EUROPEAN CONSERVATIVES AND REFORMISTS GROUP

Europe's demographic winter

ECR Working Group on Demography, Intergenerational and Family Policies

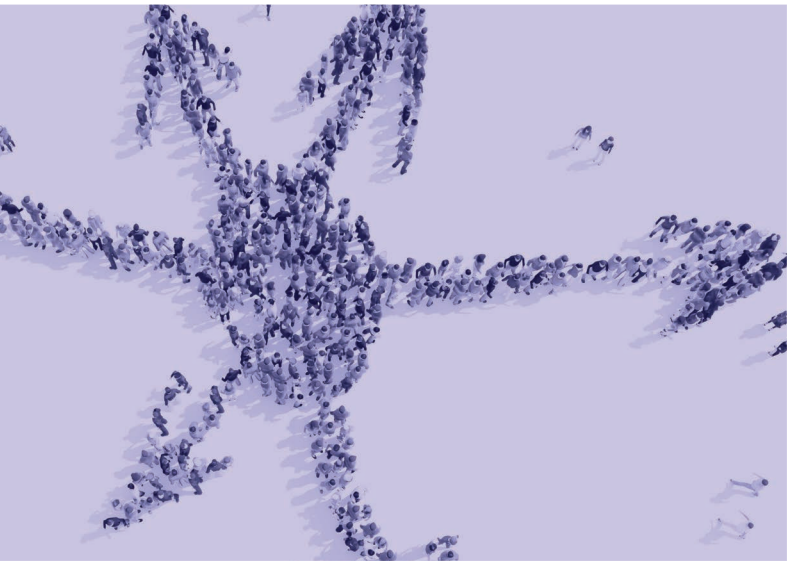














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Demographic challenge for Europe



Introduction from the Co-Chair of the ECR Working Group on Demography, Professor Zdzisław Krasnodębski, Member of the European Parliament



1. A symptom of decay?

In the 1970s and 1980s, one of the symptoms of the decay of the communist system — which pretended to be a historical alternative to and successor of Western capitalism and bourgeois parliamentary democracy — were demographic figures: the rise of the mortality rate among middle-aged persons, especially men, and the fall in average life expectancy. Fifty years later – and thirty years after the downfall of communism – there are alarming demographic data, which could be interpreted as a sign of deep and growing problems of the 'West', in particular the countries of the European Union. These are, on the one hand, the dramatic drop in the birth rate and the ageing of the European native population, and, on the other, the growing immigration pressure from the Middle East, Africa and Asia, together with mass intra-European population movements from the periphery to the centre.

2. Europe's 'demographic winter'

The population of Europe is ageing rapidly and the birth rate is very low. Europe has a lower birth rate than any other continent (see Birg in this volume), although it has been an exception to the global trend of decline in fertility in recent years.[1]

Current birth rates are so low that each generation is smaller than the previous one. Much of Southern and Eastern Europe, as well as Austria, Germany and Russia (as also the developed nations of East Asia), have very low fertility rates, with the average birth rate standing at 1.5. For example, the fertility rate is 1.6 in Russia, 1.4 in Poland, and 1.2 in South Korea. Thirteen EU Member States have negative rates of natural change, with deaths outnumbering births the most in Bulgaria (-6.0 per 1 000 persons), Lithuania (-3.7), Romania (-3.5), Croatia and Latvia (both -3.4) and Hungary (-3.2).

Demographers write about the risk of the 'low fertility trap', i.e. the tendency for fewer women to have fewer children, leading to an accelerating spiral of depopulation.

Projecting from the above, Europe's share of the world's population will shrink. In 2015, the EU-28 had 509.4 million inhabitants — that is, some 6.9% of the total world population, down from 13.5% in 1960 — and its share is projected to fall further to just 4.1% by the end of this century.

No wonder that in some quarters in European societies there prevails a pessimistic 'Spenglerian' mood of decline and fall, the fear that the West, and in particular Europe, would lose out in global competition and become an insignificant periphery in relation to the new centres of power in Asia.

3. Why is this a problem?

Are these concerns exaggerated? One has to notice that the EU-28 is still characterised by continuing population growth. The population of the EU-28 increased during 2016 by 1.5 million people, and it is projected that the number of Europeans will grow further in the next decades — from 506.3 million in 2015 to 539.8 million in 2050.[2]

Therefore, the ever more important challenges for Europe are considered to concern not absolute numbers, but rather Europe's share in the global population, as well as the composition and, above all, the ageing of its population.

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1 In Europe, total fertility increased from 1.4 births per woman in 2000-2005 to 1.6 in 2010-2015 – see: UN World Population Prospects: The 2017 Revision - https://www.un.org/development/desa/publications/world-population-prospects-the-2017-revision.html

2 Vienna Institute of Demography (VID) and International Institute for Applied Systems Analysis (IIASA), 2016 European Demographic Datasheet 2016. Wittgenstein Centre (IIASA, VID/OEAW, WU), Vienna.

At present, 25% of the European population is aged 60 years and older. In 2050, it will be 35%. The same process of population ageing will also affect other regions of the globe, but at a later point and at a much lower level. Africa, which has the youngest age distribution of all regions, is also projected to experience a rapid ageing of its population. The percentage of Africa's population aged 60 or over is expected to rise from 5% in 2017 to around 9% in 2050, and to nearly 20% by the end of the 21st century.[3]

One can expect that these changes would have a great impact on the world economy. Demographics played a leading role in economic development in the twentieth century. The scholar Sami J. Karam states: 'If the world saw unparalleled prosperity with the expansion of trade and freedom from 1983 to 2007, it is in large part because falling dependency ratios in the West, Japan, and China combined with steady population growth, technological innovation, and good governance to deliver a large demographic dividend'.[4]

The term 'demographic dividend' refers to a situation where the growth of a country's working-age population coincides with a declining dependency ratio. This was connected with the entry of women into the labour market. In such a context, the decline in total fertility was seen as an economic advantage, because it reduced the dependency ratio and facilitated the inclusion of women in the workforce.

Now that dividend, which was a source of Europe's success in the decades after World War II, is gone. Yet despite ever more frequent warnings, today's demographic challenge is still not taken seriously enough. To quote Karam again: 'Demographics are among the most important influences on a country's overall economic performance, but compared with other contributors, such as the quality of governance or institutions, their impact is under-appreciated. Demographic factors, such as the age structure of a population, determine whether a given economy will grow or stagnate to an even greater extent than more obvious causes such as government policy'.[5]

4. Overpopulation

However, people are not a scarce resource. There are enough people in the world and there will be even more of them in the future. One can even talk about the so-called 'overpopulation plagues' in the developing world, though Total Fertility Rates (TFRs) have come down all over the world and are expected to continue falling.

On UN projections, world population will rise between 2015 and 2050 by nearly 2.38 billion people, from 7.35 billion to 9.73 billion. This means a growth of 32%, but in the preceding 35 years (1980-2015) the growth rate had been much higher — 66%. Important, however, are the geographical differences in demographic trends. Approximately half of that 2.38 billion increase will take place in sub-Saharan Africa and nearly 40% in Asia. India would be the biggest contributor with a net addition of 394 million, followed by Nigeria (216 million), Pakistan (120 million), DR Congo (118 million) and Ethiopia (89 million). By 2050, these countries will feature in the top ten populations by size, a list that will also include the United States (expected to rank fourth), but not one European country. Elsewhere in the world regional populations will be growing slowly (the Americas), stagnating (China, Western Europe), or receding (Japan, Eastern Europe).[6]

Thus, the real problem is rather one of achieving a proper and even distribution of the masses

3 https://www.un.org/development/desa/publications/world-population-prospects-the-2017-revision.html

4 Sami J. Karam, 'The Economics of Dependency. How Countries Hit the Demographic Sweet Spot', *Foreign Affairs,* 27 February 2017 - https://www.foreignaffairs.com/articles/world/2017-02-27/economics-dependency

5 Karam, loc. cit.

6 https://populyst.net/2018/04/04/future-hubs-of-africa-and-asia/

of people over the globe, in a context where some nations and ethnic groups will decline in numbers while others will show a rapid growth. Shrinking population in some European countries and regions is compensated by rapid growth in the global population, and the deficits can be covered by immigration from other parts of the globe. The dependency ratio could be reduced by an inflow of young people from the Middle East, Africa or parts of Asia.

Thus, the natural or self-evident solution to the demographic problems of Europe would be immigration. Many Western European countries, in particular those with a colonial past, have been absorbing large numbers of immigrants from other countries, regions and continents. In many cases, this has been a successful policy. A frequently cited example is Germany, not only because of its well-known policy of inviting 'Gastarbeiter' from Italy, Portugal, Greece or Turkey, but through the millions of people partly or allegedly of German origin from Eastern Europe, who were well qualified and very eager to integrate or even assimilate. This was a very effective immigration policy at the time, when the official state doctrine was that Germany is not an 'Einwanderungsland' (an immigration country).

In the second half of the 1990s, when Chancellor Schröder announced his programme of a German 'green card', the response to his policies resulted, among other things, in the slogan 'Kinder statt Inder', 'Children, not Indians'. In 2015, Chancellor Merkel decided to open borders for immigrants not only to Germany, but also to the European Union, encountering fierce resistance from the countries of the V4 (Visegrad Group).

This decision could be also motivated by the fact that immigration is considered to be inevitable and the only means of rescue for Europe. According to a projection by the European Commission, which assumes that fertility levels will converge across the Member States to relatively high rates, without migration the current EU population of nearly 504 million would shrink to 492 million in 2030 and 467 million in 2045. At the same time, the EU has still fewer migrants than the US.

The number of people living outside their country of birth in the EU is 11%, compared to 13.5% in the US. Besides, many of the foreign residents are from other EU Member States. Moreover, the foreign-born share of the population varies widely across the EU, ranging from less than 2% in Poland to more than 45% in Luxembourg.

5. Is immigration a solution for the demographic problems of Europe?

Can low fertility in Europe be compensated by immigration? According to German sociologist Gunnar Heinsohn it will not solve the economic problems, because what is important for the economy is not people as such, but having a skilled workforce. Such a workforce is and remains a scarce resource, because it is predicted that most of the world's expected population growth will increasingly be concentrated in today's poorest, youngest, and most heavily Muslim countries, which have a dangerous lack of quality education, capital, and employment opportunities.

In a lecture given at the European Parliament, Herwig Birg, a leading German demographer, mentioned additional factors that explain why immigration cannot solve Europe's demographic problems: 'Immigration cannot halt the ageing of our society, because ageing is primarily due to the declining numbers of young people and only to a small extent to rising life expectancy. Ten years ago, the United Nations Population Division calculated that a net total of three-and-a-half million younger people would have to migrate to Germany each year (and likewise for other countries) in order to bring ageing to a halt.'

The author also stresses that: 'there is no gain to be had from poorly educated foreigners, only a loss of prosperity'. Furthermore, he points out that massive immigration will negatively influence social cohesion and national solidarity, arguing: 'A nation's prosperity results from

an intergenerational chain of culturally based contributions that begins anew with each individual. It starts in families with the raising of children with the capacity to learn, continues with a striving for education and knowledge at schools and universities and finally appears in the economy in the form of competitive products. The links in the chain are weakened if the shrinking numbers of home-grown young people are offset by the immigration of people with a below average level of education and training.'[7]

It may be that in a short-term perspective immigration can improve the dependency ratio and halt the population shrinking process. Yet it is mistaken to view the demographic problems only from an economic perspective. The changing ethnic composition of our society has an impact on politics and society in general, because newly arriving ethnic or religious groups will influence political and cultural decisions in the future. Many European societies are experiencing such a process of 'permanent ethnic transformation'. To quote the expert David Coleman: 'The third demographic transition would be a change in the composition of the population itself, the universalisation of new ethnic diversity, leading possibly to the replacement of the original population by new ones through immigration and differential fertility. Such a transformation would be inevitable in countries with persistent low fertility. Without migration, these nations would in the long run cease to exist.'[8]

This explains why immigration has become an explosive political issue. Immigration is increasingly considered by a growing part of the native population as a threat and even as a kind of invasion, not as a solution for economic problems. In many western countries the question of preserving one's identity has become one of the main topics of the current political debate. Walter Russell Mead, an author writing about the supporters of Donald Trump, has characterised them as 'Jacksonians', that is, representing a view of America in the tradition of Andrew Jackson (in opposition to Hamiltonians or Jeffersonians): 'Jacksonians in 2016 saw immigration as part of a deliberate and conscious attempt to marginalise them in their own country. Hopeful talk among Democrats about an "emerging Democratic majority" based on a secular decline in the percentage of the voting population that is white was heard in Jacksonian America as support for a deliberate transformation of American demographics. When Jacksonians hear elites' strong support for high levels of immigration and their seeming lack of concern about illegal immigration, they do not immediately think of their pocketbooks. They see an elite out to banish them from power — politically, culturally, demographically.'[9]

This kind of suspicion is now spreading through a Europe where the model of a heterogeneous, multicultural society is propagated as an inevitable outcome of modernisation and as truly European.

6. Flight from the East

Thus, the core of the problem is not simply the size of the world's population, but its distribution. Jack Goldstone writes: 'Twenty-first-century international security will depend less on how many people inhabit the world than on how the global population is composed and distributed: where populations are declining and where they are growing, which countries are relatively older and which are more youthful, and how demographics will

7 Herwig Birg, 'Who profits from whom?' Original German source: *Weltwoche* No. 38, 2015, pp. 60-61

8 David Coleman, 'The Changing Face of Europe', in: Jack A. Goldstone, Eric P. Kaufmann and Maureen Duffy Toft, eds., *Political Demography,* Oxford: OUP, 2012, pp. 176-194 (p. 191)

9 Walter Russell Mead, 'The Jacksonian Revolt', Hudson Institute, 2017 - https://www.hudson.org/research/13258-the-jacksonian-revolt

influence population movements across regions.'[10]

Yet this thesis applies to Europe itself. One can observe striking and dangerous imbalances between different regions and parts of Europe. Besides the ageing population and immigration pressure, Europe has a third big demographic problem that is mostly neglected and silenced: a movement of population from the eastern to the western part of the continent, known by the term 'Ostflucht' (flight from the East), coined in Germany in the nineteenth century.

According to estimates, since 1990 12 to 15 million people have emigrated from the countries of Central and Eastern Europe. In the past 27 years, large numbers of people have managed to reach Western European countries from Latvia, Lithuania and Bulgaria. Inhabitants of these countries migrate for economic reasons. People decide to emigrate at a productive age, especially those aged from 18 to 30.

It is projected that the population of Europe will grow in future, but that such growth would take place only in the 15 so-called 'old' Member States, whose combined population will rise from 401.6 million in 2015 to 448.6 million in 2050.

The combined population of the 13 'new' Member States will fall from 104.7 million to 91.2 million. South-East Europe will be particularly affected.

Politico recently published an article calling Latvia a 'disappearing nation'. In 2000, Latvia's population stood at 2.38 million. At the start of this year, it was 1.95 million. No other country has had a more precipitous fall in population — 18.2% according to UN statistics. Only Latvia's similarly fast-shrivelling neighbour, Lithuania, with a 17.5% decrease, and Georgia, with a 17.2% drop, come close.[11]

A new protectionism in the western part of the EU, directed against immigration from the eastern part of the continent and exemplified in measures such as reducing child benefit for children living in the home country, new legislation such as that targeting alleged social dumping, or the new directive on posted workers, will not stop the process: the opposite will probably occur.

7. The very modest role of the EU

Everybody knows that the demographic situation of Europe matters, yet the demographic crisis is still not at the heart of politicians' concerns in many European countries or at EU level. Population policies are expensive and require long-term planning: demographics are not self-regulating, and successful population policies require governments to make long-term investments in encouraging childbirth. This means a great deal of financial support, even in times of austerity; when it comes to population policies, there is no such thing as short-term success. In order to bear fruit, the policies must be consistent and predictable, so they have to be based on a broad national consensus.

There are some examples that demonstrate that proper policies can change the negative trend. One such policy, pointed to as successful and exceptional, is that adopted in France.

Interestingly enough, the motives were not purely economic but also political. Steven Kramer explains: 'It was France's defeat in the Franco-Prussian War of 1870-71, which transformed the country's low birth rate into a political issue, because of diminishing population'. He adds: 'The populations of France and Germany were about equal in 1871; by 1914, the German population was about 50% larger. Yet because it espoused limited government, the

10 Jack A. Goldstone, 'The New Population Bomb', *Foreign Affairs,* January/February 2010 (p. 3) - https://www.foreignaffairs.com/articles/2010-01-01/new-population-bomb

11 Gordon F. Sander, 'Latvia, a disappearing nation', *Politico*, 5 January 2018

Third Republic did not take meaningful steps toward a pro-natalist policy until the very eve of World War II. In 1939, it passed the Code de la Famille, which provided financial support to parents.'[12]

However today – as in other cases – pro-natalist policies at the national level are not sufficient. Even in France, the policy that had so long been effective seems not to work any more — *for three years now* the number of new-born children has been falling.[13]

It seems necessary that the EU should in future take an active role in solving the demographic problem, through an explicit pro-natalist policy at Union level as one of its main priorities.

