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The demographic future of the European Union and the challenges for social policy and social security systems

Demograficzna przyszłość Unii Europejskiej a wyzwania dla polityki społecznej i systemów zabezpieczenia społecznego

Abstract: Demographic changes within the European Union represent one of the key challenges of the 21st century. Population ageing, declining fertility rates and migration exert a direct impact on the functioning of social security systems and public policies across Member States. The author examines the major demographic trends in the EU and their social, economic and institutional implications, based on both – quantitative (including data from Eurostat and the OECD) and qualitative analysis (such as EU strategic documents and scholarly publications). Drawing on examples of initiatives undertaken by Member States, the study offers recommendations for systemic reforms and social education as essential tools to address future challenges.

Keywords: demography, European Union, ageing, migration, social security, social policy, silver economy

Streszczenie: Zmiany demograficzne w Unii Europejskiej stanowią jedno z kluczowych wyzwań XXI wieku. Starzenie się społeczeństw, spadek dzietności i migracje wywierają bezpośredni wpływ na funkcjonowanie systemów zabezpieczenia społecznego oraz polityk publicznych państw członkowskich. Autorka analizuje główne trendy demograficzne w UE oraz ich konsekwencje społeczne, ekonomiczne i instytucjonalne,

opierając się na analizie ilościowej (m.in. dane z Eurostat, OECD) oraz jakościowej (w tym: strategiczne dokumenty UE, publikacje naukowe). Uwzględniając przykłady działań państw członkowskich, przedstawia rekomendacje dotyczące reform systemowych i edukacji społecznej jako narzędzi przeciwdziałania przyszłym wyzwaniom.

Słowa kluczowe: demografia, Unia Europejska, starzenie się społeczeństwa, migracje, zabezpieczenie społeczne, polityka społeczna, srebrna gospodarka

Introduction

Changing demographic trends constitute one of the most significant challenges facing the European Union in the 21st century. Population ageing, declining fertility rates, increasing mortality, and intensifying migration flows have a profound impact on the stability of social security systems and the formulation of public policies. These transformations not only reshape the population structure but also generate new challenges and opportunities for the economies of the Member States. This article aims to analyse these dynamic processes and their implications for various socio-economic dimensions across the region.

To investigate the issue, a quantitative analysis is conducted using data from reputable sources such as Eurostat, the OECD and the United Nations. This approach enables the assessment of demographic indicators, including fertility rates, age structure, and migration trends. Simultaneously, the interpretation of EU strategic documents, scholarly literature, and media reports provides insight into the effectiveness of policies and strategies in the face of an ongoing demographic crisis.

The theoretical framework of this article is grounded in classical concepts such as the demographic transition theory, the depopulation model and Gøsta Esping-Andersen's typology of welfare states. These theories provide a foundation for understanding the mechanisms that shape the current demographic situation and for analytically framing its social and economic consequences.

The subsequent sections of this article provide an in-depth analysis of the key issues related to demographic challenges within the European Union. The first topic addressed is the fertility crisis, focusing on the declining birth rate, its underlying causes, and the implications for

a shrinking population. This is followed by an examination of population ageing, with particular attention given to increasing life expectancy and the growing number of individuals in the post-productive age group. Another critical issue discussed is the shift in mortality patterns – namely, the increasing number of deaths and their impact on the demographic situation of the region. The final theme explored is migration, which plays a pivotal role in mitigating the effects of population ageing, while simultaneously presenting significant challenges in terms of integration. These issues form the foundation for further reflection on the demographic consequences and their implications for socio-economic policies in EU Member States.

The final part of the article focuses on the implications of demographic change for social and economic policy, as well as proposed measures that could help mitigate its adverse effects. The conclusions presented highlight the growing pressure on pension systems, healthcare services and labour markets resulting from the increasing proportion of elderly people and the declining number of individuals in the working-age population. The analysis addresses challenges related to migrant integration, the effectiveness of family policies and the need to better prepare societies for shifts in population structure. This section also includes practical recommendations, such as the development of active ageing policies, the implementation of pension reforms, support for families and the enhancement of migrant integration efforts. The final chapter discusses inspiring examples from selected EU Member States.

The article aims not only to present existing strategies or efforts to define them, but also to inspire policymakers to adapt and further develop these strategies in light of the specific demographic contexts of individual EU countries.

Methodology of research on demographic challenges in the European Union countries

The aim of this study is to conduct a comprehensive analysis of the demographic situation across the community of European Union countries, integrating a synthesised overview of available quantitative data with reference to the EU's strategic objectives. In this context, a dual

research approach has been adopted: a quantitative component based on the analysis of demographic statistics and a qualitative component focused on the interpretation of EU strategic documents and national social policies. This methodology allows not only for an assessment of the current state of affairs – addressing the question of “what is?” – but also for the evaluation of the validity of projections indicating a deepening demographic crisis in the region. Should these forecasts prove accurate, a key aspect will be identifying the strategic actions undertaken by the European Union to confront this issue, as well as assessing the extent to which the EU’s community-level approach influences national policies within individual Member States.

