deprives our economies of a great amount of strength and creativity;
- Refers to the 2010 ELDR “Fighting youth unemployment project” and the resulting “10 points against youth unemployment”;
- Considers that a good education and training system, well adapted to local and regional economies, is one of the main preconditions to decreasing youth unemployment;
- Calls upon liberal parties in Europe to take note of the “10 points against youth unemployment” and to adopt them as a benchmark in their policies to fight youth unemployment;
- Calls on all liberals, in and outside government, to minimise the bureaucracy of national, regional and local administrations, which is hindering the creation of youth employment.

Free Movement, Immigration and Social Cohesion

- Recognises that the free movement of people within the EU is vital for continued European integration and prosperity and calls for the rights of all EU citizens from old and new member states to be harmonised as soon as possible, notably the right to work in all member states;
- Notes and welcomes the extension of qualified majority voting to issues of immigration and asylum under the Lisbon Treaty and supports the provisions in the Stockholm Programme for the development of a comprehensive and sustainable European migration and asylum policy framework;
- Notes that a substantial number of people migrate for reasons of marriage and family reunification. We support the right to respect for private and family life, and welcome these migrants without discrimination, eg that based on sexual orientation. Member states have to ensure that these migrants integrate successfully;

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- Considers that proposals for EU cross-border health care, including further development of e-health, must come into force as soon as possible in order to provide more effective and efficient forms of treatment, and foresee a successor to the second programme of Community action in the field of health that expires in 2013;
- Considers that a broader review of labour market policies also needs to take into account the issue of migrants often filling low paid, low skilled service sector jobs;
- Notes that the successful attraction of skilled immigrants is fundamental to support the economic goals of the EU;
- Calls on governments to stimulate entrepreneurship in the health care sector, respecting quality of and accessibility to the health care system, as substantial investments in the healthcare sector - more specifically in elderly care and childcare - are necessary in order to deal with the challenge of an ageing society;
- Considers that the introduction of a flexible labour market and social security system will make member states' social security systems more sustainable, while guaranteeing a fair level of social welfare to citizens in need and promoting employability in a more flexible job market;
- Calls for, in line with the Stockholm Programme, the creation of flexible immigration systems that are responsive to the priorities, needs, numbers and volumes determined by each member state and which enable migrants to take full advantage of their skills and competence. To this end supports the migration of skilled workers into member states, both in the short-term, post recession period, and in the longer-term, through a blue card scheme that is administered by each EU country to ensure measured economic migration;
- Calls for appropriate and effective integration programmes at the national level, including linguistic, cultural and educational and health elements, to enable immigrants to contribute actively to our societies, economies and welfare systems;
- Calls on all those living in the European Union to participate actively in society with the expectation that they will respect the fundamental values and rule of law of the society in which they live;
- Notes that greater compatibility will contribute towards building a single European labour market. This market is essential in order to compete with other large labour markets without the restriction of internal barriers;

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- Calls on EU member states strongly to promote equality of access to secondary, vocational and higher education for young people, regardless of their background, as the best way to assist and integrate them in our societies;
- Calls for greater flexibility of labour market rules while ensuring the sustainability of social protection.

Inter-generational Dimensions of Demographic Change

- Notes that the accumulation of ever-higher amounts of public debt by governments across Europe is a ticking time bomb for coming generations and cannot go on any longer. Instead of taking a mortgage on the future, today's politicians should focus on balanced budgets, reducing state debt and reducing government expenditure in terms of GDP, and avoid putting in jeopardy the future pensions of younger generations;
- Notes that the overwhelming majority of people choose to live independently in later life, but with good family and social links, and considers that autonomy in later life, with family and community inter-dependence, achieves both what people want and reduces the strain on services and associated costs. Good support for people taking up the care of a family member is crucial to minimise the physical, psychological and financial burden;
- Notes that high levels of unemployment across the EU are to be found in the 18-24 and 50+ age ranges;
- Notes the urgent need to take measures to prevent older workers who have not yet reached the legal retirement age from being rejected from the labour market;
- Notes that young people will bear the brunt of the after-effects of the global economic and financial recession in terms of their level of debt and reduced spending power;
- Notes that early retirement is too often used as a short-term response to unemployment, thereby denying the mid- and long-term problems resulting from demographic change, and Congress opposes this attitude;
- Notes that the longer people remain active in society, the healthier their lives will be and the greater sense of well-being they will achieve;
- Considers that individuals must have the right of self-determination over how they live their lives, whether they are young and seeking opportunities in education and work or older people wishing to remain in employment and as active members of society;

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- Believes that individuals, both young and old, must be encouraged to assume responsibility and realise their potential, for instance through work, education or volunteering;
- Considers that both increasing the percentage of experienced and skilled older people in the workplace and supporting young people at their point of entry into the labour market are advantageous, and underlines commitment to the freedom for elderly people to choose where they wish to live, to keep their autonomy and to be protected against any form of violence;
- Calls for an enhanced child- and family-friendly working atmosphere, in particular calls for the extension of flexible working practices, including home-working, as a means to allow people to fulfil their work and private commitments to meet their individual needs;
- Calls on member states and EU institutions to invest more in education at school age levels and, more broadly, for a greater commitment to improving education levels among young adults, both for the good of the individual and Europe's prosperity;
- Calls on member states and EU institutions to promote existing programmes that encourage the mobility of students and educational professionals in Europe;
- Calls for initiatives that promote entrepreneurship and self-employment amongst young people to help broaden their employment options;
- Calls for coherent policies at EU and national level to promote and encourage the participation of young people in the labour market, education and training, including, at EU level, additional funding for student exchange programmes to develop a more mobile and knowledgeable workforce;
- Calls for initiatives which promote inter-generational links and contributions by older and younger people to benefit all generations;
- Calls for initiatives to promote and facilitate access of the elderly to the use of new communication technologies and social networks to support their active participation in society and reduce their isolation.

International Cooperation

- Recalls the European Convention on Human Rights: "Reaffirming their profound belief in those fundamental freedoms which are the foundation of justice and peace in the world and are best maintained on the one hand by an effective political democracy and on the other by a common

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understanding and observance of the human rights upon which they depend“;

- Considers the coherence of policies relating to international cooperation to be crucial to improve effectiveness;
- Notes that young people in developing countries have limited chances to find work and to make a living and build a family;
- Recognises that having no real perspective on employment and income can contribute indirectly or directly to instability and violence, and furthermore increases migration to the EU and deprives a generation of the opportunity to make a positive contribution to the development of their country;
- Notes that the pace of immigration is of high concern to the EU member states and has the potential to undermine internal social cohesion;
- Recognises that in order to structurally alter migration flows, it is of utmost importance to make an EU-wide contribution to the political and economic development of countries of origin and beyond;
- Considers that removing trade barriers would significantly contribute to a better business climate in developing countries;
- Considers capacity building (training, curriculum development, innovation and research) to be a core element of liberal democratic international cooperation policy: trust in people“s own power;
- Calls on governments to enhance education and training in EU member states for people from developing countries.

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