Until recently, responsibility for social policy has continued to lie primarily with national governments, with the EU's role being confined to supporting and complementing their efforts. Unfortunately, up till now the EU has done this only in an insufficient way.

Neither the family nor demography were defined by Jean-Claude Juncker at the beginning of his tenure as policy areas deserving to be among the Commission's ten key priorities for 2015-2019.

The EU tackles the problem only indirectly. In general, Union policies related to demographic issues are essentially oriented to the shorter term. They focus on smoothing the consequences of lower fertility rates in Member States, mainly by adapting to the process of ageing of the population. Core areas of EU policy here include fathers' take-up of parental leave and its consequences for the family, the effects of formal childcare on children's development, and young people's transition towards self-sufficiency.

The Commission coordinates and monitors national policies and implementation of EU law and promotes the sharing of best practices, for instance in the area of social security schemes. The Commission service responsible for social affairs is the Directorate-General for Employment, Social Affairs, Skills and Labour Mobility (DG EMPL), currently headed by the Commissioner Marianne Thyssen.[14]

Cohesion policy can also play an important role in supporting regional adaptation to demographic changes and reversing the risks of development gaps between regions widening owing to demographic trends.

DG EMPL had been in charge of drafting the European Pillar of Social Rights, which was proclaimed and signed in November 2017 at the Gothenburg Social Summit for Fair Jobs and Growth. Among other things, the document stresses the importance of work-life balance, stating: 'Parents and people with caring responsibilities have the right to suitable leave, flexible working arrangements and access to care services. Women and men shall have equal access to special leaves of absence in order to fulfil their caring responsibilities and be encouraged to use them in a balanced way'.[15]

Between 2007 and 2013, a total of EUR 64.1 billion was dedicated to priority themes directly or indirectly targeting demographic challenges. Cohesion measures have indeed the potential to exploit the opportunities arising from demographic change through the valorisation of the elderly population, migrants and women as economic agents and drivers for both demand and supply with regard to technological innovation and new products and services.

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12 Steven Philip Kramer, 'Baby Gap: How to Boost Birthrates and Avoid Demographic Decline', *Foreign Affairs,* May 2012, pp. 2-6

13 Cf. *Le Figaro*, 7 January 2018

14 Commissioner in 2014-2019

15 'The European Pillar of Social Rights in 20 principles', European Commission, 2017 - https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-rights/european-pillar-social-rights-20-principles_en

However, there is also a need for greater integration and synergies between cohesion policy and other structural policies and their funds, as well as between those funds and national and regional strategies.

In the Multiannual Financial Framework for 2021-2027, dealing with a demographic crisis is not mentioned as a priority. In 2005, the Commission decided to close the European Observatory on National Family Policies, which was established by it in 1989. The aim of this observatory was to monitor trends in the development of family forms and developments in policies which impact on families. It also advised the Commission on family policies.

Generally, one can say that this issue, which is crucial for the future of Europe, has been to a large extent neglected by the European Union. This neglect is not accidental but results from the ideological and political bias of the EU.

8. The need for a revolution

Tackling this problem will require a deep change of mentality and a genuine cultural revolution (or counter-revolution) – as the reasons for low fertility rates are various and deep, including urbanisation, women's improved status and enhanced activities, and the higher cost of modern education, which leads parents to invest in 'child quality' rather than quantity. Additional suggested causes for the more recent decline, i.e. since the 1970s, include: changes in personal values that emphasise self-realisation and freedom from traditional authority; state pension systems that mean the elderly do not need the support of their own children; women's growing participation in the workforce; modern contraceptive methods (though most experts feel that contraception serves primarily to time childbirth rather than to reduce family size); and, in some regions of Europe, uncertainty about the future.

All these factors and tendencies have contributed to changes in relations between the sexes, as well as in attitudes to marriage and family. The researcher Christine Bachrach stresses: 'The arrival of the Pill and abortion rights both changed the model of marriage and made it less necessary. These developments made possible a new model of singlehood that incorporated elements initially tied only to marriage: first sex, and then reproduction and childrearing as well... Although sex, reproduction, and childrearing activities remained elements of the cultural model of marriage, their associations with marriage were weakened by the competing model. With society tolerating alternative approaches to family formation, women no longer needed to marry.'[16]

All of these deep cultural and societal changes have negative demographic consequences, which are analysed in this booklet. Is it possible to revert such a historical tendency? Would it even be desirable, given that many of these changes mean more freedom and possibility of choice, especially for women?

Yet having children and family – along with other 'traditional' values – remains very important for a majority of people. There is a need to create a social and economic context in which reconciling these aims and values can more easily become a reality of life.

The countries of Eastern, Central and South-Eastern Europe, which are the most affected by the crisis, could play a leading role in raising awareness of how dangerous the demographic crisis is and of the fact that dealing with it needs to become one of the EU's priorities.

16 Christine A. Bachrach, 'Culture and Demography: From Reluctant Bedfellows to Committed Partners', *Demography* (2014) 51:3–25



Eastern Europe and the global war for talent





In 2015, total fertility in the European Union (excluding the UK) hovered around 1.5 live births per woman.[1] To reach net reproduction (2.1 children per woman), the number of births (approximately 4.3 million, without the UK)[2] fell short by about 1.5 million. Assuming that no major changes in reproductive behaviour occur between now and 2050, some 53 million immigrants will be required between 2015 and 2050 to compensate for the shortage of native-born European children.
(11 April 2017)[3]

Gunnar Heinsohn

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teacher at NATO Defence College in Rome since 2011

1 http://ec.europa.eu/eurostat/statistics-explained/index.php/File:Total_fertility_rate,_1960%E2%80%932015_(live_births_per_woman)_YB17.png

2 http://ec.europa.eu/eurostat/statistics-explained/images/e/ee/Demographic_balance%2C_2015_%28thousands%29_YB16.png

3 Thanks for editorial assistance go to Clark Whelton (New York).

There is no shortage of people who want to live in the European Union, especially in western Europe, where countries provide generous social welfare allowances.

Area	Population 1950	Population 2015	Population 2050	% wishing to emigrate
Muslim majority countries in Asia (Afghanistan, Bangladesh, Indonesia, Malaysia, Pakistan)	160m	620m **93m**	920m **138m**	10% (2011 Pakistan 25%) **15%** (average)
Sub-Saharan Africa	180m	980m **372m**	2 100m **798m**	**38%**
Arab states	70m	380m **133m**	645m **226m**	23% (Youth 2011: 70%[4]) **35%** (average)
Total		**598m**	**1 162m**	

Table 1. Desire to emigrate by area (2009; **bold**: desire to emigrate)[5]

The EU's need for immigrants could easily be met 20 times over. However, in 2015 EU countries were already providing for nearly 20 million officially unemployed.[6] This means only newcomers with skills have a chance of finding work, i.e., a chance that will in turn generate the taxes that support rapidly ageing nations, and that at the same time help them

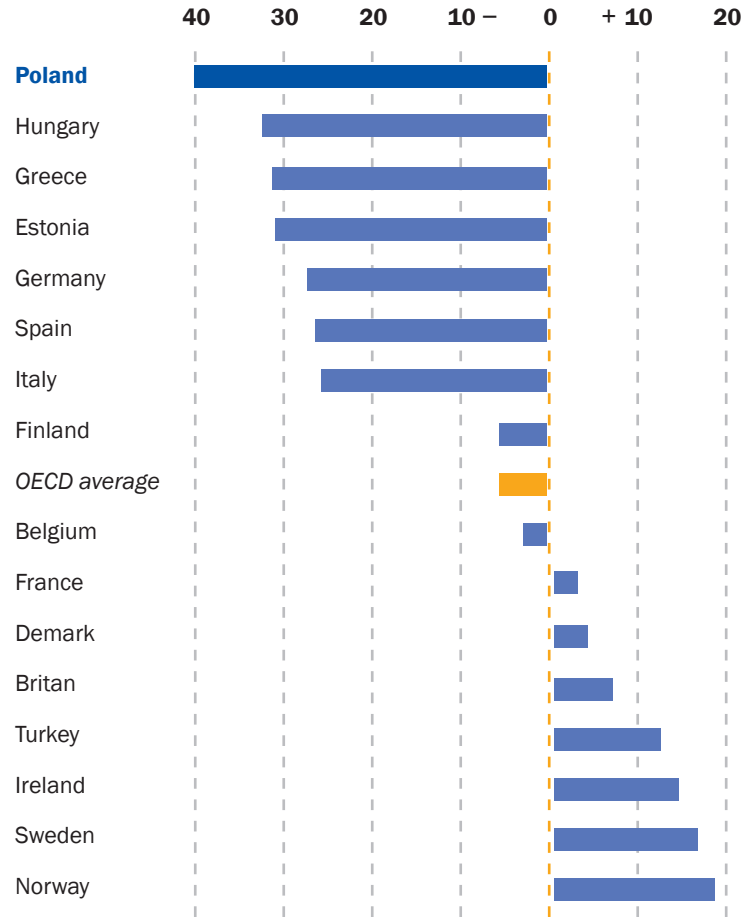


Table 2. Working-age population (15-64) in European OECD-Nations, 2015-2060 forecast[7] Source: OECD

4 http://www.politicalforum.com/index.php?-threads/70-per-cent-of-arab-youth-want-to-emigrate.217841/

5 www.gallup.com/poll/124028/700-million- worldwide-desire-migrate-permanently.aspx

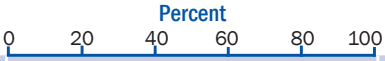
6 https://de.statista.com/statistik/daten/studie/250187/umfrage/arbeitslosenzahl-in-den-eu-laendern/

7 *The Economist*, 15 October -2016, http://www.economist.com/news/europe/21708689-government-loses-battle-remains-popular-and-illiberal-ladies-black

retain their top spots in global economic league tables. Close to 50% of all jobs could be automated in the coming decades[8], so unemployment statistics will increase considerably, as will the demand for highly-skilled labour. For example, between 2010 and 2015, the demand for data analysts grew by 372%; within that segment, demand for data-visualisation skills shot up by 2.574%.[9]

There is an abundance of unskilled labour everywhere, so while skilled workers are scarce, OECD nations must continuously and ruthlessly compete with each other for talent and in trying to attract the best and the brightest from the rest of the world. For instance, Germany (total fertility rate in 2016 – 1.44[10]), cannot help but attract talent from its eastern neighbours, where salaries are only 30% of German levels. Because of the EU's 'free movement of persons' the EU's Slavic and Baltic states are doomed if they cannot develop ways to remain attractive and thus retain their most innovative citizens.

Conversely, these countries benefit from this freedom by because their least qualified are absorbed into the welfare systems of Germany and its western partners. By 2016, 92.000 Poles, 70.000 Bulgarians, 57.000 Romanians, and 46.000 Greeks were drawing their incomes from German taxpayers.[11] However, Berlin is already changing the law to make foreign EU nationals wait five years before becoming eligible for benefits.[12]



Education system	Advanced (625)		High (550)		Intermediate (475)		Low (400)	
Singapore	50	*	80	*	93	*	99	*
Hong Kong--CHN	45	*	84	*	98	*	100	*
Korea, Republic of	41	*	81	*	97	*	100	*
Chinese Taipei--CHN	35	*	76	*	95	*	100	*
Japan	32	*	74	*	95	*	99	*
Northen Ireland--GBR	27	*	61	*	86	*	97	*
Russian Federation	20	*	59	*	89	*	98	*
England-GBR	17		49		80		96	
Kazakhstan	16		47		80		96	*
Florida-USA	16		49		82		96	
United States	**14**		**47**		**79**		**95**	
Ireland	14		51	*	84	*	97	*
Norway	14		50		86	*	98	*
Hungary	13		44		75	*	92	*
Portugal	12		46		82	*	97	*
Denmark	12		46		80		96	
Dubai-UAE	11	*	35	*	66	*	87	*
Serbia	10	*	37	*	72	*	91	*
Bulgaria	10	*	40	*	75		92	*
Lithuania	10	*	44		81		96	*
Poland	10	*	44		80		96	*
Belgium (Flemish)	10	*	47		88	*	99	*
Cyprus	10	*	39	*	74	*	93	*

8 Estimates for the United States; C. B. Frey, M.A. Osborne, *The Future of Employment*, http://www.oxfordmartin.ox.ac.uk/downloads/academic/The_Future_of_Employment.pdf

9 http://www.economist.com/news/special-report/21714169-technological-change-demands-stronger-and-more-continuous-connections-between-education

10 https://www.cia.gov/library/publications/the-world-factbook/rankorder/2127rank.html

11http://www.focus.de/finanzen/news/arbeitsmarkt/sozialhilfe-440-000-eu-buerger-beziehen-hartz-iv-in-deutschland_id_5480534.html

12 https://www.bundesregierung.de/Content/DE/Artikel/2016/10/2016-10-12-grundsicherung-auslaendischer-personen.html

Australia	9	*	36	*	70	*	91	*
Quebec--CAN	9	*	42		82	*	98	*
Finland	8	*	43	*	82	*	97	*
Czech Republic	8	*	38	*	78		96	
International median	**6**	*	**36**	*	**75**	*	**93**	*
New Zeeland	6	*	26	*	59	*	84	*
Slovenia	6	*	34	*	75	*	95	
Ontario-CAN	6	*	31	*	70	*	93	
Canada	6	*	31	*	69	*	92	*
Germany	5	*	34	*	77		96	*
Sweden	5	*	34	*	75	*	95	
United Arab Emirates	5	*	18	*	42	*	68	*
Turkey	5	*	25	*	57	*	81	*
Italy	4	*	28	*	69	*	93	*
Slovak Republic	4	*	26	*	65	*	88	*
Netherlands	4	*	37	*	83	*	99	*
Spain	3	*	27	*	67	*	93	
Abu Dhabi--UAE	3	*	12	*	32	*	56	*
Croatia	3	*	24	*	67	*	93	
Qatar	3	*	13	*	36	*	65	*
France	2	*	21	*	58	*	87	*
Georgia	2	*	15	*	47	*	78	*
Oman	2	*	11	*	32	*	60	*
Bahrain	2	*	13	*	41	*	72	*
Iran, Islamic republic of	1	*	11	*	36	*	65	*
Chile	1	*	10	*	42	*	78	*
Buenos Ires--ARG	#	*	6	*	32	*	66	*
Saudi Arabia	#	*	3	*	16	*	43	*
Morocco	#	*	3	*	17	*	41	*
Jordan	#	*	5	*	21	*	50	*
Indonesia	#	*	3	*	20	*	50	*
Kuwait	#	*	3	*	12	*	33	*

Table 3. The left-hand column on the right of the table[13] ('advanced') shows the share of the very best pupils in mathematics by nation. They will typically be creative and innovative, start companies and win Nobel Prizes etc. Out of 100 fourth grade children, 50 are top performers in maths in Singapore, 10 in Poland, 5 in Germany, 2 in France, 1 in Iran, 0 in Morocco, etc. The ranking explains why east Asian nations are loath to take immigrants from outside their ethnic groupings. They will lower their precious high averages if they accept pupils that are average or below from nations ranked below them. Germany, France etc. are accelerating their decline because they allow mass immigration from low-ranking nations.

Germany is in a desperate situation because for more than half a century the government has taken in low-skilled immigrants to help support its struggling industries (mining, steel etc.). Since the demise of these industries was only delayed but not averted, many of the workers subsequently made redundant when industries did close inevitably ended up relying on welfare payments. Nearly 50% of their children – 35% of the country's next generation – fail at school, while only 1.3% are in the top percentiles.[14] Out of 1,000 German pupils taking part in TIMSS 2015 (fourth grade), only 53 made it into the highest achievers group in mathematics – compared to 140 in the US, 168 in England, 198 in Russia, 322 in Japan and

13 https://nces.ed.gov/pubs2017/2017002_timss_2015_results.pdf, p. 11

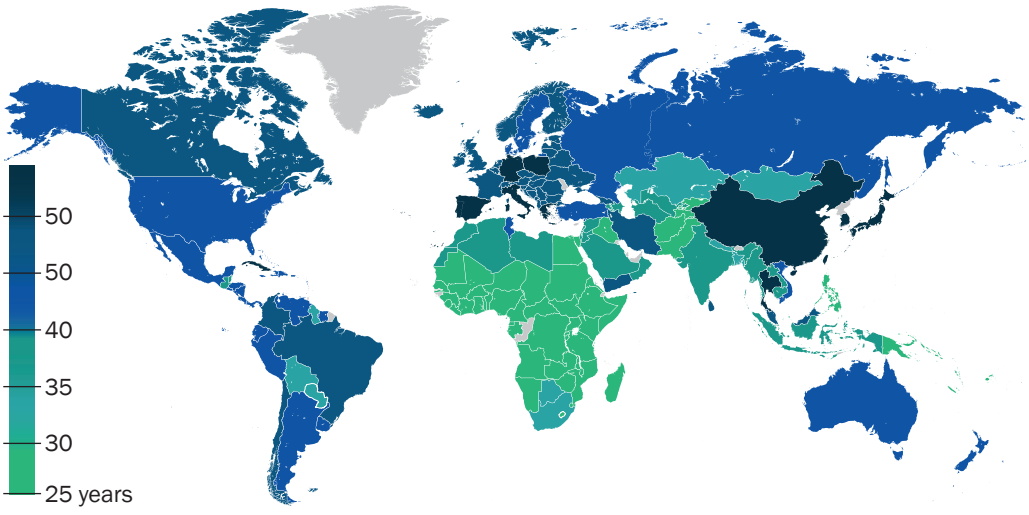
14 http://www.pisa.tum.de/fileadmin/w00bgi/www/Berichtband_und_ Zusammenfassung_2012/PISA_EBook_ISBN3001.pdf, p. 299

(I) 1.7 BILLION EAST ASIANS [China including Hong Kong and Macao, Japan, Singapore, South Korea, Taiwan, Vietnam, Han Diaspora (40m)]	(II) 1.1 BILLION EUROPEANISED [Australia, New Zealand, Europe/Russia, Israel, USA and Canada]	(III) 4.7 BILLION REST [Nations that are stagnating or even shrinking in economic terms, nations that are constantly falling further behind China]
23% of global population	15% of global population	62% of global population
Extremely low birth rates, homogeneous, ethnocentric, **in need of foreign talent**	Birth rates too low, multi-ethnic, **in need of foreign talent**	Highest birth rates, multi-ethnic, **losing an already small pool of talent**
Best pupils (PISA; TIMSS)	Average pupils (PISA; TIMMS)	Worst pupils (PISA; TIMMS)
60% of international patents	36% of international patents	4% of international patents
30% of global GDP (PPP[15] USD)	40% of global GDP (PPP USD)	30% of global GDP (PPP USD)

Table 4. Global demographic and economic situation in 2017

501 in Singapore. Poland, Hungary and the Czech Republic finished ahead of Germany.[16] Berlin will need to work hard to lure these countries' elites if it is to give its remaining world-class companies a new lease of life.