Based on a synthesised overview of trends and strategic documents, this article aims not only to provide a comprehensive picture of the demographic situation in the European Union but also to assess the effectiveness of current policies and strategies in the face of a deepening crisis. The analysis of reports and statistics from databases such as Eurostat, the OECD and national statistical offices enables a thorough understanding of current demographic trends, forecasts and key indicators relevant to social policy. Strategic EU documents, national action plans, scholarly publications and reports from international organizations serve as the foundation for evaluating the implementation of the EU’s strategic objectives and the extent to which national policies are aligned with Union-level guidelines.

In this article, the desk research method constitutes a key element of the methodological framework as it enables an effective and reliable examination of the research problem based on existing sources¹. It is understood as an analysis of secondary data, which enables the collection and synthesis of information from a wide range of both quantitative and qualitative sources. In the context of limited access to new data, this approach is optimal and ensures reliability through the use of verified and reputable databases. The analysis of demographic statistics – such as fertility rates, migration flows and population aging – available in databases from Eurostat, the OECD, the UN and national statistical institutions, serves as the foundation for assessing the current demographic situation in the European Union. In parallel, strategic EU documents,

¹ Following: D.A. Coleman, *New Europe, new diversity*, “Population Studies. A Journal of Demography” 2008, vol. 62, no. 1, p. 62.

national social policy programs as well as academic publications and NGO reports provide a basis for evaluating the EU's strategic goals and the degree of their implementation across individual member states.

It is essential to remember, however, that despite its numerous advantages, the desk research method also has certain limitations. A key issue lies in the potential heterogeneity and limited availability of data – differences in the definitions of demographic indicators across member states can hinder their comparability. Moreover, the analysis of secondary data does not allow for a full consideration of evolving socio-economic realities – which may require updates based on primary research.

The application of the desk research method in this study provides a solid foundation for achieving the research objectives – enabling the complementary integration of quantitative and qualitative analysis. As a result, the findings will allow for the development of a holistic picture of the European Union's demographic situation and the formulation of recommendations for future actions².

Theoretical and conceptual foundations in demographic analysis in the context of social policy

Demographic transition theory in Europe

The theory of demographic transition is one of the most important models in demography. It explains how societies undergo various stages of demographic transformation in response to socio-economic changes. This process involves a shift from high fertility and high mortality rates³, typical of traditional societies, through improvements in child and infant survival rates, and an increase in life expectancy as a result of improvements in quality of life and medical progress⁴, until low fertility and low

² M.M. Kelly, T. Martin-Peters, J. Strohm Farber, *Secondary Data Analysis: Using existing data to answer new questions*, „Journal of Paediatric Health Care” 2024, vol. 38, no. 4.

³ **Phase I** – the so-called Malthusian phase – is characterised by high mortality rates alongside a high birth rate, which functioned as a form of security against the elevated risk of infant and child mortality. Periodic surges in death rates, often resulting from natural disasters or epidemics, served to maintain a balance between population size and the availability of material resources.

⁴ **Phase II** – referred to as the early development phase. This stage is typically observed in developing countries. It is marked by a gradual decline in mortality rates due to improvements in hygiene, nutrition, and basic healthcare, while birth rates remain relatively high, leading to rapid population growth.

mortality rates⁵, which characterise modern societies. In the context of the EU, this means a growing share of older individuals in the population, leading to challenges for pension systems and healthcare.

Ageing and its impact on public policies

Population ageing is a consequence of declining fertility rates and increasing life expectancy. The literature distinguishes concepts such as the “demographic dependency ratio”⁶ (the ratio of elderly individuals to the working-age population) and “silver economy”⁷, which focuses on the needs and opportunities associated with the growing senior demographic. In the European Union, the dynamic of these changes influences the planning of social and economic policies⁸.

The theory of depopulation in the European Union

Depopulation, meaning the permanent voluntary reduction of the population in a given area, is not a new phenomenon⁹. The European Union is grappling with population decline in certain regions, leading to economic stagnation as well as difficulties in maintaining social infrastructure. Depopulation results from factors such as migration to urban areas, low fertility rates, population ageing and the lack of appropriate living and working conditions in less developed regions. The literature

⁵ Between these stages, we observe **Phase III**, characterised by a further decline in fertility rates, largely driven by socio-economic transformations—including increased access to education for women, the availability of contraception, and advancing urbanisation. This is followed by **Phase IV**, marked by stabilization: both fertility and mortality rates remain low, and the demographic structure begins to age significantly. The final stage, **Phase V**, is defined by fertility rates falling below the replacement level, leading to a gradual decline in the overall population size.

⁶ This issue is further explored in, among others: Z. Szweđa-Lewandowska, *Selected economic consequences of demographic changes in Poland: short- and long-term perspectives*, “Studia BAS. Biuro Analiz Sejmowych” 2023, no. 3, pp. 9-26.

⁷ This issue is further explored in, among others: A. Klimczuk, *Srebrna gospodarka jako konstruktywna odpowiedź na starzenie się populacji*, [in:] *Gospodarka i społeczeństwo w trzydziestoleciu 1992-2022. Perspektywa badawcza zespołu Kolegium Ekonomiczno-Społecznego SGH w Warszawie*, M. Krawczyk (ed.), Oficyna Wydawnicza Szkoły Głównej Handlowej, Warsaw 2023, pp. 369-389.