However, the brainpower of Eastern Europe is not being drained by Western Europe alone. A global war for foreign talent is raging between two major groupings: (I) East Asia, with 1.7 billion inhabitants, and (II) the Europeanised world, with 1.1 billion inhabitants. The rest of the world is lagging desperately far behind in Group III. At least 30% of Group III's 4.7 billion inhabitants want to emigrate to a handful of countries in Group II (US, Germany, France, the Netherlands) because Group I and the rest of Group II (Australia, Canada, New Zealand, UK) are already closed off to unskilled immigration.



Map. Estimated percentage of population 65 or older in 2050[17]

By 2050, in at least 45 countries more than one quarter of the population will be aged 65 or over. These countries will be concentrated in East Asia and the Europeanised regions of the globe. However, within the EU there are stark differences between western countries plagued by deadly Islamist terror and urban no-go zones, and the group's eastern members that still live in peace. Can safety from violence become an advantage for east European nations

15 Purchasing Power Parity

16 http://timss2015.org/timss-2015/mathematics/student-achievement/

17 https://www.bloomberg.com/news/articles/2016-02-02/mapping-the-oldest-countries-in-the-world

that will help them keep their best and brightest at home, or even encourage expatriates to return home to cities like Warsaw and Budapest?

This outcome would require national control of Eastern Europe's borders because the pressure from low-skilled migrants trying to escape from Group III will increase for decades to come. Today, 81 nations with a combined population of 1.7 billion are burdened with demographic war index rates of between 2.5 and 8.0. This index shows that in this instance 2.500 to 8.000 young men aged 15 to 19 are competing for the jobs and social positions of 1 000 men near retirement aged 55 to 59, compared to, for instance, 710 in Poland or 840 in Hungary. The higher the war index, the more likely it is that these young people will end up emigrating in order to compete. If they are unable to leave, the alternatives are crime, homicide, gang war, political coups, revolution, civil war, expulsion, genocide and international war. They will turn their countries into war zones, and the forced return of refugees there would constitute an international crime.

Western Europe (excluding perhaps the UK) may be acting too late to avoid becoming a haven for the world's angry and low-skilled. Currently, 42% (North Africans) to 78% (Syrians) of Muslims residing in Germany are entitled to welfare because they cannot compete on the labour market.[18] Thanks to their human right to family reunification, they can bring the rest of their large families to join them. That, in turn, may inspire talented young Germans, unhappy

Uganda	**8.08**	Guatemala	**4.98**	Haiti	**3.59**	Peru	**2.37**	Kuwait	**1.69**	Trinid.&Tob.	**1.05**	Channel Is.	**0.83**
Zambia	**7.52**	Madagascar	**4.84**	Botswana	**3.58**	Dominican. R	**2.35**	S. Vincent	**1.67**	Australia	**1.03**	Belgium	**0.82**
Lesotho	**7.35**	Benin	**4.80**	Micronesia	**3.50**	Myanmar	**2.26**	Brunei	**1.64**	Norway	**1.02**	Japan	**0.82**
Malawi	**7.34**	Namibia	**4.75**	Vanuatu	**3.50**	Kyrgyzstan	**2.25**	Guam	**1.60**	Denmark	**1.01**	Portugal	**0.82**
Zimbabwe	**6.81**	Liberia	**4.79**	Pakistan	**3.39**	Turkmenistan	**2.25**	Costa Rica	**1.59**	Macedonia	**1.01**	Singapore	**0.82**
Mali	**6.61**	Nigeria	**4.79**	Bolivia	**3.24**	Uzbekistan	**2.22**	W. Sahara	**1.57**	Aruba	**1.00**	Croathia	**0.81**
Burkina F.	**6.46**	C. African R.	**4.72**	Djibouti	**3.21**	Jamaica	**2.19**	Vietnam	**1.53**	Barbados	**1.00**	Lithuania	**0.80**
Chad	**6.40**	Sudan	**4.65**	Tajikistan	**3.21**	Kosovo	**2.15**	Bahamas	**1.50**	Cuba	**1.00**	Canada	**0.79**
Afghanistan	**5.99**	Rep. Congo	**4.55**	South Africa	**3.19**	Mongolia	**2.15**	Bahrain	**1.50**	Curaçao	**1.00**	Slovakia	**0.78**
Senegal	**5.87**	Guinea-Bis	**4.45**	Belize	**3.17**	Venezuela	**2.15**	Fr. Polynesia	**1.50**	Iceland	**1.00**	Switzerland	**0.77**
Angola	**5.84**	Guinea	**4.42**	Nicaragua	**3.12**	Panama	**2.06**	Sri Lanka	**1.46**	Seychelles	**1.00**	Greece	**0.76**
Ethiopia	**5.83**	Timor-Leste	**4.40**	El Salvador	**3.02**	Indonesia	**2.05**	Puerto Rico	**1.44**	US. Virgin	**1.00**	Ukraine	**0.76**
Iraq	**5.80**	C. d'Ivoire	**4.37**	Kiribati	**3.00**	Malaysia	**2.04**	Uruguay	**1.44**	China	**0.99**	Austria	**0.75**
Gambia	**5.79**	Mayotte	**4.33**	Tonga	**3.00**	Antigua&B	**2.00**	Tunisia	**1.43**	France	**0.99**	Bosnia & Herz.	**0.75**
Mozambique	**5.77**	Comoros	**4.30**	Bangladesh	**2.98**	Saint Lucia	**2.00**	N. Caledonia	**1.43**	Georgia	**0.98**	Martinique	**0.75**
Somalia	**5.68**	Burundi	**4.21**	Paraguay	**2.87**	Turkey	**2.00**	Kazakhstan	**1.37**	Thailand	**0.98**	Poland	**0.71**
Swaziland	**5.62**	Ghana	**4.19**	Philippines	**2.84**	Algeria	**1.98**	Réunion	**1.36**	United Kingd.	**0.96**	Czech R.	**0.70**
Rwanda	**5.59**	Mauritania	**4.17**	Samoa	**2.75**	Qatar	**1.90**	Azerbaijan	**1.33**	USA	**0.96**	Italy	**0.70**
Palestine (Gaza **>6.00**)	**5.46**	Papua N.G.	**4.13**	Maldives	**2.67**	Lebanon	**1.88**	Chile	**1.32**	Luxembourg	**0.95**	Spain	**0.69**
Cameroon	**5.42**	Solomon Is.	**4.13**	Fre. Guiana	**2.60**	Israel	**1.87**	Albania	**1.31**	Moldova	**0.92**	Bulgaria	**0.68**
Eritrea	**5.41**	Laos	**4.05**	Eq. Guinea	**2.53**	Saudi Arabia	**1.86**	N. Korea	**1.27**	Taiwan	**0.88**	Estonia	**0.68**
Yemen	**5.41**	Syria	**4.02**	Mexico	**2.52**	Suriname	**1.85**	Mauritius	**1.20**	Sweden	**0.87**	Russia	**0.67**
D.R. Congo	**5.29**	Niger	**4.01**	Grenada	**2.50**	Colombia	**1.84**	U. Arab Em.	**1.17**	Armenia	**0.86**	Belarus	**0.66**
Tanzania	**5.22**	Jordan	**3.95**	Bhutan	**2.47**	Morocco	**1.84**	Guadeloupe	**1.14**	Malta	**0.86**	Germany	**0.65**
Togo	**5.21**	Gabon	**3.91**	Libya	**2.46**	Brazil	**1.81**	Montenegro	**1.10**	Romania	**0.86**	Macao	**0.65**
Kenya	**5.14**	Cabo Verde	**3.86**	Egypt	**2.45**	Argentina	**1.79**	New Zealand	**1.10**	Netherlands	**0.85**	Slovewnia	**0.63**
S. Sudan	**5.02**	Honduras	**3.75**	Ecuador	**2.41**	Fiji	**1.77**	Ireland	**1.08**	S.-Korea	**0.85**	Latvia	**0.62**
Sao Tome	**5.02**	Cambodia	**3.75**	Guyana	**2.40**	Iran	**1.75**	Serbia	**1.08**	Finland	**0.84**	Hong Kong	**0.59**
Sierra Leone	**4.99**	Nepal	**3.65**	India	**2.38**	Oman	**1.70**	Cyprus	**1.06**	Hungary	**0.84**		

Table 5. War index 2017. Ranking by country[19]

18 https://www.boeckler.de/wsi_67254.htm

19 G. Heinsohn, "'Demographic War Index 2017', in http://www.pmg-ev.com/wp-content/uploads/2017/04/2017-104-Denkwuerdigkeiten-3.pdf

with a lower quality of life in their homeland, to leave for other countries. Many Germans are already losing hope of being able to provide for all the newcomers because (along with Belgians) they now pay the highest taxes in the world.[20] While in 2015 only 1 000 millionaires left Germany, they were followed by 4 000 in 2016. France, which has a comparable welfare system, lost 10 000 and 12 000 millionaires in 2015 and 2016 respectively.[21]

The lion's share of these emigrants seeking refuge are trying to get to Australia, Canada, New Zealand and the United States. However, with the exception of the latter, these countries have become fortresses of competence. They only allow skilled immigrants – whatever their religion or skin colour – to cross their borders, i.e. they apply the same restrictions that have always been imposed by East Asian countries. Continental Western Europe, however, still accepts nearly everybody in need. They therefore overburden their own skilled workers, who are increasingly unable to provide for an ever larger number of welfare recipients. Many of their best will continue to emigrate to the fortresses of competence, where they are welcomed and receive the red carpet treatment because the fortresses also suffer from excessively low birth rates. These talented European immigrants will further strengthen their new home countries overseas by improving their ability to compete on the global marketplace, thereby making the welfare burden back home in Europe more and more intolerable.

Are countries in Eastern Europe ready to become fortresses of competence too? Or will they prefer to haemorrhage talent until they are no longer viable?

20 http://www.n-tv.de/politik/Nur-die-Belgier-zahlen-mehr-Abgaben-article19789496.html

21 http://www.zerohedge.com/news/2017-02-27/millionaire-migrants-countries-rich-people-are-flocking

Family and parenthood in policy documents of the EU and its Member States





The authors of the paper argue that the European countries, in order to maintain economic stability and development, need to affirm value of parenthood and family in their policies. All actions of the EU agencies related to family and parenthood should be taken with respect to the principle of subsidiarity, which entails strict interpretation of the scope of EU competences as well as respect for the autonomy of family, which is a basic and fundamental social unit. The paper briefly analyses selected family policy instruments in UE Member States, such as France, UK, Czech Republic, Hungary and Lithuania. It includes four sections: (1) model family policy instruments based on respect for the parents' rights; (2) discrimination of caregivers in EU policy documents; (3) family in the EU tax policy and (4) conclusions. The analysis leads to the conclusion that successful family policy measures recognize parents' free choice of the model of childcare and do not discriminate persons who decide to devote part of their life to caregiving.

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Demographic imbalance is one of the major development challenges which European countries will face in the next decades. Even though the European Union noticed the problem of low fertility rates and negative consequences stemming therefrom, the solutions recommended by this organization raise serious doubts as regards both their effectiveness and compliance with the scope of competences granted to EU institutions by the acts of primary law. If the main demographic indicators in Europe do not change significantly within the coming several decades, it will not only experience depopulation, but will also suffer an unprecedented economic collapse.

Model family policy measures based on respect for the parents' rights

Unfavorable demographic trends can be mitigated or even stopped, as a number of examples from Western Europe (France, UK) or Central and Eastern European countries (Lithuania, Czech Republic, Estonia) prove. While procreation decisions are always conditioned by complex combination of circumstances, it should be emphasized that in all countries mentioned introduction of family policy measures based on respect for parents' right to choose the form of childcare and child's early education, coincided with the beginning of positive changes in trends of total fertility rate (hereinafter: TFR).[1] TThe instruments are of various character, but they all cover important share of childcare costs during the first years of child's life, when children need to be looked after permanently. While a number of countries introduced the

France – total fertilty rate (1990-2014)

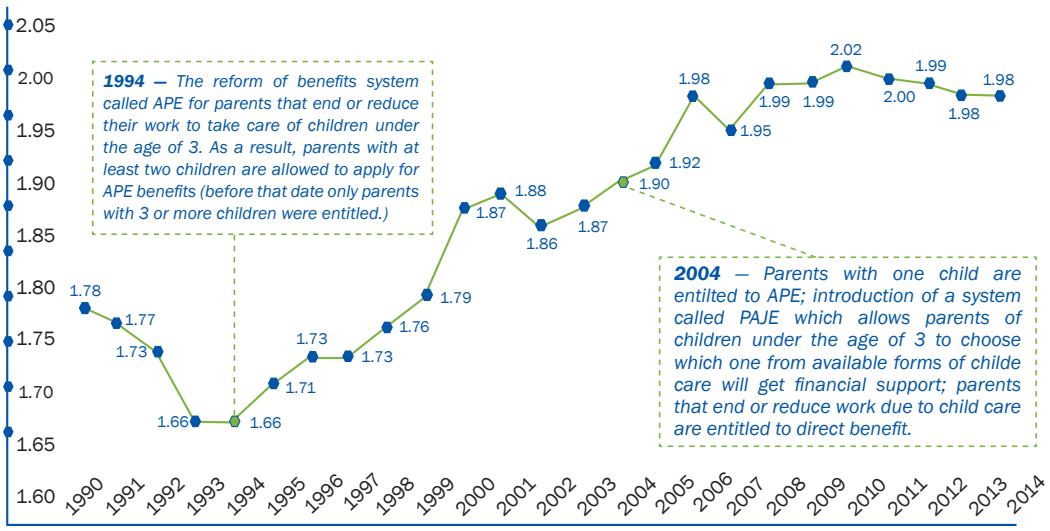


Chart 1. Total fertilty rate. Source: TFR after OECD, Demography database, available online: https://data.oecd.org/pop/fertility-rates.htm; access: 28 February 2017.

1 See Tomas Sobotka and Vegard Skirbekk and Dimiter Philipov, 'Economic recession and fertility in the developed world. A literature review', Population and Development Review 37 (2011): 267–306; Guy Laroque and Bernard Salanié, 'Does Fertility Respond to Financial Incentives?', Discussion Paper Series. Forschungsinstitut zur Zukunft der Arbeit Institute for the Study of Labor, (2008): 24–32; Robert J. Willis, 'Economic Theory of Fertility Behavior', in Economics of the Family: Marriage, Children, and Human Capital, ed. Theodore W. Shultz, (Chicago: University of Chicago Press, 1974), 25–80; Laurent Toulemon and Ariane Pailhé and Clementine Rossier, 'France: High and stable fertility', Demographic Research 19 (2008): 504, 506; 'Statistical Database', Statistics Estonia, accessed February 24, 2017, http://pub.stat.ee/; European Commission, 'Hungary: Developing childcare services to help parents back to work', accessed August 01, 2016, http://europa.eu/epic/countries/hungary/index_en.htm; Peter Moss, ed., International Review of Leave Policies and Research 2014, (London: Institute of Education University of London, 2014), accessed February 24, 2017, http://www.leavenetwork.org/lp_and_r_reports/; Karolina Dobrowolska and Olaf Szczypiński and Tymoteusz Zych, eds., Jakiej polityki rodzinnej potrzebuje Polska? /What Family Policy does Poland Need?/, (Warsaw: Instytut na Rzecz Kultury Prawnej Ordo Iuris, 2015), 31-68, 116-117.

France – main form of childcare under the age of 3, per week, between 8 a.m. and 7 p.m.



Chart 2. France – main form of childcare under the age of 3, per week, between 8 a.m. and 7 p.m. Source: S. Villaume, É. Legendre, *Modes de garde et d'accueil des jeunes enfants en 2013*, "Direction de la recherche, des études, de l'évaluation et des statistiques. Études et résultats", no 896, October 2014, p. 4.

model of a universal and simple family benefit aimed for all parents of infants and toddlers,[2] other EU member states created childcare voucher schemes which can be spent on various forms of day-time care.[3] Numerous countries prolonged paid maternity and parental leaves, in most cases granting them to all parents, regardless of their job records.[4]

The common feature of all the policy measures mentioned is the fact that they leave it to the parents, who are aware of the needs of their children, to decide themselves whether state support is spent on collective care, a nanny or childcare provided by the family. These solutions correlate with expectations of mothers and fathers – free choice of how public funds devoted for the childcare are spent lets them exercise various career choices, including the decision to pursue full-time or part-time childcare duties.[5] The French example proves that in conditions of free parental decision on how the public funds are spent, majority of parents are reluctant towards enrolling their children in collective day-care facilities (chart 2).

It should be underlined that in the majority of countries mentioned the measures described were accompanied by a coherent family policy institutional framework, which includes i.a. such elements as inclusion of the time spent on childcare in the pensionable service years or the state paid pension contributions, legal incentives creating conditions for part-time and flexible paid work, or compensation of employer's costs of insurance when a parent is hired after a period of full-time caregiving.[6]

2 Adoption of the State Family Benefits Act in 2001, which expanded number of direct benefits, TFR in Estonia coincided with change of TFR from 1,32 (2001) to 1,72 (2008), see 'Statistical Database'; Juri Kore, 'Social Policy development in Estonia in Liberal Political and Economical Circumstances' (paper presented at the Fafo Seminar, Oslo, Norway, June 9-10, 2005), accessed February 22, 2017, http://www.fafooestforum.no/arkiv/Estland/juri_kore.pdf; 'Parental benefit', Republic of Estonia Social Insurance Board, accessed February 1, 2017, http://www.sotsiaalkindlustusamet.ee/parental-benefit/; Dobrowolska and Szczypiński and Zych, Jakiej polityki rodzinnej potrzebuje Polska?, 67.

3 The reforms introducing and developing new APE and PAJE schemes in France (1994, 2004) coincided with the beginning of positive trends concerning the TFR, as shown in chart 1. Cf. Guy Laroque and Bernard Salanié, 'Does Fertility Respond to Financial Incentives', 20-34; Guy Laroque and Bernard Salanié, 'Fertility and Financial Incentives in France', CESIfo Economic Studies 50 (2004), 423–450; Piotr Szukalski, „Publiczne wsparcie dla rodzin z małymi dziećmi we współczesnej Francji", Prace Instytutu Ekonometrii i Statystyki Uniwersytetu Łódzkiego, Seria A, Łódź 2007, 13.

4 Duration of paid parental leaves was significantly increased in Lithuania in 2002 (cf. Ruta Brazienė and Giedre Purvaneckiene, 'Lithuania country note', Alison Koslowski and Sonja Blum and Peter Moss, eds., International Review of Leave Policies and Research 2016, available at: http://www.leavenetwork.org/lp_and_r_reports/), in the United Kingdom in 2002 (cf. Margaret O'Brien and Alison Koslowski, 'United Kingdom Country Note', Alison Koslowski and Sonja Blum and Peter Moss, eds., International Review of Leave Policies and Research 2016, available at: http://www.leavenetwork.org/lp_and_r_reports/) and in Czech Republic in 2004 (cf. Jirina Kocourková, 'Czech Republic country note', Alison Koslowski and Sonja Blum and Peter Moss, eds., International Review of Leave Policies and Research 2016, available at: http://www.leavenetwork.org/lp_and_r_reports/). In all these cases prolongation of leaves coincided with the beginning of the increasing trend of TFR (Cf. i.a. Dobrowolska and Szczypiński and Zych, Jakiej polityki rodzinnej potrzebuje Polska?, 116-117.

5 Mothers who are taking care of small children and temporarily suspend paid work more often consider having another child within the next three years than women of similar age who are performing paid work duties. See 'Generation and Gender Programme' database, accessed February 20 2017, www.ggp-i.org/; Dobrowolska and Szczypiński and Zych, Jakiej polityki rodzinnej potrzebuje Polska?, 171-172.

6 See Eurydice and Eurostat Report, 'Key Data on Early Childhood Education and Care in Europe', Education, Audiovisual and Culture Executive Agency, 2014; 'Survey of Mothers in Europe 2011 results', Mouvement Mondial des Mères-Europe, 2011, accessed February 21, 2017, http://www.mmmeurope.org/ficdoc/2011-MMM_BROCHURE_What_Matters_Mothers_Europe.pdf; Dobrowolska and Szczypiński and Zych, Jakiej polityki rodzinnej potrzebuje Polska?, 158-165.

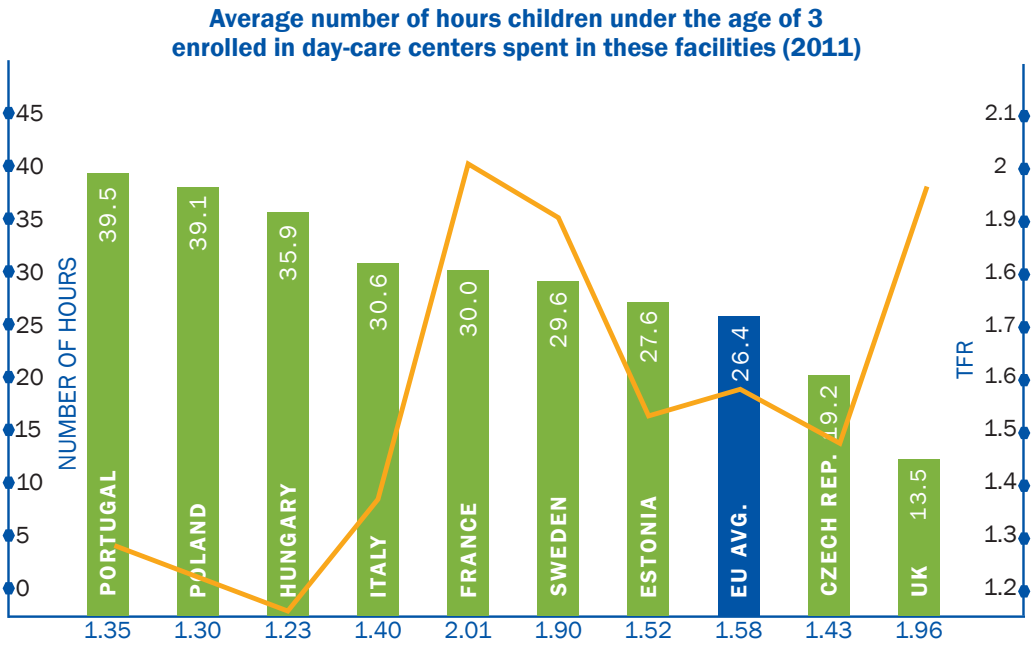


Chart 3. Average number of hours children under the age of 3 spent per week in early childhood education and day-care centers, selected countries (2011). Source: Eurydice and Eurostat Report, Key Data on Early Childhood Education and Care in Europe, Brussels 2014, p. 64; TFR according to Eurostat.

It could be assumed that successful **family policy measures stem from the principle of subsidiarity**, which entails that public authorities of all levels should respect parents' basic roles in the process of child's upbringing and education and help them carry out their parental tasks in cases when such need arises. While family policy measures affect social attitudes and serve as points of reference, their effectiveness highly depends on social and economic attitudes specific to particular society.[7]

Discrimination of Caregivers in EU Policy Documents

Strategy for equality between women and men 2010-2015 legitimately postulates that 'the potential and the talent pool of women need to be used more extensively and more efficiently'.[8] However, the measures proposed in this and a number of other EU documents do not guarantee realization of this aim – controversial statements included in a number of EU soft law recommendations discriminate caregivers and ignore much of potential of both men and women.

The major part of EU strategies as regards the avoidance of negative consequences of population ageing does not concentrate on the elimination of substantial causes of this phenomenon but to eliminate its symptoms through arbitrarily defined 'professional activation' of large groups of society. Such 'professional activation', defined as engagement in a full-time paid work, is considered a remedy to the demographic crisis.[9] Motherhood and childcare duties, which in fact are of great economic value for the society, are presented as

7 A correlation between relatively high values of TFR and the traditional model of a stable family based on marriage is noticeable. In every country of Europe married women give in average birth to more children than those women who live in an informal relationship, including civil partnerships (cf. Elizabeth Brown and Alfred Dittgen, 'Fertility of married and unmarried couples in Europe' (paper presented at United Nations Economic Commission for Europe Conference, Brussells, Belgium, May, 2000), 3, 6; 'Generation and Gender Programme' database, accessed February 20 2017, www.ggp-i.org/). Moreover, it should be underlined that no family policy can replace in any way an economic policy that removes barriers preventing young people from unemployment.

8 European Commission, 'Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Strategy for equality between women and men 2010–2015', Brussels, 2010, COM (2010) 491 final, chap. 2.

9 Commission of the European Communities, 'The Demographic Future of Europe – from Challenge to Opportunity', COM (2006) 571 final, 14.

an obstacle to professional activation of women.[10] and the decision to temporarily cease paid activity in order to perform childcare duties as a factor hampering employment and in consequence leading to petrification of gender inequalities. In a number of documents motherhood is perceived as a factor leading to economic inequalities and 'segregation' in the labor market.[11]

Thus, in order to improve the situation of women, the European Commission recommends actions aiming at allowing women to reconcile work with family life by implementing a unilateral policy based on the creation of numerous childcare institutions,[12] without taking into consideration the possible negative consequences for child development stemming from long hours spent in nurseries and possible benefits due to child's close relationships with parents.[13]

It is higly questionable whether in the term long-term perspective such measures can either contribute to the growth of TFR (since there are no examples of European countries in which one-sided investments in collective-care facilities without support for other, differentiated forms of childcare, correlated with the growth of TFR)[14] or may effectively help reconcile childcare with paid work.[15]

Family in the EU tax policy

Also while acting within scope of competences granted by the treaties, the EU institutions adopt controversial solutions as regards the demographic challenges. One of the examples is the harmonization of VAT rates and general regulation of this tax. According to article 98 of the Directive of Council 2006/112/WE, Annex III, which lists goods and services to which the reduced rates may be applied, reduced rates apply to such goods as pharmaceutical products used for contraception. At the same time, this Annex does not list such goods and services which are undoubtedly necessary in the daily life of families with children, e.g. children clothes and shoes, school supplies or kids' medication, etc. If such reduced VAT rates were applied to kids' products, this could create important context of procreation decisions.[16]

10 'Strategy for equality between women and men 2010–2015', 3-4.

11 'Strategy for equality between women and men 2010–2015', chap. 2.

12 'Strategy for equality between women and men 2010–2015', chap. 1.

13 See Sophie Moullin and Jane Waldfogel and Elizabeth Washbrook, *Baby Bonds. Parenting, attachment and a secure base for children* (London: The Sutton Trust, 2014), accessed February 24, http://www.suttontrust.com/wp-content/uploads/2014/03/baby-bonds-final.pdf; Ben Fenton, 'Day nursery may harm under-3s, say child experts', The Telegraph, October 21, 2006, accessed February 20, 2017, http://www.telegraph.co.uk/news/uknews/1532012/Day-nursery-may-harm-under-3s-say-child-experts.html; Susanna Loeb et al., 'How much is too much? The influence of preschool centers on children's social and cognitive development', NBER Working Paper 11812 (2005): 1-3, accessed February 23, 2017, http://www.nber.org/papers/w11812.pdf; Marleen Groeneveld et al., 'Stress, cortisol and well-being of caregivers and children in homebased child care: a case for differential susceptibility', Child Care health and Development 38 (2010): 78, accessed February 22, 2017, doi: 10.1111/j.1365-2214.2010.01194.x; Marie-Claude Geoffroy et al., 'Daycare attendance, stress, and mental health', Canadian journal of psychiatry 51 (2006): 614; Dobrowolska and Szczypiński and Zych, *Jakiej polityki rodzinnej potrzebuje Polska?*, 82-92.

14 Poland and Portugal may serve as examples of countries where consistent and relatively high one-sided investments in collective childcare facilities were not followed by any significant changes in TFR ('Statistics Portugal', Instituto Nacional de Estatística, accessed February 22, 2017, https://www.ine.pt/; Edwarda Dąbrowska and Cezary Gaweł and Monika Siergiejuk, Nowa Polityka Rodzinna w Polsce 2011–2015 /New Family Policy in Poland 2011-2015/ (Warsaw: Ministerstwo Pracy i Polityki Społecznej /Ministry of Work and Social Policy Poland, 2015); 'Bank Danych Lokalnych /Local Data Bank/', Główny Urząd Statystyczny /Central Statistical Office of Poland/, accessed February 21, 2017, http://stat.gov.pl/bdl/; Dobrowolska and Szczypiński and Zych, J*akiej polityki rodzinnej potrzebuje Polska?*, 121-131).

15 Public information acquired by Ordo Iuris Institute in 2016 from municipal authorities of the city of Warsaw proves that average absency rate in public nurseries during 2015 reached 40% of working days, mostly due to children's sickness. Cf. http://www.zlobki.waw.pl/statystyki.php; access: 28 February 2017.

16 It should be noted that the UK or Ireland i.e. countries that have a reduced VAT rate for kids' clothes and shoes, have one of the highest fertility rates. See European Commission, The 2015 Ageing Report. Economic and budgetary projections for the 28 EU Member States (2013–2060), (Luxembourg: Publications Office of the European Union, 2015). Obviously the tax policy is one of many complex factors creating the context of procreation decisions.

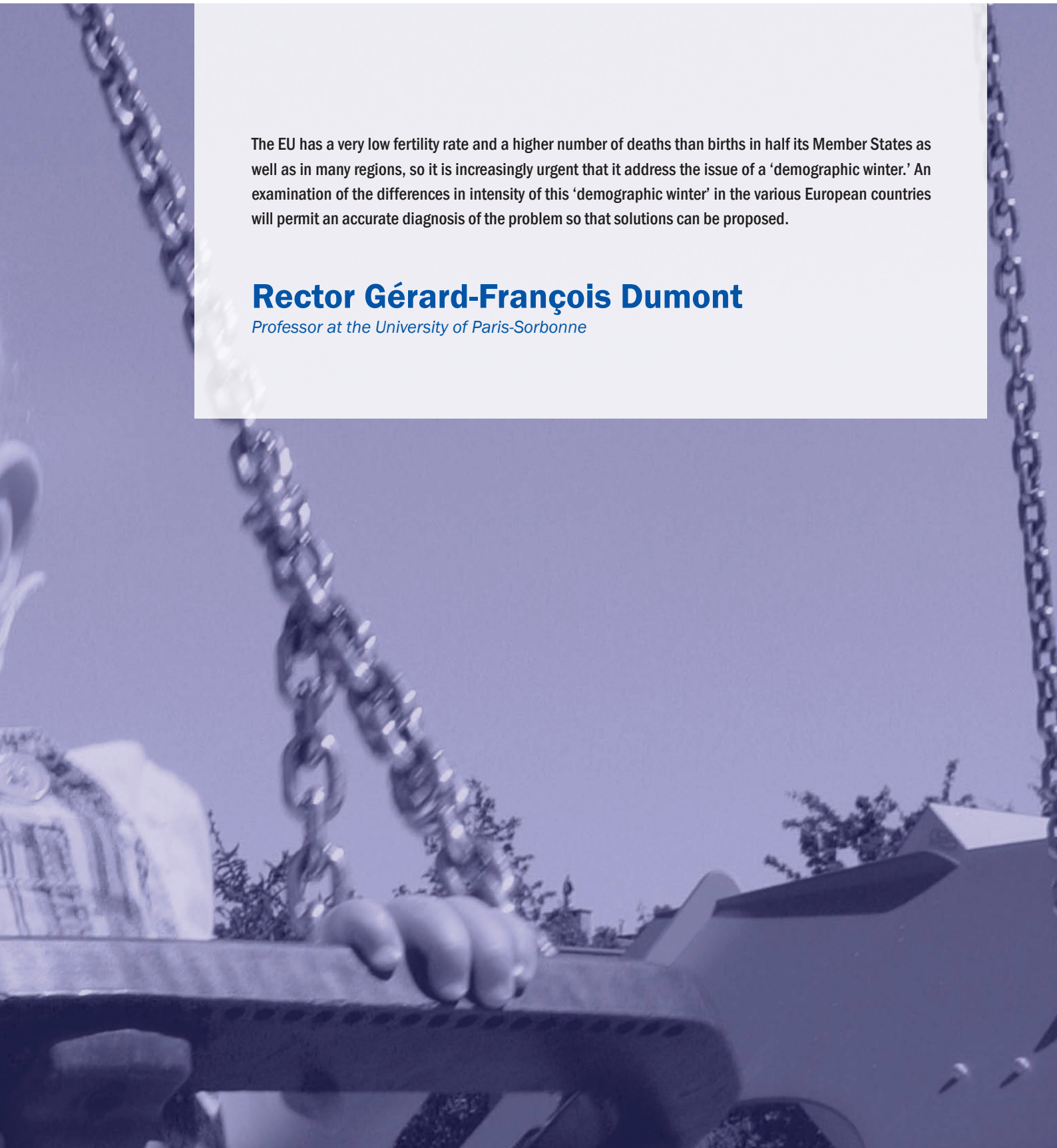
Conclusions

Demographic context plays a key role in medium- and long-term developmental perspectives. Unfortunately, a number of policy recommendations and legislative actions taken by the EU institutions have been proven to be inadequate to the actual challenges faced by the Member States and expectations of European families. At the same time, a number of countries introduced policy measures affirming parents' rights in the process of upbringing their children, which constitutes an important factor helping to create more favourable context of procreation decisions. Introduction of such measures very often coincided with positive changes in TFR, despite prior negative long-term prognoses in this respect. Therefore, EU institutions in their policy recommendations should turn to the principle of subsidiarity and concentrate on creating a platform for exchange of good practices and legislative solutions based on comprehensive empirical studies, which include long-term demographic trends. It should also be underlined that, while carrying out the duties based in the anti-discriminatory competences, EU institutions should include broader perspective of discrimination and avoid either direct or indirect discrimination of any social group, including caregivers.