⁸ It is also worth consulting the publications by Eurofound: F.F. Eiffe, J. Muller, T. Weber, *Working conditions and sustainable work. Keeping older workers engaged: Policies, practices and mechanisms*, Eurofound 2024 (published: 02.02.2024) and F.F. Eiffe, D. Adăscăliței, K. Fric, J. Muller, R. Rodriguez Contreras, T. Weber, *Working conditions and sustainable work. Keeping older workers in the labour force*, Eurofound 2025 (published: 31.03.2025).

⁹ GUS, *Depopulation. Determinants and Consequences*, “Biblioteka Wiadomości Statystycznych”, v. 68, J. Hryniewicz, G. Ślusarz (ed.), Warsaw 2020.

examines, among other things, strategies to counteract these phenomena, such as sustainable development policies and support for local communities¹⁰. For example, EU institutions are jointly engaged in achieving the UN Sustainable Development Goals, providing funding for their implementation. This includes, among other things, the elimination of all forms of poverty and hunger, as well as the respect for human dignity and equality.

Theories of social policy in the context of European integration

In the field of political science, it is essential to refer to the typology of welfare states developed by Gøsta Esping-Andersen¹¹, which distinguishes three main models of welfare states: liberal, conservative and social-democratic. Each of these models is characterized by a different approach to the redistribution of goods, the role of the state and the market, and the level of social security¹². **The liberal model** (also known as the Anglo-Saxon or residual model), prevalent in countries such as the United Kingdom and Ireland, emphasizes minimal state support and promotes individual responsibility. Social benefits are primarily targeted at those in greatest need, with eligibility determined by income criteria. Other state interventions are justified if they contribute to supporting independence, civic engagement and self-help capabilities. In contrast, **the conservative model**, characteristic of Germany and Austria, places significant importance on work-based security and family institutions. Redistribution is associated with protection against various risks, with the state playing a central role, primarily through the social insurance system. The right to benefits is contingent upon employment and is based on the principle of cooperation between employers and employees, with active involvement from civil society. Social policies in this model tend to exhibit relative stability. **The social-democratic model**, present in

¹⁰ The European Union implements regulations and develops political strategies aimed at supporting effective governance and stimulating social and economic development. EU legislation includes, among other things, measures to eliminate hunger and protect natural resources.

¹¹ G. Esping-Andersen, *The Three Worlds of Welfare Capitalism*, Oxford 1999.

¹² Perhaps as time progresses, the classification made by Esping-Andersen becomes outdated, yet it still serves as a fundamental point of reference for theories that organize descriptions of reality, as well as for political and institutional assessment (Following: P. Broda-Wysocki, *Idea polityki publicznej a koncepcje polityki społecznej i modele welfare state. Przyczynek do dyskusji*, [in:] *Polityki publiczne – w kierunku państwa przyjaznego obywatelom*, T. Kamiński (ed.), Wydawnictwo Naukowe Uniwersytetu Stefana Kardynała Wyszyńskiego, Warsaw 2024.

Scandinavian countries, is distinguished by a high level of redistribution and the comprehensive role of the state in ensuring equal opportunities. The welfare state in this model has the broadest scope of action, necessitating high taxes. In return, it provides all citizens with access to benefits, particularly social services. While access to benefits is universal, eligibility is still based on professional activity. A high level of female employment and the development of services facilitating the reconciliation of family responsibilities with professional work are characteristic elements of this model. Monetary benefits, in most cases, are universal in nature¹³.

The European Union, as a community of states with diverse traditions and cultures, seeks to harmonise these approaches within the framework of common strategic goals. It aims to develop common standards that address the social needs of citizens in all member states while respecting their autonomy. Common strategic goals, such as poverty reduction, gender equality, and support for the elderly, should be tailored to the specificities of individual state models, allowing for a balance between unification and diversity to be maintained. This approach fosters solidarity among member states and strengthens socio-economic cohesion across the Union.

Social security models in the European Union countries

Social security models, such as the Bismarck and Beveridge models, play a crucial role in analysing the impact of demographic changes on social policies and social security systems. **The Bismarck model** (the insurance model), introduced in Germany in 1883, based on the principle of contributory financing, assumes that social benefits are funded through mandatory contributions paid by both employees and employers. Entitlement to benefits is therefore linked to employment and professional activity, making this system particularly vulnerable to demographic changes, such as a decline in the working-age population. On the other hand, **the Beveridge model**, introduced in the United Kingdom in 1948, is based on the principle of universality, finances benefits through taxes and guarantees access to basic services for all citizens, regardless of their employment status. Although this model provides greater stability in the

¹³ S. Golinowska, *Modele polityki społecznej w Polsce i Europie na początku XXI wieku*, Fundacja im. Stefana Batorego, Warsaw 2018.

face of an ageing society, it can be more burdensome for the budgets of member states. Understanding the functioning of both models is crucial for predicting future challenges arising from demographic processes and for developing sustainable social policy strategies in the European Union.

Migration and integration of migrants in the new environments

Migration, both internal and external, is a crucial demographic factor in the EU. Theories of acculturation and multiculturalism enable the analysis of migrants' adaptation processes in new environments. Meanwhile, the integration policies of individual member states play a crucial role in ensuring social cohesion.