Family policies & Europe's demographic future





The EU has a very low fertility rate and a higher number of deaths than births in half its Member States as well as in many regions, so it is increasingly urgent that it address the issue of a ‘demographic winter.’ An examination of the differences in intensity of this ‘demographic winter’ in the various European countries will permit an accurate diagnosis of the problem so that solutions can be proposed.

Rector Gérard-François Dumont

Professor at the University of Paris-Sorbonne

Europe's 'demographic winter'

In a world whose population is continuing to grow, albeit at a slower pace, the demographics of European Union buck the trend, since there is a very low natural increase and a higher number of deaths than births in half of its 28 Member States. There are two reasons for this:

Firstly, couples are far less inclined to have children. The total fertility rate[1] in the European Union, which used to be 2.65 children per woman at the beginning of the 1950s, is now — in the 2010s — only 1.6. However, we must remember that, given health standards in Europe, the figure that would allow simple generational replacement, i.e. so that a hundred women in one generation are replaced in the next generation — some thirty years later — by the same number of one hundred women, would be 2.1 children per woman.[2]

Secondly, regarding the number of deaths in the EU, the rise in the number of deaths in the 2010s is certainly not due to a deterioration of living conditions. On the contrary, the chances of continuing to live have increased for all ages and for both genders. However, although the number of deaths is balanced by the increased life expectancy of the elderly, the greater the increase in the number of older people, the greater the number of deaths potentially: this increase is due essentially to the increase in the number of persons likely to die, because, in the words of J.M. Keynes, 'in the long run we are all dead'.

At the end of the 1970s, I coined the term 'demographic winter'[3] to describe a period of fertility significantly and durably below the level needed for the replacement of generations. However, this is also an apt description of the European Union since the mid-1970s.

Geopolitical consequences

Europe's demographic winter has geopolitical consequences on at least three levels. At the country level, it affects the domestic political situation, for example altering the age composition of the electorate. At EU level, it may create tension, for example, through the distribution of European Parliament seats by country. While the wide differences in the intensity of the demographic winter from one country to another have resulted in different demographic trends, the EU Treaties fail to provide a clear demographic criterion, as exists in the United States for the House of Representatives whose membership by State is reviewed in accordance with the Constitution, after each ten-year census. Some EU Member States may well demand to be better represented in the European Parliament through a greater number of MEPs, which would inevitably mean long and delicate negotiations. This source of tension could be further exacerbated by the growing importance of the European Parliament, due to the extension of the co-decision procedure with the European Council. Finally, at world level, Europe's demographic winter means, other things being equal, that Europe's potential influence could decline.[4]

A 'demographic winter' varying in intensity between countries: the political cause

Europe's 'demographic winter', varying very considerably between countries, would have little impact in France or Ireland, but be particularly severe in European countries where fertility is less by a quarter or more than the figure needed simply for generational replacement, such as Germany, Austria, Italy, Spain and Poland.

1 The sum of age-specific fertility rates for a given year, the total fertility rate provides information on the reproductive behaviour during the reporting period.

2 The figure of 0.1 can be explained by the higher rate of boys being born and women's mortality rate to the average age at childbearing.

3 An expression subsequently used for instance in: Dumont, Gérard-François et alii, La France ridée, Paris, Hachette, second edition, 1986.

4 See also Dumont, Gérard-François, Démographie politique. Les lois de la géopolitique des populations, Paris, Ellipses, 2007 ; Dumont, Gérard-François, Verluise, Pierre, Géopolitique de l'Europe, Paris, Armand Colin - Sedes, 2014.

However, differences in fertility between European countries, due to cultural, economic and social factors specific to each country, also have political causes: those countries that devote more resources to family policy have higher fertility rates; while those with a much more modest family policy report very low fertility.[5]

Improving childcare facilities

This requires implementing national and local policies to make it easier for couples to choose freely how many children they want. This in turn means a family housing policy and policies to reconcile work and family life. It is also important to rethink family law and the situation of people living as a couple but without any plans to start a family. It is also important that family policy should be comprehensive, combining diversified responses to family needs: allowances, housing, taxation, services, education, etc. Family policy must also be geared to the long term so that families have confidence that it will endure. Finally, it is important to encourage local authorities to pursue family-friendly policies based on subsidiarity because, for example, meeting families' needs is organised differently in a big city, where population density is high, and in a rural area.

It is essential to increase fertility in the European Union if we are to avert the risk of demographic imbalances and the adverse consequences of excessive ageing 'from below', of depopulation or even the desertification of part of the territories of the European Union.

Under the European Treaties, family policy does not fall within the remit of the European Union. Nevertheless, I would like to put forward three proposals.

Firstly, the European Union could encourage the systematic pooling of experience on these issues between States and between local authorities.

Secondly, as family policy is horizontal in nature, it is important to examine what, in the various decisions taken on the basis of EU regulations and directives, has a harmful (or positive) effect on the family, in particular the free choice of couples to decide how many children they want.

Finally, the EU could take the view that the onset of a severe demographic winter in some parts of the EU and its opposite — demographic dynamism — in others might stymie efforts to achieve territorial cohesion. Regional policy could therefore take into account demographic factors, for example by improving childcare facilities in areas having fewer resources to do so.

Conclusion

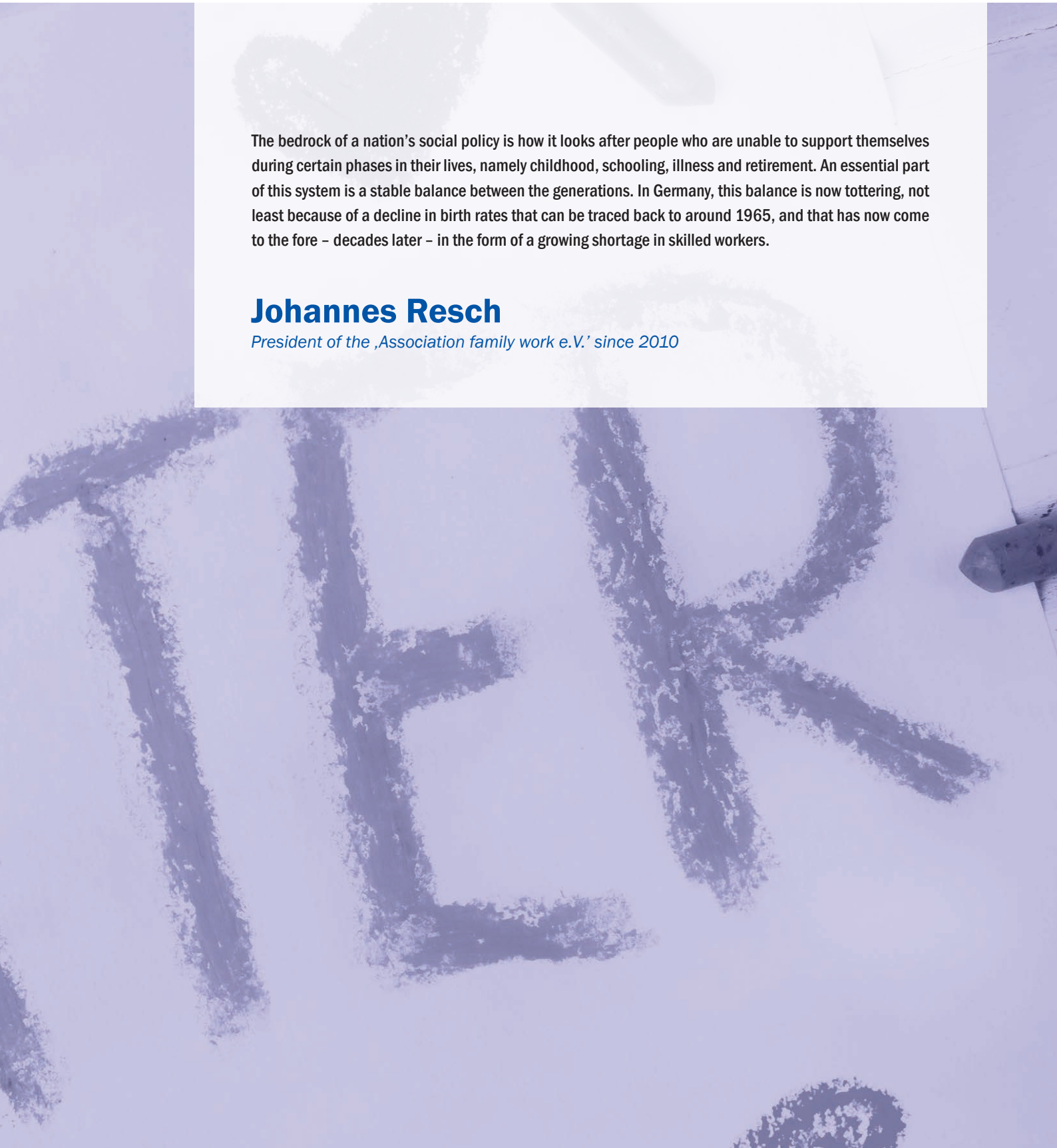
Every State has a family policy, whether implicit or explicit, and all political decisions inevitably have an impact on the family. Given the consequences of the 'demographic winter', we should be seeking to bring about a 'demographic spring'.[6] Good family policies are therefore essential if the peoples of Europe are to enjoy a better quality of life and if Europe is to have a bright future.

5 See Dumont, Gérard-François, « Politique familiale et fécondité en Europe », Population & Avenir, No 681, January-February 2007. This is also demonstrated in Thomas Fent, Belinda Aparicio Diaz, Alexia Prskawetz « Family policies in the context of low fertility and social structure », which concludes : « Family policies have a positive and significant impact on fertility. [...] Family policies can only succeed if they are planned to take into account the characteristics of the society in which they are implemented », www.demographic-research.org/volumes/vol29/37, 13 November 2013 ; Dumont, Gérard-François, « La fécondité en Europe : quelle influence de la politique familiale ? », Population & Avenir, n° 716, January-February 2014.

6 Cf. Dumont, Gérard-François, « Les conséquences géopolitiques de 'l'hiver démographique' en Europe », Géostratégiques, No 20, July 2008.

Can the German social system be a model for Europe?





The bedrock of a nation's social policy is how it looks after people who are unable to support themselves during certain phases in their lives, namely childhood, schooling, illness and retirement. An essential part of this system is a stable balance between the generations. In Germany, this balance is now tottering, not least because of a decline in birth rates that can be traced back to around 1965, and that has now come to the fore – decades later – in the form of a growing shortage in skilled workers.

Johannes Resch

President of the ‚Association family work e.V.' since 2010

In the former GDR, the birth rate rose sharply after 1975, only to decline dramatically after reunification in 1990. The original increase can be attributed to the GDR Government's targeted measures to greatly improve the situation of parents, although these were then hampered by the increasing economic decline in the period before reunification. The high unemployment rate in the new federal states after reunification brought about a dramatic fall in the birth rate. In the old federal states, birth rates have remained low since around 1975.

However, in both East and West, a dramatic collapse in birth rates had been happening as early as 1965. This crash can also be explained by the economic background. In particular, some families with several children found themselves left behind on account of acutely hostile social legislation towards parents.

The causes of economic discrimination against families

In the GDR, the disadvantages that families faced were a consequence of the state's Marxist ideology, which expected parents to become full-time employees, leaving them with less and less time for their children. In the old Federal Republic, parents' long-standing right to be taken care of by their children when in old age was replaced by measures to link pension funds to employment, a move that was highly inimical towards parents. As a result, adults now have to contribute more towards pensions for those without children than they do towards their own parents. For the first time, bringing up children became an achievement that was not given proper consideration. In effect, pension rights for our generation mirror the expropriation of parents. The generational contract of parents caring for their children and children caring for their parents in old age, which has endured for thousands of years, has been destroyed. If we examine how money has been redistributed in this way, it is understandable that families, especially parents of multiple children and single-parent families, find themselves lagging behind in an increasingly wealthier society. The lustre of the family has gradually worn off, with employment becoming the hallowed path to 'self-realization'. Child rearing, nowadays, begets social exclusion.

In 1965, one in every 75 children was dependent on welfare in Germany; now it is one in six. (From Children's Fund, Children Report Germany 2007)

The contraception pill, which has now become commonplace, may have accelerated the declining birth rate, but it cannot be regarded as the cause. All opinion polls have shown that there is less of a desire to have children nowadays; after all, the pill can only prevent unwanted children. The breakdown in all family values over the past few decades is largely due to the expropriation of parents.

It remains the case that parents bear the brunt of the burden for the cost of their children, while those with no children make few contributions. For the next generation, people who reach working age will generally be obliged to pay higher pension contributions towards pensioners than to their own parents. In consequence, parents are always worse off, while before the social legislation kicked in, young adults of working age were only obliged to secure old age pensions for their own parents. Those without children, meanwhile, had to use their savings for their own pensions. Our pension law has turned the generational contract between parents and children on its head.

Taking the average demographic and economic conditions of workers in 1979 as basis, one study has calculated the amount spent on social care in the course of a lifetime from the age of 18.[1] It showed that the parents of two or five children with comparable economic starting points effectively received just 73% and 53%, respectively, of the equivalent amount available to those without children during this whole life span. In the scenario of efficient

1 Resch, Johannes and Knipping, Wolfgang, 'Die Auswirkungen des in der Bundesrepublik Deutschland bestehenden gesetzlichen Alterssicherungssystems auf die wirtschaftliche Situation der Familie', in *Jahrbuch für Sozialwissenschaft*, Issue 33, 1982, pp. 92-122.

social legislation which shifts the burden of the family's generational contract onto the whole of society without discriminating against parents, these figures would be as high as 91% and 84%. It could be argued that this gaping disparity, in spite of unbiased conditions, makes parents the 'victims'. However the sacrifices required of them are taken for granted, and are three times greater because of our social rights – an unreasonable imposition that is becoming less and less acceptable. As the basic mistakes of our social system have since been compounded further, it may be assumed that the situation of parents has not improved, but only deteriorated further.

This situation was described by independent academics and researchers in the fifth family report for the Federal Government as follows:[2]

'This structural lack of consideration in our society creates social problems for families that are a challenge of a political nature, not only for reasons of justice, but also the harmful repercussions that ensue for the formation of human capital.'

The Munich-based constitutionalist Eva Maria characterises the development thus:[3] ***'The age burden was collectivised, while the burden of having children remained an issue of personal property. Within this framework, the current system of pension rights punishes the family and particular figures within it, notably the part-time or unemployed mother.'***

The social court judge, Dr Jürgen Borchert, whose ideas have also found acceptance at the Federal Constitutional Court, has espoused the relationship between child rearing and pension rights, and puts it much more crudely: ***'First they take the sow from the family farm. Later on, two cuts of pork will be returned as "family support".*** (Free citation)

What could a more equitable and sustainable social system look like?

Now The question now arises as to what kind of social system would combine both social security and social justice and, unlike Germany's present system, would no longer give rise to the systemic impoverishment of families.

The other half of the child's costs would be met by the parents alone. In return for this, about half of the parent's old-age pension would be financed by their children, when grown-up, in the form of a basic sum. The parents would receive the other half of their pension as 'parents' pensions', which are also financed by their children. Those pensioners without children and, to a lesser extent, parents with just one child, would receive capital pensions which they have accrued from one-off child costs during their working lives.

Under an ideal system, about half of the costs for children would be covered by a community of both parents and those without children. In particular, by paying for a basic education for children during the first few years of their lives, parents would then be able to finance third-party care should they decide to keep on working.

This system would create social security for all, irrespective of whether they have children or not, without discriminating against or favouring either two groups. It would prevent the impoverishment of families and stabilise the entire social system. It would relieve the ever diminishing next generation, which would no longer bear the entire burden for the growing share of childless pensioners. Parents with more than two children would then acquire rather generous 'parents' pensions'. These could even be paid out while they are bringing up their children, in order to reduce the special burden on those parents with multiple children.

2 '5. Familienbericht für die Bundesregierung', 1994, pp. 20-21.

3 *Handbuch des Verfassungsrechts*, 1994, p. 321.