Fertility crisis in the European Union countries

Birth rates in the countries of the European Union are diverse and influenced by various factors, such as social, economic, and health policies, as well as demographic changes. In recent years, different birth trends have been observed, which have significant implications for demographic and social policy in the region.

In 2023, 3.67 million children were born in the European Union, and the total fertility rate was 1.38 live births per woman, ranging from 1.06 in Malta to 1.81 in Bulgaria. Among the EFTA countries, the highest total fertility rate in 2023 was reported by Iceland (1.55), while the lowest was in Switzerland (1.33)¹⁴.

From the mid-1960s to the end of the 20th century, fertility rates in EU countries consistently declined. In the early 2000s, however, signs of an upward trend emerged. This trend stalled in 2010, when the total fertility rate stood at 1.57, then dropped to 1.51 in 2013. A slight rebound occurred in 2016 (1.57), but by 2020 the rate had fallen again to 1.51. In 2021, the fertility rate rose to 1.53 – a change possibly linked to the COVID-19 pandemic – but in 2022 it decreased to 1.46, reaching a record low of 1.38 births per woman in 2023. This means that nearly twice as few children were born in the last two years compared to six decades ago¹⁵.

¹⁴ EUROSTAT, *Fertility rate 2023*, data from February 2025, https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Fertility_statistics (accessed: 05.04.2025).

¹⁵ Ibidem.

According to UN estimates, by the year 2100 none of the world's ten most populous countries will be located in Europe – let alone among the EU member states. While some countries will experience a significant population decline, others – such as India, China, Nigeria and the United States – are expected to see substantial growth. On a global scale, the average natural increase stands at 12.3, while in Africa it reaches 25.9. In contrast, Europe currently records a negative natural increase rate of -0.4 ¹⁶.

The optimal total fertility rate is generally considered to be between 2.10 and 2.15 – a level that ensures generational replacement, meaning that each generation of parents is numerically replaced by their children. In other words, it is the average number of live births per woman required to maintain a stable population size in the absence of migration. According to UN estimates, the global replacement rate may need to be slightly higher – between 2.2 and 2.3. A fertility rate below 1.3 live births per woman is often referred to as “lowest-low fertility”. A prolonged decline below this threshold can result in population decline, particularly when the number of deaths exceeds the number of births, leading to a negative natural population growth rate.

An important aspect of the demographic situation in European Union countries is the age of mothers at childbirth, particularly at the birth of their first child. Between 2001 and 2023, the average age of women giving birth in the European Union steadily increased, rising from 29.0 to 31.2 years¹⁷. A similar trend has been observed among women giving birth to their first child – the average age rose from 28.8 years in 2013 (the first year for which EU-wide data is available) to 29.8 years in 2023. Since 2003, fertility rates among women under the age of 30 in the EU have been declining, while those for women aged 30 and older have increased. In 2003, the highest fertility rate was recorded among women aged 25–29, but by 2023 the highest rate was observed in the 30–34 age group. Additionally, fertility rates among women aged 35 and over have also shown an upward trend¹⁸. An increasing number of women are choosing motherhood after the age of 40. The share of births attributed

¹⁶ United Nations, *Global Issues: Population*, <https://www.un.org/en/global-issues/population> (accessed: 01.04.2025).

¹⁷ In 2023, the lowest average age of first childbirth was recorded in Bulgaria (26.9 years) and Romania (27.1 years), while the highest values were recorded in Italy (31.8 years) and Ireland (31.6 years).

¹⁸ EUROSTAT, *Fertility rate 2023*, op.cit.

to this age group more than doubled – from 2.5% in 2002 to 6% in 2022. The highest proportions of such births were recorded in Ireland (11.2%), Spain (11%), and Greece (10%)¹⁹.

The European Union faces serious demographic challenges stemming from low fertility rates and increasingly delayed motherhood. In Southern European countries such as Italy and Spain, both fertility rates are low and the average age of mothers is high. In contrast, in Eastern Europe (e.g. Bulgaria and Romania), the average age of mothers is lower and fertility rates are relatively higher. Variations in demographic decline across EU member states also pose a challenge to sustainable development. Moreover, the low number of births affects not only the current demographic structure but also contributes to the aging of the population – a process that will be discussed in the following section of this article.

Ageing populations in Europe 2003-2023

Over the two decades, from the beginning of 2003 to the beginning of 2023, there has been an increase in the proportion of people aged 80 and over in all EU countries. At the level of the entire Union, the increase amounted to 2.3 percentage points (pp). The largest increases were recorded in Greece (+3.3 pp, from 3.8% to 7.1%) and Latvia (+3.3 pp, from 2.7% to 6.0%), while the smallest was recorded in Sweden (+0.2 pp, from 5.3% to 5.5%). The proportion of people aged 65 and over in all EU countries also increased over the same period, increasing by 5.1 pp at the EU level, from 16.2% to 21.3%²⁰.