This system would not incentivise people to have more children, but would only alleviate the disadvantages that parents currently face. Nor would it completely disincentivise people from having children, because it downgrades the privileges that stem from not having children at the moment. The system would also give parents the freedom to educate their children as they desired. Depending on their educational background, they would either be able to raise their young children themselves or fund third-party care of their choosing.

How are Germany's social policymakers responding to the current situation?

The precarious situation in which German parents currently find themselves is acknowledged in principle. However, there has been no analysis to determine the causes of this state of affairs. The link between anti-parental social rights, on the one hand, and a growing impoverishment of families with a concomitant drop in birth rates, on the other, is ignored. It does not fit into the prevailing ideology of equality, which asserts that equality of mothers and fathers is possible only through equal participation in working life. This ideology ignores the value of parents' contribution to their children's education, which is indispensable to a functioning society. What is portrayed as equality is, in reality, paternalism.

In terms of practical politics, what follows is the imposition of laws that urge parents to outsource their educational responsibilities and the care of their children to more and more public institutions. Whoever adapts to this statist ideology is rewarded with relatively high parental allowances and (largely) free nursery care. Parents who wish to assert their basic rights and manage the education of their children in a way other than the state ideology demands are disadvantaged without a second thought. This family policy, which was practised in a similar way in the GDR, was branded as the 'devil' in the West during the Cold War and regarded as proof of the GDR's inhumanity towards children. Today however, these methods are considered progressive. They are founded on specious opinions that are usually devised by economic institutes who view the parental workforce through the prism of short-term profit, but ignore the interests and well-being of the children and the wishes of the parents themselves. Doctors, psychologists and psychotherapists, on the other hand, come to quite different assessments. But their convictions are ignored by a policy in thrall to neoliberalism, much as they were ignored by Marxist ideology in the GDR.

Conclusion

German social policy is not a model for Europe – neither the long-standing, parent-exploiting system of retirement insurance, nor indeed the current policy, which has failed to adequately respond to the upheaval that ensued. Social policy in Germany is characterised by a neoliberal and anti-parental ideology which is driven by profit and simulates equality, but which ultimately violates the fundamental rights of parents and turns a blind eye to the rights of children.



Is immigration a solution to Europe's demographic problems?*



*For an extended version of this article including tables and graphs see: Herwig Birg, Die Gretchenfrage der deutschen Demographiepolitik: Erneuerung der Gesellschaft durch Geburten im Inland oder durch Zuwanderungen aus dem Ausland? In: Zeitschrift für Staats- und Europawissenschaften, 3/2016, p. 351-377.



The key issue for every society with a low birth rate is whether, as one generation dies, it should be replaced by means of births in the same country or by means of immigration from abroad. It can be mathematically proven that the sum of the burdens imposed on the middle generation by the tasks of caring for the generations on either side of them – their children and their parents – is smallest at a birth rate of two children per woman. In this case, no immigration is needed in order to prevent the population from shrinking. This alone is enough to demonstrate that immigration is not the best way of solving Europe's demographic problems. However, experience shows that, in politics, straightforward mathematical proofs of this kind tend to fall on deaf ears. Those proofs will not be repeated here, therefore.[1] Instead, this study will focus on the arguments suggesting that increasing the birth rate is the best solution.

Herwig Birg

Berlin/University of Bielefeld

1 On the mathematical proof, see: H. Birg, Demographische Stabilität und Generationengerechtigkeit statt kompensatorischer Zuwanderungen. In: ifo-Schnelldienst, No 3, 2015, p. 18-22. Also: H. Birg u. E.-J. Flöthmann, Entwicklung der Familienstrukturen and ihre Auswirkungen auf die Belastungs- bzw. Transferquotienten zwischen den Generationen. Forschungsberichte des Instituts für Bevölkerungsforschung und Sozialpolitik der Universität Bielefeld, Vol. 38, 1996, p. 44 et seq. Download: http://pub.uni-bielefeld.de/luur/download?func=downloadFile&recordOId=1785189&fileOId=2314770.

Causes of the low birth rate and political countermeasures

Europe has a lower birth rate than any other continent.[2] It is important to increase it, for two very different reasons. Firstly, it is desirable to safeguard Europe's ability to exert political and economic influence in the globalisation process and in the face of international competition, and curb the adverse impact of a shrinking and ageing population. Secondly, the prime constitutional principle of any democracy – equality before the law – is breached if society becomes divided into two separate groups – one with descendants and the other without – and if those who remain childless are treated more favourably in that they enjoy the same entitlements to care despite not bringing up any children; those children's subsequent payments into State pension funds, health insurance funds and long-term care insurance schemes will be needed to enable childless people as well to receive care in old age.

As the example of Germany shows, the main cause of a low birth rate lies in the fact that, in recent decades, the proportion of people who remain childless in each annual cohort has increased from less than 10% to between one quarter (in Germany as a whole) and more than a third (in the old *Länder*). The proportion of childless people is greatest among people with high professional qualifications and lowest among the unskilled.[3] As the general trend towards higher levels of education is continuing from one cohort to another, the proportion of childless people is likewise constantly growing. In contrast, the birth rate among people who have any children at all has remained constant for decades; it stands at the ideal figure of around two children per woman.[4] For decades, the national average birth rate in Germany, aggregating the figures for people both with and without children, has been around 1.4 live births per woman. The low birth rate is due primarily to the large number of childless people in the population as a whole, and only to a lesser extent to the declining proportion of large families with three, four or more children.

The assertion that the one-child family is the typical family unit in Germany and therefore the main cause of the low birth rate is erroneous. The most common family unit is that with two children, which people generally regard as the ideal. Once people have embarked upon parenthood by having a first child, the likelihood of their having a second child and further children is relatively strong. The most effective way of raising the birth rate, therefore, is to reduce childlessness, not to increase the number of children in families that have children. It is important that political measures to increase the birth rate should be tailored to the number of children families in the target group already have. The nature and intensity of such measures should therefore also be varied, the most important group being those who are (so far) childless. This vital principle underpinning family and population policies has so far been ignored everywhere. The impact of measures taken to increase the birth rate has therefore been slight.

Childlessness is most prevalent in countries with very dynamic economies and high per capita incomes, and the birth rate is lowest there (= *demographic/economic paradox*)[5]. These countries pay a high price for their economic performance and productivity in the form of an erosion of their demographic fabric. In these countries, people are forced to subordinate their personal lives to the requirements of the labour market, initially by deferring fulfilment of the wish to have children, and, beyond a certain age, completely abandoning the idea of doing so. In Germany and Austria, the result has ultimately been that, for many people, the wish to have children does not even develop and a life without children is regarded as normal.

2 United Nations Population Division. World Population Prospects: The 2015 Revision, Key Findings and Advance Tables.

3 H. Birg, Die alternde Republik and das Versagen der Politik – eine demographische Prognose. Münster, Berlin 2015, p. 50.

4 Statistisches Bundesamt (Hrsg.), Geburtentrends und Familienstatus in Deutschland, Wiesbaden 2013, Tables 1.3 and A1.

5 H. Birg, Die demographische Zeitenwende – der Bevölkerungsrückgang in Deutschland und Europa. 4th edition, Munich 2005, p. 42 et seq.

The economic virtues of a high degree of professional mobility and flexibility, which are expected of people, are at odds with the needs of people starting a family. They undermine people's willingness and ability to enter into long-term personal commitments in the form of attachment to a partner and assumption of lifelong parental responsibility for children – virtues which reduce people's competitiveness on the labour market.

In order to ease the tensions between the requirements of the economy, on the one hand, and the preconditions for starting a family, on the other, economic policy and population policy should be brought more closely into line by introducing a new principle: whenever a job vacancy is filled, if two candidates are equally well qualified, priority should be given to the one who has family responsibilities. An approach of this kind does not conflict with the constitutional principle of equal treatment, because that does not require everyone, but only those whose circumstances are the same, to be treated uniformly, while those whose circumstances differ may be treated differently.

Any family policy measure to increase the birth rate will as a rule have a different impact on people depending on whether or not they have children. The writer has empirically analysed the impact of the childcare allowance introduced in Germany in 1986 and the impact of the recognition of child-raising periods in parents' pension schemes on the birth rate among women in certain annual cohorts and concluded that: (1) The impact of these measures on the birth rate was greater the more children the women in question already had. (2) The impact lasted for only a few years, after which it could no longer be empirically demonstrated. (3) Among childless women (and men), the measures had absolutely no demonstrable impact on the likelihood that they would embark upon parenthood by having a first child.

In general, people come to take new family policy measures for granted within only a few years: their impact has been only brief in every country where this has been researched. In the former GDR, which in the first half of the 1970s introduced a series of measures to raise the birth rate, the birth rate per woman initially rose rapidly, but then in the 1980s fell back to its previous level. Similar schemes in other countries in the former Eastern Bloc and in Western European countries have produced similar results.

Among women with children, the birth rate in all cohorts is around two per woman, which, as stated, is the ideal figure. The polarisation of the population into two groups – those with and those without children – is particularly marked in Germany and is becoming even more so. This is the main reason why the mean birth rate for the population as a whole is significantly lower than for example in France, where lifelong childlessness is only about half as prevalent as in Germany.

Summarising the findings, the conclusion has to be that the main reason for the low birth rate per woman in Germany lies in the high proportion of women who have remained childless for life – around one quarter to one third – among the younger cohorts since 1965.

Political failure

In all likelihood, the trend towards lifelong childlessness will continue, because its cause – the incompatibility of economic virtues with family values – will persist in future and even become more marked. The division of society into two groups, one with children and one without, will become more marked as a result. The associated unconstitutional injustice experienced by families with children because of the privileges accorded to childless people in the pension, health insurance and care insurance systems, which are funded on a pay-as-you-go basis, is in danger of assuming proportions which will jeopardise social stability and discredit demography as the basis of shared life in society.

This catastrophic demographic trend is ignored by politicians in Germany, although the Federal Constitutional Court has called, in several judgments, in particularly that of 2001 on long-term care insurance, for the privileges enjoyed by the childless to be ended by means of an overhaul of the entire system of statutory social insurance. Given the extent of the reforms required, the Court set 2004 as the deadline for their completion. By means of this judgment, the highest German court not only cleared the way for social justice for families with children to be restored, but, as a result, also created the preconditions for a return to a higher birth rate. So far, however, politicians have irresponsibly spurned this historic opportunity by ignoring the judgment.

In a further extremely important court case in the autumn of 2015, the Federal Social Court in Kassel was asked to rule on the issue of whether families with children enjoy such great advantages over childless people in the statutory health insurance system, because their children are insured together with them contribution-free, that compensation for the financial burdens of bringing up children in the form of reduced contributions is not justified. In its judgment of 30 September 2015, the Federal Social Court dismissed the application for such compensation. This was a spectacularly misguided judgement,[6] for the following reasons:

- Families do not derive any advantage at all over childless people from the free insurance of their children under the statutory health insurance system, because their children's free health care benefits all children, including those who will later themselves remain childless.
- Per capita expenditure on healthcare for older people is around 10 times[7] higher than that on young people, and older people's contributions to the statutory health insurance scheme do not by any means cover the expenditure incurred in providing them with healthcare. The shortfall is made up by the contributions and tax paid by younger adults, in other words by the descendants of those people who have brought up children, children who subsequently go on to pay contributions. In this way, people who have remained childless benefit in old age from the generosity of contributors to the cost of whose upbringing they themselves have not contributed. The fact that childless people are required to pay higher rates of tax is of less importance, as parents are also disadvantaged by the pensions and long-term care insurance schemes.[8]
- As in the case of the free statutory health insurance of children, the following point is generally overlooked when comparing the situations of people with and without children: even if some children will themselves remain childless in later life, everybody benefits from the measures to promote families during their own childhood, as has been illustrated here, taking health insurance as an example. Yet the 'billions' allocated to supporting families are customarily seen as benefiting only families, not childless people, although when the latter were children themselves they benefited in the same way from measures to promote families, even if they have subsequently had no children themselves.
- If this simple point is taken into account, the sum of €200 billion which is bandied about in public as being the annual amount spent on subsidising families, and as supposedly only benefiting families and not childless people, is shown to be illusory. In any case, the

6 Report of the 12th Division of the Federal Social Court on its sitting of 30 September 2015. Published by the Press Office of the Federal Social Court, Terminbericht Nr. 42/15, 1.10.2015.

7 F. Niehaus, Auswirkungen des Alters auf die Gesundheitsausgaben, Wissenschaftliches Institut der Privaten Krankenkassen (Version2), 2006. Idem, Die Situation der Familien in der Gesetzlichen Krankenversicherung. Address at conference of the Catholic Family Association, Mannheim 23.3.2013.

8 On the disadvantages suffered by families with children, for example in the statutory pension scheme, see M. Werding, Familien in der gesetzlichen Rentenversicherung: Das Umlageverfahren auf dem Prüfstand. Bertelsmann Stiftung, Gütersloh 2015.

sum of €200 billion per annum is far too high, as even the Ministry for the Family, which was responsible for publicising this figure, has admitted.[9]

Firstly, the birth rate needs to be around two children per woman. If, as has been the case in Germany for decades, the birth rate is 1.4, the pensions system can no longer function, because there are fewer and fewer contributors and more and more pensioners. Secondly, if the number of children per woman is only on average two, and some people have children while others do not, then although the first condition is met, i.e. the numbers of contributors and pensioners remain roughly the same, and the pensions system remains functional, the objective of fairness is not achieved, however, because when people who do not have children grow old, they have to be supported by other people's children. The higher taxes paid by childless people, and the fact that many people remain childless voluntarily while others do so against their will, as a result of setbacks in their lives, are irrelevant to this argument. The same applies to health and long-term care insurance.

The German 'pay-as-you-go' statutory pensions system would be not only the most stable and secure, but also the fairest, pensions system if the following two conditions were met.

Consequences of political failure

Germany's political class continues to ignore the call made by the Federal Constitutional Court urging a thorough overhaul of the entire pensions and health and long-term care insurance system. In so doing, it is standing in the way not only of the restoration of social justice through the elimination of the privileges enjoyed by childless people, but also of the re-establishment of a stable demographic base for society. Presumably, politicians are perfectly aware of this fact; they have a different reason for acting as they do: Germany uses immigration to offset the shortfall in domestic births. For decades, the number of immigrants entering Germany each year has exceeded the annual birth rate in the country. Yet the immigrants likewise have a birth rate of less than two children per woman, so that without constant fresh arrivals their numbers too would dwindle. In recent decades, Germany has become increasingly dependent on immigration, and politicians no longer even have the option of deciding whether Germany should be a country of immigration or not. At the same time, all the parties represented in the Bundestag categorically reject any kind of measure to promote the birth rate, for fear of their population policy being likened to that of the National Socialists.[10] But this approach will not make the problem do away, because demographic trends are influenced not only by political decisions, but also by a refusal to take the decisions required.

In Germany, a 'population policy' reminiscent of the Nazi era is out of the question. Assertions of this kind ignore reality and serve only as a deterrent to measures to raise the birth rate. But the question remains: should the Federal Republic of Germany forgo any form of population policy for ever and thus surrender a decisive means of shaping its future? Should society accept that the memory of the evils of the Nazi era is still powerful enough

9 The German Family Association has shown in a study that three quarters of the 200 billion does not promote the family as such. This is even acknowledged by the Ministry for the Family: 'According to the Ministry's calculations, only €55.4 billion – so a little over a quarter of the overall package – comprises support for the family in the narrower sense'. In: Deutscher Familienverband (Hrsg.), „Was steckt hinter den Fördermilliarden für Familien?", Berlin 2014, p. 2. www.deutscher-familienverband.de.

10 An example of this is the policy statement by the former Prime Minister of the Land of North Rhine-Westphalia marking the setting-up of the Institute for Demographic Research and Social Policy of the University of Bielefeld: 'The State has no business sticking its nose into the bedroom'. Landtag Nordrhein-Westfalen (1979) Drucksache 8/5110, 29.10.1979. Reply of the Regional Government to Question No 22 put to it by the CDU Group, Drucksache 8/3922.

to paralyse political action and rule out the pursuit of a lasting population policy which goes to the root of the problems in question? The impact of a policy which takes the form of a refusal to take political action is not harmful to Germany alone. As GNP grows more slowly, for demographic reasons, economic potential which could have been used to support other countries through development policy is also lost.

In her most recent New Year's address, Federal Chancellor Angela Merkel devoted only a single sentence to the subject of immigration, asserting that we all stood to gain from it. That is manifestly false: there are both winners and losers from immigration. Businesspeople benefit from the availability of cheap labour, but for the many unskilled workers, a category to which most of the migrants living here also belong, immigration is harmful because it depresses wages and endangers jobs.[11]

This can be demonstrated by a simple argument. Let us assume that a country like Germany aims to achieve a high level of per capita GNP, because this will guarantee a high level of consumption and because the public funding required to maintain a good infrastructure will then also be available. In this situation, and regardless of the circumstances, high per capita GNP is more favourable than a high level of absolute GNP, which can be achieved by means of a high immigration rate. In a thought experiment, let us suppose that Germany's population is divided between two large *Länder*, X and Y, and that *Land* X contains all the non-migrants and Land Y all the migrants. In a study commissioned by the Bertelsmann Foundation, Holger Bonin (Zentrum für Europäische Wirtschaftsforschung GmbH, Mannheim) confirmed the known fact that the foreign population '... in comparison with the German population has significantly lower employment rates and income and claims more transfer payments'.[12]

Other advanced countries in Europe benefit just as little from immigration as Germany does.