The proportion of children under 15 at the EU level has fallen by 1.5 percentage points, from 16.4% in 2003 to 14.9% in 2023. A decrease was observed in all Member States, except for Czechia (+0.6 pp), Estonia and Slovenia (both +0.01 pp). The largest reductions were recorded in Malta (-6.0 pp) and Cyprus (-4.9 pp). In 2023, the highest share of children and young adolescents was recorded in Ireland (19.3%) and the lowest in Italy (12.4%). At the same time, the share of young people

¹⁹ EUROSTAT, *Demography of Europe – 2024 edition*, <https://ec.europa.eu/eurostat/web/interactive-publications/demography-2024> (accessed: 06.04.2025).

²⁰ EUROSTAT, *Demography 2024*, <https://ec.europa.eu/eurostat/web/interactive-publications/demography-2024> (accessed: 05.04.2025).

aged 0-19 in all EU countries has decreased during this period. At the European Union level, a decrease of 2.5 pp was recorded, from 22.6% in 2003 to 20.1% in 2023²¹.

Medical advances and improvements in living conditions also lead to an increase in life expectancy, which increases the share of older people in the population. According to Eurostat data for 2023, the average European citizen achieves an average life expectancy of 81.4 years. This rate has returned to pre-COVID-19 levels and even exceeded it. The longest life expectancy was recorded in Switzerland (84.3 years), as well as in Spain (84 years) and Italy (83.5 years). On the other hand, the lowest values were observed in Latvia (76.5 years), Bulgaria (75.8 years) and Romania (76.4 years). These results reflect significant differences in living standards, access to health care and socioeconomic conditions across European countries²².

In December 2020, the World Health Organisation (WHO) and the United Nations declared the Decade of Healthy Ageing (2021-2030) as part of the International Day of Older Persons. Demographic data shows that the number of people over 60 will increase by 34% over this decade, reaching 1.4 billion in 2030 (on a global scale). The WHO and the UN emphasize that healthy aging should be a priority for all countries. Despite the awareness of the aging process of societies and its accelerated pace, the world is not adequately prepared for the needs of the elderly²³. This process affects not only health systems, but also labour and financial markets, and the demand for services and products such as education, housing and social protection.

The Decade of Healthy Ageing aims, among others, to improve the level of education throughout life, with particular emphasis on the development of digital competences among older people. It is also important to adapt approaches and actions to support the active presence of seniors in communities, provide them with integrated, tailored health care, and access to long-term care services²⁴.

²¹ EUROSTAT, *Population structure indicators at national level*, last update: 20/03/2025, https://ec.europa.eu/eurostat/databrowser/view/demo_pjanind__custom_11304223/bookmark/table?lang=en&bookmarkId=f79c2c11-ca9c-4961-b33d-76aa8092cbe6 (accessed: 05.04.2025).

²² EUROSTAT, *Life expectancy by age and sex*, last update: 21/03/2025, https://ec.europa.eu/eurostat/data-browser/view/demo_mlexpec/default/table?lang=en (accessed: 03.04.2025).

²³ United Nations, General Assembly, Resolution adopted by the General Assembly on 14 December 2020, *United Nations Decade of Healthy Ageing (2021–2030)*.

²⁴ Decade of Healthy Ageing – official platform of the project Decade of healthy ageing, <https://www.decadeofhealthyageing.org/> (accessed: 06.04.2025).

The rising number of deaths in European Union countries

The death rate in the European Union in 2002 was 10.0 per 1000 people. In the following years until 2014, it fluctuated between 9.7 and 10.1, and in 2015-2019 it increased slightly, reaching 10.2-10.5. During the COVID-19 pandemic, this ratio increased significantly, reaching 11.6 in 2020 and 11.9 in 2021, before falling to 11.5 in 2022. 21 EU countries recorded an increase in this rate during the period under review, while 6 countries recorded a decrease. The highest death rates in 2022 were recorded in Bulgaria (17.9 per 1000 people), Latvia (16.4), Lithuania (15.1) and Croatia (14.8). The lowest values were recorded in Ireland and Luxembourg (6.8 each), as well as in Cyprus and Malta (8.0 each)²⁵.

As previously mentioned, the population of the European Union increased from January 1, 2001 until January 1, 2020, then declined for two consecutive years, before rising again in 2022. Nevertheless, the natural population change (the difference between the number of births and deaths) in the EU has shown a negative trend since 2012. This is largely the result of an ageing society as well as the impact of the COVID-19 pandemic between 2020 and 2022.

Migration and its impact on demography in the European Union

Migration plays a key role in shaping the demography of the European Union in the 21st century, affecting the size of the population, age structure, and ethnic and cultural diversity. Although it contributes to population growth in Europe, it still does not fully offset the persistently low birth rate.

The population of the European Union increased from 354.5 million in 1960 to 449.2 million as of January 1, 2024²⁶, which means an increase of 94.7 million people. The rate of population growth has gradually decreased over the decades – for comparison, between 2005 and 2023, the EU's population grew by an average of 0.8 million people per year, while

²⁵ EUROSTAT, *Demography 2024*, op. cit.

²⁶ This accounts for approximately 5.5% of the world's population (based on data from January 2024).

in the 1960s the increase averaged around 3 million people per year²⁷. The observed population growth can be largely attributed to increased migration movements following COVID-19 and the influx of displaced persons from Ukraine who were granted temporary protection status in EU countries as a result of the Russian invasion in February 2022.

In 2023, twenty EU countries recorded population growth. In seven of them – Ireland, France, Croatia, Cyprus, Luxembourg, Malta and Sweden – this growth was driven by both a positive natural increase and a positive net migration rate (including statistical adjustments). In the remaining thirteen countries – Belgium, Czechia, Denmark, Germany, Estonia, Spain, Lithuania, the Netherlands, Austria, Portugal, Romania, Slovenia and Finland – population growth resulted primarily from positive net migration, as natural increase remained negative. Meanwhile, among the seven EU member states that experienced a population decline in 2023 – Bulgaria, Greece, Italy, Latvia, Hungary, Poland and Slovakia – a positive net migration balance (with statistical adjustment) was not sufficient to offset the negative natural increase²⁸.

It is worth remembering, however, that migration, by contributing to population growth, affects demographic diversity and poses challenges related to social and cultural integration.

Consequences for social and economic policy

The ageing population leads to an increase in expenditures on pensions, healthcare and caregiving services. The declining number of people in the working-age population results in labour shortages and weakens the financial sustainability of social security systems. Demographic dependency ratios, which indicate the proportion of elderly individuals to those in the workforce, are continuously rising, exerting financial pressure on these systems.

In the Bismarck model, financed by contributions from employees and employers, a smaller number of economically active people means lower revenues to the system, which may lead to budget deficits and the

²⁷ EUROSTAT, *Population and population change statistics*, data extracted: 6 July 2024, https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Population_and_population_change_statistics (accessed: 06.04.2025).

²⁸ Ibidem.

need to increase contributions or reduce benefits. In this context, the challenge is to strike a balance between adequate social support and the financial sustainability of the system. In the Beveridge model, on the other hand, financed by taxes, demographic changes also generate difficulties. An ageing population requires more investment in healthcare and services for the elderly, which forces countries to increase taxes or look for alternative sources of financing. At the same time, the universal nature of the model means greater resilience to social inequalities, albeit at the expense of higher budgetary requirements.

The state plays a fundamental role in establishing, maintaining and developing the social security system. This system includes various benefits, such as pensions, disability benefits, sick leave allowances and other forms of support for citizens. The state is responsible for creating the legal framework that regulates the functioning of these systems, as well as ensuring their efficiency and accessibility for all citizens²⁹. The social security system has significant social and economic importance. Socially, it provides protection against poverty and social exclusion, supports social integration and promotes equality and justice. Economically, it stabilizes household incomes, which contributes to consumption stability and economic growth. Furthermore, the social security system can act as an automatic stabilizer during economic crises, mitigating the effects of recessions. The future of the social security system will depend on the state's ability to manage resources effectively, innovate in creating new solutions, and collaborate with the private sector and social organizations³⁰.

The OECD reports in its "Pensions at a Glance 2023" report that public expenditure on cash pension benefits and survivors' pensions in OECD countries increased from an average of 6.5% of gross domestic product (GDP) to 7.7% between 2000 and 2019. Public pensions often represent the largest item in social spending, accounting for an average of 18% of total government spending in 2019³¹. By contrast, benefits from private pension schemes accounted for an average of 1.5% of gross domestic product (GDP) in 2019, equivalent to about one-sixth of total spending – both public and private. This figure increased from 0.7%

²⁹ G. Uścińska, *Prawo zabezpieczenia społecznego*, C.H.Beck, Warsaw 2021.

³⁰ G. Uścińska, *Zabezpieczenie społeczne osób korzystających z prawa do przemieszczania się w Unii Europejskiej*, Wolters Kluwer, Warsaw 2013 and G. Uścińska, *Building social protection systems: International standards and human rights instruments*, "Zabezpieczenie społeczne. Teoria, prawo, praktyka. 100 lat Międzynarodowej Organizacji Pracy" 2019, no. 10, VIII, University of Warsaw.

³¹ OECD, *Pensions at a Glance 2023*, OECD 2023, p. 210.

of GDP in 1990 and 1.1% in 2005³². Long-term forecasts indicate that expenditure on public pensions will continue to grow in the 22 OECD countries for which data are available, and decline in 9 OECD countries. On average, in the 27 EU countries, expenditure on public pensions will increase from 8.5% of GDP in 2020-2023 to 13.2% of GDP in 2050³³.

The European Union has limited competences in intervening in national social security systems, as social policy falls under the shared competence between the EU and the Member States, according to Article 4 of the Treaty on the Functioning of the European Union (TFEU). This means that Member States retain the right to shape their own social security systems, provided that EU actions do not fully exercise these competences or if the EU chooses not to pursue them. The actions of the Union can only cover aspects explicitly outlined in the treaties, such as promoting the coordination of social policies, in line with the principle of subsidiarity. The EU can also support Member States in creating more coherent social policies by complementing or coordinating their actions, but it cannot impose harmonization of national legal provisions. As a result, the scope of EU intervention in national social security systems is limited and primarily focuses on setting common strategic goals and exchanging best practices.

The pressure on healthcare and pension systems necessitates the implementation of consistent actions at the community level, such as supporting the employment of older individuals and women, as well as promoting pro-family policies that could counteract the decline in birth rates. Migration, currently the main factor driving population growth in the EU, requires effective integration strategies that will allow the full potential of migrants to be realised in the labour market while maintaining social cohesion.