(a) This means that the per capita income of *Land* Y is less than that of *Land* X, and that the per capita income of Germany as a whole (X plus Y) falls as the proportion of the overall population accounted for by immigrants increases. (b) What about the respective growth rates of the per capita incomes of *Länder* X and Y? The growth rate of a quotient such as per capita income is always equal to the growth rate of the numerator less the growth rate of the denominator: the growth rate of per capita income = the growth rate of GNP less the growth rate of the population. The German population in *Land* X is shrinking because of its birth gap, and its growth rate is negative. If, for example, the GNP of *Land* X increases by 1.5% per annum while the population falls by 0.5% per annum, per capita income in *Land* X will increase by 2.0% per annum.

Each year, the foreign population of *Land* Y grows as a result of fresh immigration and because births exceed deaths: the explanation lies in its young age structure, which counterbalances its now likewise low birth rate. Even if the GNP of *Land* Y (despite the substantially lower skill levels of its population) were likewise to grow at 1.5%, as in *Land* X, then the growth rate of the per capita income of *Land* Y, with a population growth rate of 0.5% for example, would be only 1.0%, just half as much as that of *Land* X. Even in the unlikely eventuality of the growth rate of the GNP of *Land* Y being higher than that of *Land* X, because of its population growth, for example 2.0% rather than 1.5%, the growth rate of its per capita income would be less than in *Land* X: in this case it would be 1.5%. This means that, the more immigrants Germany admits, the lower the level and growth rate of per capita

11 Hans-Werner Sinn, Ökonomische Effekte der Migration. Frankfurter Allgemeine Zeitung, 29.12.2014, No 301, p. 18. Idem: Warum die Zuwanderung die Staatskasse belastet. FAZ.NET, 2.1.2015

12 Holger Bonin, Der Beitrag von Ausländern and künftiger Zuwanderung zum deutschen Staatshaushalt. http://www.bertelsmann-stiftung.de/fileadmin/files/Projekte/28_Einwanderung_und_Vielfalt/Bonin_Beitrag_Zuwanderung_zum_dt_Staatshaushalt_141204_nm.pdf.

income will be. The outcome is exactly the same if one assumes that in future the level of education of the immigrant population will approach that of the German population, as is posited in the Bertelsmann study.

These general arguments have been empirically confirmed by the Bertelsmann study. Holger Bonin has established that in 2012, on average, net per capita payments to the State, where individual attribution was possible and payments were individually made and received – the 'financing contribution' – were higher for Germans than they were for foreigners: €4 000 as against €3 300 (Bonin, p. 27).

His findings also included this: 'If one adopts the forward-looking perspective of generational accounting, the generational balance by annual cohort is positive for substantially fewer cohorts in the foreign population than in the German population. Under status-quo conditions, foreigners born in 2012 will receive on average around €44 100 more in transfers over the course of their lives than they will pay in tax and social security contributions. By contrast, Germans born in 2012 will make a clearly positive contribution to public finances. Over the course of their lives, they will pay on average €110 800 more in taxes and social security contributions than they will receive in individually attributable transfers' (Bonin, p. 30).

A further calculation by Bonin takes account of average per capita State spending on infrastructure and administrative services in addition to individually attributable payment flows. This too produces a disparity in favour of the Germans: 'Over the course of its lifetime, every new-born child will generate a substantial deficit: the cohort deficit for children of foreigners is €196 000, while even for Germans the figure is €41 100. Applying this principle produces similar figures for all future generations, assuming their fiscal behaviour is the same as their parents' and the State does not in future cut back on general public spending' (Bonin, p. 36).

If the generational accounts are weighted according to the population structure in the initial year, then, according to Bonin the per capita financial contribution of the German population is €88 500, while that of the foreign population is €22 300 (Bonin, p. 32).

Bonin ends the summary of his findings with a surprising act of **self-censorship**, specifying how those findings should – or rather should not – be interpreted: 'Above all, one must not infer from this that foreigners would represent a fiscal burden on Germans if a comprehensive assessment were to be made that took account of the unsustainability of current German fiscal policy'. The fact that Bonin should publish his findings and at the same time call on people to distance themselves from them is a disgraceful and unprecedented attempt to manipulate opinion, which is immediately endorsed by the Bertelsmann Foundation in the very first sentence of the foreword, which simply asserts the following: **'Germany benefits from immigration'**. The media obediently parrot this statement. Yet proponents of this view will not find it confirmed by the Bertelsmann study: on the contrary, the study refutes it.

Summary

Immigration can only halt the shrinking of European societies, but not their ageing, because ageing is primarily due to the declining numbers of young people, i.e. the low birth rate, and only to a lesser extent to rising life expectancy. The United Nations Population Division has calculated that a net total of some three and a half million younger people would have to migrate to Germany each year (!) (the figures are similar for other countries) in order to make

the ageing of the population – or more precisely the old-age dependency ratio[13] – a thing of the past![14]

Politicians who – like former Federal President Horst Köhler[15] – present the demographic problem as an 'opportunity' or 'solution' to other problems or who come out in favour of immigration instead of encouraging people to have children are not only leading the country up a blind alley with their eyes wide open, they are also ensuring that the demographic problem remains unsolved, as by speaking up for immigration they distract attention from its main cause: the statutory pay-as-you-go pension, health and long-term care insurance system in Germany rewards childlessness, punishes families with children and thus reduces the birth rate to a disastrously low level. By favouring the childless section of society, it violates the supreme constitutional principle of any democracy – equality before the law,[16] jeopardises social stability and discredits democracy as a way of organising society.

Immigration does make it possible to address some consequences of the demographic problem, such as labour shortages in certain occupations, but it does nothing to alter the unconstitutional nature of the social security system: on the contrary, immigration causes further injustices in the migrants' countries of origin, as the parents of migrants derive no benefit from the tax and social security contributions that their children pay in Germany. They benefit only from their remittances. At state level, no compensation is paid between the social insurance systems of countries of origin and destination. Systematic offsetting of a country's own demographic deficits by encouraging immigration by young people from less developed countries is a kind of demographic colonialism, which undermines the cohesion of countries of destination and countries of origin inside and outside the European Union. Immigrant workers support their families by means of their remittances to their home countries, thereby propping up the countries of origin, but this is counterbalanced by immense damage, because it perpetuates the exploitation of poor countries by rich countries, and indeed promotes it. Instead of importing labour, rich countries should invest in poor countries, in order to create the jobs which are lacking there, particularly as this would be substantially more beneficial to both groups of countries in economic terms, and because the mobility of capital is far greater and generates fewer economic (and social and human) costs than the mobility of labour.

In view of the current high numbers of refugees and asylum-seekers entering the country, many people are wondering whether Germany's demographic problem is now solved. Of course, high immigration, if it continued, could halt the shrinkage of Germany's population or even cause it to grow, as is happening at present. But that would be no solution to our main demographic problem: in fact, it would aggravate it because of its economic, societal and social impact. Because the main problem is that in future, even with high levels of immigration of young people, the ratio between the number of old people who need to be cared for and the number of people of working age (= old-age dependency ratio) is likely to more than double,[17] so that our social insurance systems will become unviable and economic growth will be stifled.

13 Old-age dependency ratio = ratio of the number of people aged over 65 to the number of people aged 15 to 64.

14 United Nations Population Division, Replacement Migration: Is It a Solution to Declining and Ageing Populations? New York 2011.

15 Address by Federal President Horst Köhler at the conference on demographic change on 6 December 2005 in Berlin. In: Bundespräsidialamt, press release of 6.12.2005, p. 5. It is not known why the passage cited, which appeared in the press release, was omitted from the later documentation on the address.

16 'Trümmerfrauenurteil' (judgment concerning mothers born before the end of 1920) of 7.7.1992 and judgment of 3.4.2001 on care insurance.

17 This point is not only based on the size of the age groups; another important consideration is the percentage of people who are economically active within an age group (= their activity rate). As the activity rate is significantly lower among immigrants than among the indigenous population, the old-age dependency ratio adjusted in this way increases particularly steeply.

If the aim were to keep this decisive ratio constant by means of immigration by young people, then, as the United Nations Population Division has calculated for Germany, between 2000 and 2050 some 182 million more people would have to migrate to Germany than emigrate from it, or a net total of 3.6 million people per annum. It would be impossible to provide jobs for these people, and by joining the ranks of the unemployed they would create more problems than they solved. In 2015, it is likely that net immigration will number not 3.6 million but 'only' 1 to 2 million, so despite the current high rate of immigration, the gap between the number of old people to be cared for and the number of wage earners will continue to grow. In a word, the high rate of immigration will not reduce the impact of Germany's demographic problem, but possibly even exacerbate it.

Demographic changes in Central and Eastern Europe





This note focuses on recent demographic trends observed in Central and Eastern European countries: fertility, mortality with an emphasis on population ageing and briefly on international migration. Perspectives towards 2030-2050 are also described. Special attention is given to the use of new measurements which tell that fertility is not too low and population ageing is not as swift as conventional measures would indicate. A description of causes of changes identified by contemporary population research complements this quantitative discussion. It is underlined that while population numbers might not differ much from those observed in Western European countries, underlying causes differ and therefore specific population policies are needed. Increasing attention is attributed to policies aiming at the realization of informed choices. An overarching policy approach centers on the leading role of human capital which can mitigate consequences of population decline.

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The recent demographic change in eastern European countries is a topic of hot debates with views ranging from temperate to 'catastrophic' population decline caused by low fertility, high mortality, and high emigration with shrinking labour force and fast population ageing among the central negative outcomes. Current refugee flows constitute an additional dimension in the pessimistic expectations for future societal life. Similar trends are also observed in Western Europe but do not rise appalling worries. Is there anything special in Eastern European demography that might cause a severe population decline? This note presents a brief answer to the last question constricted within the boundaries of demography.[1]

Fertility

The aftermath of the transition that started around 1990 caused a swift drop in fertility. The total fertility rate (TFR) declined from a level close to population replacement (around 1.9) to 1.2-1.4 only in a few years. This drop was accompanied by three important fertility-related trends: (i) Transition from universal parenthood to voluntary childlessness; (ii) Increase in non-marital cohabitation, and (iii) Increase in non-marital births. They remained permanent although fertility increased slightly during the next decades.

Before discussing the substantive reasons for fertility decline, we note one important trend: postponement of births to later ages. In some countries, for example in the Czech Republic, the mean age of females at their first birth rose from 22-23 years around 1990 up to 28 and higher during the recent years. Similar increase was observed in all CEE member states of the European Union, but it was more moderate in the other Eastern European (EE) countries. Analogous postponement was observed in all Western European (WE) populations.

Fertility postponement causes a bias in the familiar interpretation of the TFR as the average number of children per woman. After an appropriate modification, the adjusted TFR is higher than the conventional with about 0.2-0.4. The adjusted TFR in Western Europe was 2.1 in 2010, while the conventional was 1.9; in CEE countries the numbers were correspondingly 1.7 and 1.4; in EE countries however their values were about equal at the level of 1.6.[2]

A variety of reasons caused the prevalence of low fertility in CEE countries:

- *Risk aversion* dominated during the 1990s. Birth is a crucial irreversible event and couples are likely to postpone it under the pressure of high uncertainty in life. Many couples preferred cohabitation to marriage for the same reason.
- *Economic situation of families:* beyond the effect of impoverishment a major effect is due to the mismatch between income and personal aspirations. Relative deprivation is also impelling postponement of births.
- *The work and family dilemma:* the distribution of women's time between work for pay and work in the family is a major reason for low fertility typical for nearly all developed countries where women's labour force participation is high.
- *Gender equity and equality:* in CEE and EE countries women do most of the household chores; more so than in Western European countries.

In summary, fertility declined and remained low in CEE and EE countries due to factors whose effect was more pronounced than in Western Europe. Therefore, fertility is slightly lower. It is not expected to change significantly during the next two to three decades, except that postponement will decline and hence the conventional TFR will gradually get close to the adjusted TFR shown above (1.7). However, in Eastern Europe postponement is expected to boost and the TFR will significantly decline for several decades.

1 I.e. without entering the road field of political, social, economic or cultural consequences of changes in population numbers.

2 All cited numbers in this note can be found in: *European Demographic Data Sheet 2014,* issued by the Wittgenstein Centre for Demography and Global Social Capital, *http://www.oeaw.ac.at/vid/data/demographic-data-sheets/*

Mortality

Life expectancy at birth in CEE countries marked a moderate increase during the first decade after 1990, followed by steeper rise during the 2000s: for males it was 67 in 1990, 68 in 2000 and 72 in 2010, and for women 75, 77, and 80 years. Higher mortality among middle-aged men remained an issue, and the main causes of mortality remained linked to cardio-vascular diseases and cancer. Specifically for EE countries, international organizations report spread of HIV/AIDS pandemics.

Mortality in the 'older' member states of the EU (EU 15) was considerably lower. Life expectancy at birth was seven years higher for men and four years higher for women. Similar differences are observed in morbidity.

Why did mortality and morbidity differ? Although access to technologically advanced health care might be easier in the west, a major group of causes refers to individual behaviour and habits. Differences in healthy lifestyle form one group of these causes, which include healthy diet, active physical life, avoiding smoking and high alcohol consumption. Significant differences are evident in prevalence of primary and preventive health care: the latter is to some extent neglected by populations in CEE and EE countries. These issues are illustrated by differences in life expectancy by education (Table 1).

Higher education links with longer life: a typical observation for all countries in the EU. Persons with higher education are more likely to conduct a healthy lifestyle and follow recommendations for preventive health care. Differences between WE and CEE are particularly outlined where low levels of education are considered. During the next few decades mortality is expected to decline at constant pace over all European countries; differences between western and eastern countries are expected to decline, and so will differences by gender.

	Bulgaria		Demark	
	M	***F***	***M***	***F***
Low	26	35	35	40
Middle	35	40	38	43
High	38	42	41	44

Table 1. Life expectancy at age 40 by three levels of education. M - Male, F - Female

Population ageing

The speed of population ageing raises concerns among politicians and stakeholders in all European countries. Indeed, the old-age dependency ratio (OADR: the ratio of persons aged 65 and over to those aged 20 to 64) increased considerably during the last few decades and is expected to increase at least until the middle of this century. However, a new measurement of population ageing indicates that the trend is not as fast. It is based on the use of a prospective OADR, defined as the ratio of persons whose remaining life expectancy is 15 years or less, to persons with remaining life expectancy more than 15 years and older than 20, and is justified with the rise in life expectancy which is not captured by the conventional OADR. Table 2 indicates that ageing rises 1.4 times between 2011 and 2050 in nearly all European countries when measured with the new index, while the conventional index more than doubles in 2050 relative to 2011. Population ageing is not such a threatening demographic trend as seen by some stakeholders.

Migration

Net migration at present is low; it is persistently positive in some CEE countries (Czech Republic, Hungary, Slovakia) and negative in others (Bulgaria, Baltic states). These trends are expected to persist towards 2030 and lead to a population gain up to 5% in the former

	Conventional OADR			Prospective OADR		
	2011	2050	2050/ 2011	2011	2050	2050/ 2011
New member states	25	57	2.3	20	28	1.4
EU 15	30	62	2.7	18	25	1.4
EE countries	20	42	2.1	23	30	1.3

Table 2. Conventional and prospective old-age dependency ratio, 2011, and forecast for 2050 (in percent)

group and loss to -5% in the latter. High immigration flow dominates in the EE countries. This diversity is not typical for Western Europe, where net immigration is dominant across the countries; highest gains up to 10% are expected until 2030 in the Nordic countries, Spain and Italy. Migrants are mostly aged 20-35 and hence migration affects young adult ages. Reasons including push factors at home (such as unemployment) or pull factors at country of destination (better paid jobs, continuation of education) are expected to persist during the forthcoming decades.

Projected Population Size

During the next two to three decades, low fertility levels will be compensated by declining mortality and immigration in most of the countries in Western Europe and some countries in Eastern Europe (Czech Republic). Negative immigration in combination with low fertility will cause significant population decline in few countries like in the case of Bulgaria, whose population is expected to be 5.5 million towards 2050 (7.3 million in 2013).