Examples of solutions in EU countries

In the face of dynamic demographic changes in Europe, the Member States of the European Union are undertaking a number of reforms aimed at maintaining the stability of pension and social systems.

³² Ibidem, p. 212.

³³ Ibidem, pp. 214-215.

In Belgium, the criteria for the minimum contributory pension have been tightened. A requirement of at least 20 years of full-time work has been introduced, which is an additional condition in addition to 30 years of work or credited periods. At the same time, periods such as maternity leave or palliative care are still included in these requirements³⁴. Belgium also plans incentives to defer pensions through financial allowances for each year of deferral³⁵. From 2026, it is planned to introduce a bonus-malus system, in which the pension will be increased for each year of deferral of retirement above the statutory retirement age (currently 66 years), initially by 2% per year, with a planned increase to 4% from 2030 and 5% from 2040³⁶.

Germany, on the other hand, is preparing a pension system reform for the self-employed, which includes mandatory pension insurance for new self-employed individuals. The reform allows a choice between the state pension system and a comparable private pension scheme³⁷.

In Denmark, the retirement age is being gradually raised according to the increase in life expectancy. Currently, it is 67 years, but the government has announced that in the future it will increase to even 74 years³⁸. The Danish pension reform has been planned over several years to gradually adjust the retirement age to the increasing average life expectancy. Since the improvement in healthy life expectancy is a long-term process, the reform took into account decades of actions and considered the health capacities of workers. The reformed changes

³⁴ OECD, *Pension* op.cit. pp. 56-57.

³⁵ N. Tuck, *Belgian govt approves pension reform measures*, <https://www.europeanpensions.net/ep/Belgian-govt-approves-pension-reform-measures.php#:~:text=The%20new%20bonus%20will%20come%20into%20effect,old%20bonus%20will%20continue%20to%20receive%20it>, published: 05.04.2024 (accessed: 25.04.2025).

³⁶ C. Bonneton, F. Guillaume, *Belgium: Social security and occupational pension reforms proposed*, https://www.wtco.com/en-ae/insights/2025/04/belgium-social-security-and-occupational-pension-reforms-proposed?utm_source=chatgpt.com, published: 10.04.2025 (accessed: 25.04.2025).

³⁷ J. Bauer, R.A. Chaplin, M. Horbach, *Proposals To Reform Germany's Pension System Could Open Market, Benefiting Retirees and — Potentially — Insurers*, https://www.skadden.com/insights/publications/2024/01/proposals-to-reform-germanys-pensions-system?utm_source=chatgpt.com, published: 24.01.2024 (accessed: 25.04.2025). It is worth noting, however, that representatives of the German pension sector expressed disappointment with the government's proposals regarding pension system reform. They believe that the reform program represents a 'step backward' compared to the more ambitious plans discussed during the previous term (e.g.: Luigi Serenelli, *Industry bodies bemoan new German government's pension plans*, "IPE magazine March/April 2025", <https://www.ipe.com/news/industry-bodies-bemoan-new-german-governments-pension-plans/10130090.article>, published: 17.04.2025, accessed: 05.05.2025).

³⁸ Business Insider, *Duńczycy będą pracować nawet po siedemdziesiątce. To konsekwencja ich nietypowego systemu*, <https://businessinsider.com.pl/praca/emerytury/wiek-emerytalny-w-danii-urosnie-do-74-lat-to-efekt-ich-systemu/gfhzgrq>, published: 01.03.2025 r. (accessed: 25.04.2025).

will mainly affect younger generations who are just entering the labour market or acquiring education. This gradual approach allows Denmark to maintain the financial stability of the pension system in the long term without overburdening the public budget.

At this point, it is also worth mentioning Poland as an example of an EU member state that has implemented measures aimed at improving its demographic situation, although their effectiveness has proven to be limited. The “Family 500+” programme, and currently “800+”, was designed to increase fertility rates through direct financial support for families with children³⁹. Although the program yielded positive outcomes in terms of reducing poverty among families and improving material conditions, it did not have a significant impact on the birth rate. As previously discussed, demographic indicators show that the fertility rate in Poland remains below the replacement level, highlighting that financial solutions alone are insufficient to effectively alter demographic trends. In the context of pro-family policies in other EU countries, a holistic approach is necessary, taking into account aspects such as the availability of childcare, support for balancing professional and family life, and the promotion of reproductive health.

Diversification of income in old age is a key element in ensuring financial stability in the face of demographic and economic challenges. As Prof. Gertruda Uścińska emphasises in her publications, it is necessary to implement systemic solutions that will enable citizens to use various sources of income in retirement. This includes both public pension schemes and private savings, investment and employee schemes. This approach reduces the risk of dependence on a single source of income and increases the financial resilience of seniors.

Social security education plays an equally important role. A great example of activities in this area is expert debates in academic centres devoted to the future of the social security system in the European Union countries. Financial and social education is particularly important, as it will allow young people to better understand the mechanisms of pension systems and prepare for the challenges of planning for their financial future. It is crucial **to promote public awareness of the need to save and invest in old age**. Combined with appropriate systemic reforms, these

³⁹ I. Bień, *Skutki “świadczenia 500+”*, “Infos, Biuro Analiz Sejmowych” 2022, no 8.

actions can contribute to improving the quality of life of seniors and the sustainability of social security systems across the European Union.

Recommendations for social policy in the European Union countries

In the face of dynamic demographic changes, the European Union and its member states are confronted with the challenge of adapting their social and economic systems to an ageing society. The increase in the number of older individuals opens up opportunities for the development of the so-called “silver economy”, which includes products and services targeted at seniors, such as healthcare, technologies that support independence and senior tourism. The International Monetary Fund, in its latest “World Economic Outlook” report from April 2025, emphasises that population ageing does not necessarily have to be seen as a demographic burden. With appropriate policies – such as promoting healthy ageing, extending working life (Chapter 2) and pension system reforms – older individuals can have a positive impact on the labour market and productivity. The report also highlights improvements in the health and cognitive abilities of older people, which may lead to increased employment in this age group and a reduction in public finance pressures. Furthermore, productivity growth can be supported by better integration of migrants and refugees, as well as by alleviating skill mismatches, as detailed in Chapter 3⁴⁰. However, the lack of adequate reforms can lead to a crisis in pension systems, an overburdening of health care, and an increase in social tensions resulting from inequalities and a lack of support for those most in need⁴¹.

The future of social security systems in Europe depends on the ability of countries to introduce innovative and sustainable solutions.

⁴⁰ International Monetary Fund, *World Economic Outlook. A Critical Juncture amid. Policy Shifts*, April 2024, <https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025> (accessed: 16.05.2025).

⁴¹ A. Dziemianowicz-Bąk, *Silver transformation: empowering older people to play an active role in the workforce*, Department for Preparations and Holding of the Polish Presidency of the EU Council, Chancellery of the Prime Minister of Poland, <https://polish-presidency.consilium.europa.eu/en/news/silver-transformation-empowering-older-people-to-play-an-active-role-in-the-workforce/>, published: 10.03.2025 r. (accessed: 27.04.2025).

A cross-sectoral collaborative approach that takes into account the needs of all parts of society and promotes intergenerational solidarity is key. Among the recommendations proposed by the Government of the Republic of Poland under the Presidency of the Council of the European Union, active **ageing policies should be developed** by promoting the professional and social activity of older people. This is crucial to exploit their potential and reduce pressure on pension systems. An example of such activities are initiatives supporting the professional retraining of seniors and eliminating barriers on the labour market⁴².

In addition, **family-friendly policies**, such as access to affordable child-care, flexible forms of employment or financial support, can contribute to increasing fertility⁴³. However, as the example of Poland and the 500+ program shows, financial transfers alone are not enough – a holistic approach is necessary⁴⁴.

As mentioned earlier, migration can be an important factor in mitigating the effects of an ageing population, provided that migrants are successfully integrated into the labour market and society. It is worth investing in education and training programmes that will enable migrants to reach their full potential. European Commission report⁴⁵ emphasises that investment in education and training, including the integration of migrants, is of strategic importance for building a resilient economy and society that responds effectively to demographic challenges.

Furthermore, **sustainable reforms of pension and long-term care systems** that take into account both the financial and health needs of an ageing population are needed.

In conclusion, the future of social protection systems in Europe depends on the ability of countries to introduce innovative and sustainable solutions. A cross-sectoral collaborative approach that takes into account the needs of all parts of society and promotes intergenerational solidarity is key. By doing so, Europe can not only meet demographic challenges but also use them as an opportunity for social and economic development.

⁴² Ibidem.

⁴³ OECD, *Fertility, employment and family policy. A cross-country panel analysis*, 21 September 2023.

⁴⁴ For example, in Sweden and France, where comprehensive family policies are implemented, such as access to affordable childcare, flexible employment options, and gender equality, fertility rates are higher than in other countries.

⁴⁵ European Commission, *Investing in our future: quality investment in education and training*, European Union, Luxembourg 2022.

Summary

The European Union in the 21st century faces significant demographic challenges that impact the economy, social systems, and social cohesion. Key issues such as population ageing, low fertility rates, the growing number of people dependent on the working population and migration require urgent action. The increase in life expectancy and the decline in birth rates lead to a higher proportion of older individuals, which places increasing burdens on pension systems, healthcare and intergenerational relations. In most EU countries, the birth rate is well below the replacement level, resulting in a shrinking population and workforce. At the same time, the decrease in the number of working individuals means greater pressure on those who remain employed to support the growing number of retirees and economically inactive people. Furthermore, population ageing increases the demand for healthcare services and pension benefits, which may lead to funding challenges.

Although migration is currently one of the main factors driving population growth in the EU, it is unable to fully compensate for the demographic decline. At the same time, migration contributes to increased social diversity, which can lead to both new opportunities and social tensions. Therefore, effective integration of migrants is crucial for maintaining social cohesion and fully harnessing their potential in the labour market.

The implementation of effective pro-family policies and support for parents is essential in counteracting the decline in fertility rates. Increasing the participation of older individuals and women in the labour market can help mitigate the effects of an aging society. To address these challenges, better coordination of demographic policies and integrated actions at both the EU and member state levels are necessary. It is also crucial to involve civil society more actively and implement innovative solutions, such as promoting active aging policies and effective migrant integration.

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