The road ahead

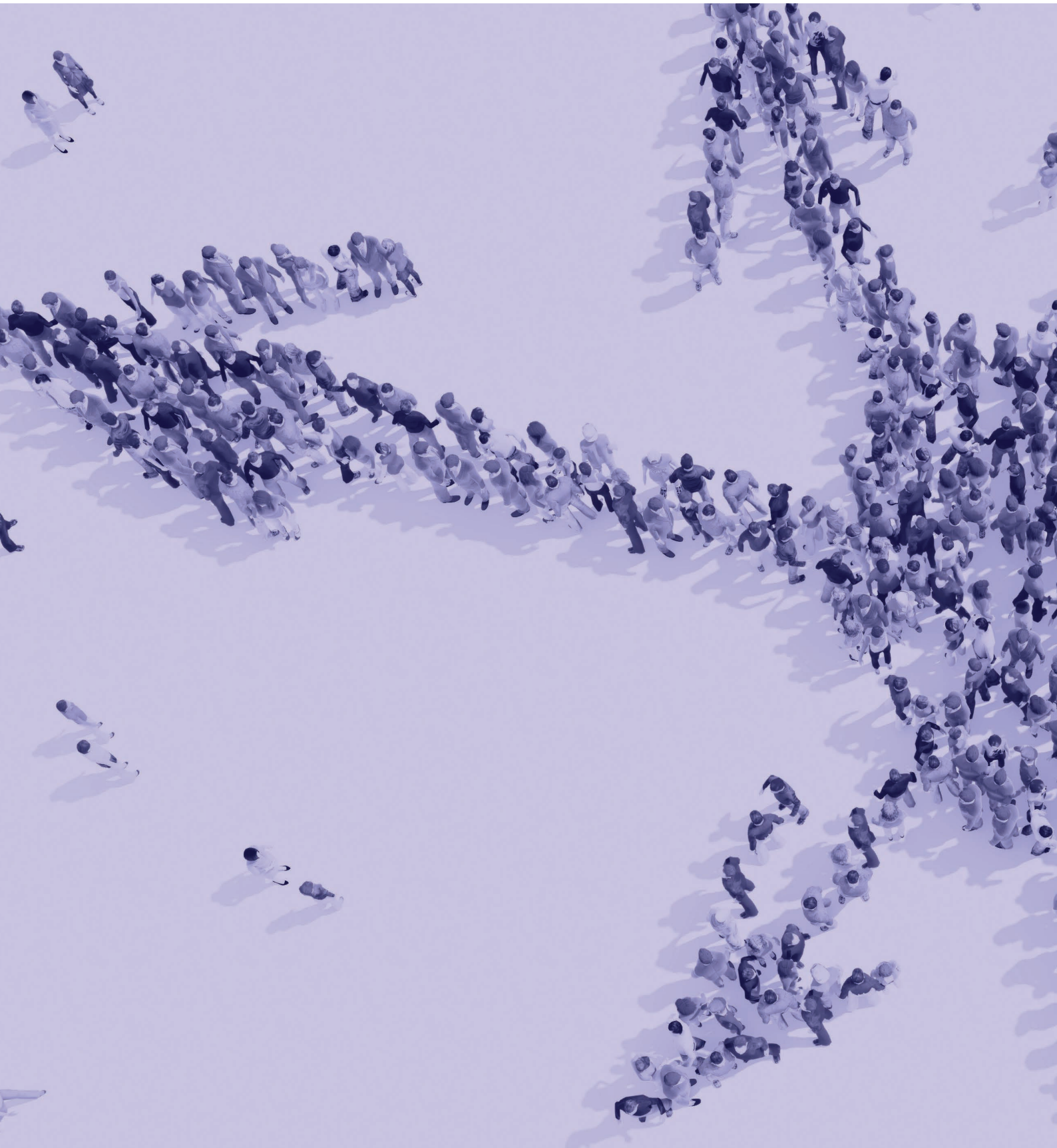
Population changes in Western and Eastern Europe differ little in terms of numbers but the underlying causes and consequences require specific policy approaches. A straightforward inference comes out: copy-paste of policy instruments proved successful in WE (particularly popular for example those in France or Sweden) can be ineffective.

Traditionally population policies in CEE and EE are constructed on setting macro-level targets, such as reach a particular level of fertility, life expectancy, infant mortality etc. A contemporary approach is based instead on policies centred on individual needs and informed choices. Where fertility is considered, policies can help people realize their preferences towards having or not having children; policies aiming improvement in health can continuously and intensively stimulate a healthy lifestyle and use of preventive health services. Migration preferences can hardly be changed with economic levers and the stress can be placed on indirect measures such as encouragement of return migration with relaxing the start of small business, removing obstacles to remittances among others.

An important road ahead is increase in human capital. Higher-educated people are healthier; they live longer, manage their lives better, and they have higher cognitive capacity. They are more productive and earn better. Increasing education means increase in human capital and so it can compensate declining size of labour force. Higher education is a target of diverse social and economic policies, which call for their synchronization with population policies.



The effect of population upon politics





The effects of population on politics are complex. In the modern world, they can be hard to disentangle from the reciprocal effects of politics on population. Therefore, before the demographic transition, slow or even negative population growth rates would provoke state actors to attempt to promote fertility and population growth. Such attempts continue in those parts of the developed world today where birth rates are very low, for example parts of Southern and Eastern Europe, and East Asia. All that is very well known and will not be considered further here.

In the past, before the demographic transition, there were probably few demographic differences between populations, little knowledge of any differences that existed and, before democracy, no means of using such differences to enhance the political power of groups. Interesting questions arise when the demographic transition begins at different times and proceeds at different rates in different populations. Where this occurs within the same political entity, conflicts can arise between groups defined by language, religion or ethnicity. Where it occurs between political entities, as between the developed world (low growth rates) and the developing world (high growth rates), migration pressures arise which have provoked radical political change, including the dramatic development of Brexit.

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This is a large subject and this little article can only address a few corners of it. It is a highly interactive one also, in that the effect of population on politics and policy has powerful reciprocal effects on the effects of policy and politics on population. The two are hardly to be separated. The demographic transition, initially provoking rapid population growth and then stabilisation, ageing and possible decline, has been the main source of demographic change in the last century, and the migration which often follows when demographic and economic transition is earlier in some countries than in others. Modern population policy, in attempting to encourage moderation of population growth (mostly in poor countries), or to encourage low population growth (mostly in richer ones) is a very well known topic. The demographic transition is also responsible for population ageing, hitherto unknown, which has altered the relative numbers of people in different age groups in the population and destabilised the relation between them. That matters in the age of welfare. These issues and the policies developed to address them are all well known and will not be considered here.

Demographic diversity presents interesting questions; whether population differences or changes, within or between political entities, are felt to present some challenge to the state.

If so, policy responses will follow sometimes benevolent, sometimes savage. Before the demographic transition, ancient old autocracies, often embracing several cultures and languages, all component populations would share a similar a pre-transitional demographic characteristics. (Peaceful) relative demographic change between groups was unlikely and irrelevant. Multicultural empires were the historical norm (McNeill 1986): Achaemenid Iran, Ottomans, Mogul India, Manchu China, British India, the Russian Empire, the Hapsburgs. Demographic and democratic transitions change all that – numbers become important especially if change is mismatched and some groups become salient by growing faster than others. Demographic competition can become an issue.

In the last two centuries the demographic transition and its mismatched pace in different populations, the rise of fully democratic societies, and the rise of the census to count people and their differences, has complicated the connection between population and politics. International migration, on a uniquely large scale in peacetime since the 1960s, has provoked serious discontent in Europe and opened a major conflict of sentiment and interest between the masses and the elite (Chamie 2009, Best et al. 2012, Teney et al. 2014). That contrast is well illustrated by Trump, Brexit and recent political turmoil in several European countries. Finally, there has to be the possibility of politics. To some extent, dictatorships can impose policy but without representative politics they can ignore, or at least delay response to harmful developments arising from those policies. The one-child policy in China, and the savage pronatalism of the Ceausescu regime, would not have been possible in a democracy.

Nationalism, freedom and democracy together put the spotlight on population numbers and given them much more leverage than ever possible in the past. Relative population size of groups matters in a much more specific way because voting confers political power, and the public knowledge of demographic differences, and their possible translation into political power, can make those relative numbers very politically salient.

After 1918, the dismantling of non-democratic or only semi-democratic empires through the treaties of Versailles and Trianon created a variety of new population entities, with inevitably crudely defined boundaries given the patchwork intermingling of different groups that always arise within empires. Their inequalities and imbalances have bequeathed political problems some of which remain unresolved after a century. It might have mattered less in an era when national sentiments were weaker, and localities and identity focussed more on smaller, local units. But those days have gone. After 1918, the Powers attempted to find independent national homes with rational boundaries for the ethnic groups that comprised the Austro-

Hungarian Empire. But given the complex intermingling of populations arising from centuries of imperial suzerainty, a host of 'new' minorities, ill at ease to find themselves behind new national frontiers was created in the attempt to resolve the problems of old ones. Examples are familiar: Hungarians in Romanian Transylvania, and Slovakia, resentful German speakers in newly Italian Alto Adige to name but two. Romania and Yugoslavia ended up almost as ethnically diverse as the empire from which they were carved out (Judt, 2001). The existence of these minorities posed dilemmas about minority rights, multicultural issues, priorities of language which provoked conflict in the case of Yugoslavia and complicate internal and international politics up to the present day, which common membership of the European Union has not yet resolved.

Outside Europe, the policy response to population groups deemed to be undesirable or threatening to state or majority interests has sometimes simply been to remove them. Ethnic population diversity has in such cases diminished and in a brutal sense simply has less political impact than it did. Many minorities, which in the days (mostly within larger imperial entities which kept all in awe) before nationalist sentiments, demographic knowledge, democratic aspirations and demographic transition had co-existed, have now been expelled or massacred.

Thus the ancient Greek – speaking populations of Anatolia, formerly dominant, are now diminished to an ageing fragment, air-brushed out of the history of Turkey, which re-invented itself as a specifically Turkish national identity in 1923 out of the wreckage of the multicultural Ottoman empire. The relics of the equally ancient Armenian populations of Anatolia are literally bulldozed out of existence (Dalrymple 1997). Minorities of colonial origin (Whites in North Africa, Angola, Mozambique, Zimbabwe), market-dominant minorities (East African Asians, Chinese in Indonesia who arrived under the aegis of colonial protection) have been expelled, or their power and numbers much diminished, after independence. Large ancient populations who found themselves brigaded within one shared formal national boundary imposed by colonial authorities can encounter serious problems when trying to manage a democratic system upon independence. One example is Nigeria (Okolo 1999, Ezeah 2013), whose federal constitution gives political representation proportional to the census number in each region; the former empires of the Muslim North of Hausa and Fulani, the (mostly) Christian South of the Yoruba, the Christian East of the Ibos amidst many other groups in each region. The opportunity for demographic inflation to magnify representation and power for each region proved so irresistible that it was impossible to hold a trustworthy census from 1963 until 1991. For related reasons, Lebanon has been frozen in an increasingly demographically unrealistic framework of representation since 1933, preserving increasingly statistically indefensible arrangements.

In stable democracies, minority growth – indigenous or more often immigrant – can have an increasingly powerful effect on national politics – though by no means as a forgone conclusion. Minority growth can arise from differential natural increase, or from immigration. Migration has brought to the developed world, countries that have more or less ended the demographic transition, populations with pre-transitional demographic regimes with considerably higher levels of natural increase. Growing minority populations can force governments to change policies in response to any special interests that they might have. If they are sufficiently numerous then no party can find it easy to be elected without attending to their concerns. That can affect domestic and foreign policy. British governments were alleged to have tolerated extremist organisations locating themselves in London (termed 'Londonistan' in Melanie Phillips' 2012 polemic) through a tacit understanding that their attacks and subversion took place elsewhere; an immunity long gone. The US Israel lobby, powerful despite Jews being a small minority, is alleged (Mearsheimer and Walt 2006) to have harmed US national interests by distorting US foreign policy in favour of Israel. It has been claimed, both for the US and the UK, that growing non-European minorities will switch

the electoral balance away from the interests of indigenous white population to favour the national, religious and international concerns of immigrant-origin minorities.

The US Bureau of the Census forecasts that the White non-Hispanic population, once overwhelmingly dominant, will be a demographic minority by about 2043. It has been claimed that minority preference of the Democratic Party in the US, combined with rapid minority growth, means that the writing was on the wall for the Republican Party unless it changed its policies to accommodate minority concerns. In the 2012 US presidential election, while 57% of non-Hispanic whites supported the Republican candidate, 82% of non-White and Hispanic voters supported the Democrat candidate. The Trump Republican revanche has put paid to that for the time being, however. In the UK, immigration directly and indirectly accounts for almost all the 0.7% annual UK population growth and the annual increase of half a million people. According to one projection, the 'White British' population is likely to cease to be a majority before 2070 (Coleman 2010). Ethnic minorities in the UK predominantly support the Labour and Liberal parties.[1] Two successive electoral victories for the Conservatives (2010, 2015) in the UK in the teeth of unfavourable political / demographic forecasts have disarmed political projections of inevitable Conservative political demise for the time being. In part, these prognoses are based on mistaken assumptions. For example Hispanic voters, like others, put most emphasis on education, jobs and health, not minority special interests, although they do put more importance on immigration, and legalisation of illegal residents.[2] However, in the UK, while ethnic minority voters share national concerns about (e.g.) the NHS and economic policy, a controversial survey of Britain's three million Muslims (ICM 2016) claimed that 52% believed that homosexuality should be illegal, 39% that a woman should also obey her husband, and that 66% would not report involvement in supporting terrorism in Syria.

In the UK, the influence of the growing minority presence on politics can operate in a number of ways, some of them indirect.

One is strengthened through the anomaly that citizens of Commonwealth countries who have not taken out British citizenship (over one million adults) can nonetheless vote in all UK elections. Members of the UK parliament with big immigrant populations feel obliged to take a sympathetic view of concerns in countries or regions of origin (e.g. Kashmir) which should not otherwise concern a UK electorate. MPs in such situations, especially with large Muslim populations likewise are inhibited from endorsing immigration control or commenting unfavourably on Sharia law or arranged marriage. Some arise from infirmity of purpose on the part of UK authorities themselves. Policies in response to the presence of immigrant and immigrant origin populations can owe their origin just as much to errors in the host country response as to incompatibilities in the attitudes and values of immigrants. For years public organisations, notably the police and social workers, have been reluctant, in order to avoid giving offence or upsetting community relations, to address problems arising in minority communities. These include organised electoral fraud (Cabinet Office 2016) and the sexual abuse of minors and vulnerable young women by gangs of Pakistani origin. Now the scale of the abuse over decades, and its neglect by the authorities, is out in the open and it has become a huge public scandal (House of Commons Home Affairs Committee, 2013). Silence on such matters, and the tendency of elites to dismiss concerns about immigration crime and effects on employment and wages as ignorance, racism and xenophobia have damaged public trust.

1 Sunak and Rajeswaran 2014, 82% in 2010, but only 58% in 2015 (http://www.britishfuture.org/wp-content/uploads/2015/05/ethnicminorityvote2015.pdf).

2 http://www.pewresearch.org/files/2014/06/FT_14.05.30_HispanicIssues.png

Popular disenchantment with elite disdain has been given some credit for the popular revolution, which provoked Brexit and similar rejection of elite attitudes in other European countries and – in a different context, in the US. The political effects of majority response to large-scale immigration has been striking. Elites usually insist that the effects are beneficial and that majority voices calling for restriction simply show that the majority does not understand its own best interest. Even on a narrow economic or fiscal basis that claim is arguably wrong, and in any case most studies show that the fiscal effect is small either way. Beyond fiscal details, in the UK the effects of immigration on pressure on schools, the NHS and on housing are obvious and visible. Majority opinion in the UK has been against large-scale immigration for many years (as in other countries). A typical poll by YouGov for the Sunday Times on 8 March 2015 showed that 76% of the sample of 1754 adults wanted immigration reduced; 52% by a lot; 2% by a little. As immigration has increased, notably in the UK from Eastern Europe from 2004, opposition has increased pro rata and has driven the topic to the top of political concerns (Blinder and Allen, 2016). After concern about the economy, opposition to large-scale immigration was the main reason for the Labour Party's electoral defeat in 2010 (Ford and Somerville, 2010) and again in 2015. The Conservative Party's promise to reduce net migration to 'tens of thousands' was popular if optimistic. Governments have fallen, for the same reason, in Denmark and the Netherlands. While strongly anti-immigration parties such as the United Kingdom Independence Party (UKIP) in the UK, and the extreme Front National in France, Alternative fur Deutschland in Germany and others in Sweden cannot form governments or even join coalitions, nonetheless their popularity has forced mainstream parties in government to adopt much of their policy and rhetoric, as was shown for example in the recent (2017) Dutch general election.

The electoral threat from UKIP (Curtice, 2015), with its twin opposition to EU membership and to large-scale immigration, and the need to defuse his Eurosceptic MPs, are held to be the main reasons why David Cameron promised a referendum on EU membership (which he expected to win). In that referendum campaign, the single most important specific issue was immigration (e.g. Ipsos MORI Political Monitor June 2016[3]). Rather unusually, concern about immigration topped concern about the economy, despite dire threats of economic gloom from the 'Remain' camp. Immigration was then, and has remained, at record levels. Leaving the EU would enable at least that component that came from the EU – about one-half – to be reduced if free movement were to be ended.

Perhaps the Brexit result and its consequences for the British political scene and the EU is the most notable recent example of the effect of population on politics. It illustrates the two-way relationship discussed at the beginning of this article. Immigration greatly increased under Mr Blair's Labour government after 1997. That increased migration was substantially responsible for the removal of the Labour government from office in 2010. Brexit may thus come to be regarded as Mr. Blair's most notable legacy. And that Brexit decision might become a turning point in the trend of migration to the United Kingdom.

3 https://www.ipsos-mori.com/researchpublications/researcharchive/3746/Immigration-is-now-the-top-issue-for--voters-in-the-EU-referendum.aspx

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