

## DEMOGRAPHIC CHANGES AND CHALLENGES IN EUROPE

### An Interview with Paul Demeny - Population Council<sup>1</sup>

Interviewed by Veronika Herche, DRI, Budapest

❖ In 1922, the historian Oswald Spengler foresaw “an appalling depopulation” as one of the manifestations of the “Decline of the West”. Has there been a continuity in population development since the early 20th century in Europe? Could you please give us an overview of the most important demographic shifts and trends of this region during the last century?

To adequately describe 20th-century demographic developments in Europe would of course take a whole book. Differences from country to country and between various social strata are just too great. Yet the key facets of the overall process can be easily summarised. Demographic change is driven by mortality, fertility, and migration. As to mortality, the life expectancy at birth nearly doubled over a century: by 2000 it was slightly over 73 years for males and females combined.

The trend was steadily upward, albeit with two sharp set-backs: the first due to World War I and the influenza epidemic that closely followed it; the second, also bad but less devastating, due to World War II. All-in-all, an extraordinarily positive achievement. Fertility’s evolution was dominantly downward; by the 1930s some country populations and many subpopulations exhibited below-replacement levels. The post-World War II baby-boom, although more moderate than in Europe’s overseas offshoots - most notably in the US -, was a significant but temporary reversal in the trend. In the last quarter of the century rapid decline resumed and became near-universal, bringing below-replacement fertility, and often deeply below-replacement fertility, in all countries of Europe by the turn of the millennium. With respect to inter-continental migration, massive European outmigration was brought to an abrupt halt by World War I. Net migratory balances in the following 40 years were very modest. But in the last decades of the century substantial

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immigrant flows from outside Europe have materialised, affecting mostly the economically more dynamic countries.

Through the combined effects of these forces, as measured by any historical standard, Europe's population grew rapidly during the century: from some 390 million in 1900 to some 730 million by the year 2000. A bit more than half of this increase occurred in the second half of the century. The year 1900 actually provides a very arbitrary demarcation of the beginning of an epoch. That dominant trend of improving survival can be traced back to well before 1900. Fertility decline, too, had started earlier: in the case of France as far back as the second part of the 18th century.

For many other European countries the downward slide began in the 1880s or 1890s. The turn of the millennium, in contrast, is not a bad marker of the completion of the process of demographic transition: a transition from a combination of high mortality and high fertility to a combination of low mortality and low fertility. Europe pioneered that enormously significant historical process, setting an example for the rest of the world to follow. The lagged response of fertility to mortality change meant that the process generated a major increase in population size. But by 2000, natural population increase - change apart from migration - came to an end for the continent as a whole. In this, too, Europe's performance prefigures what will happen - needs to happen - elsewhere in the world. Demographic expansion cannot continue indefinitely. At some point stasis, or even modest correction through negative growth, is both inevitable and desirable. Europe is at that point now.

**❖ Europe's share of world population is in decline. Is this something to worry about?**

Normally one should not worry about things that are inevitable. Europe's loss of relative share within the world's total population has been of course steady during the past century and has been accelerating. It is bound to continue as far as demographers' eyes can see. In 1950, Europe's share within the global population was some 22 per cent. Today - in 2010 - it may be estimated as slightly short of 11 per cent.

What will the future bring? Population projections are a risky business, but the UN's medium estimate for that share in 2050 is 7.5 per cent. That estimate assumes substantial recovery of European fertility from its current very low levels and also historically high net immigration – roughly 1 million persons

per year. On those assumptions, Europe's 2050 population would be some 690 million (or about 40 million less than in 2010). The relative share is mostly dictated by what happens outside Europe. Europe's main concern should be how that 690 million - a very respectable number - will prosper, and how adequately it will be reproducing itself.

❖ **Europe is worried about its demographic future. Public awareness of demographic change is growing. What are the key drivers behind population ageing in today's Europe?**

The key drivers are those three factors we just talked about. Since population growth cannot go on forever, the convenient reference point is a population in which births and deaths roughly balance out: a stationary population or one whose underlying fertility and mortality characteristics make it headed in that direction. When just about everyone survives at least up to age 50, stationarity requires an average of very slightly more than 2 children over women's life time. When fertility falls short of that level, the base of the population pyramid narrows, making the population older. And of course in modern times survival into high old age is increasingly and gratifyingly common, making an important contribution to population ageing.

❖ **The above mentioned Oswald Spengler quoted Shaw, who said the following in the section of the "The quintessence of Ibsenism" titled "The Womanly Woman" (1891):** *"...unless Woman repudiates her womanliness, her duty to her husband, to her children, to society, to the law, and to everyone but herself, she cannot emancipate herself".* **He continued as follows:** *"The primary woman, the peasant woman, is mother. The whole vocation towards which she has yearned from childhood is included in that one word. But now emerges the Ibsen woman, the comrade, the heroine of a whole megalopolitan literature from Northern drama to Parisian novel. Instead of children, she has soul-conflicts; marriage is a craft-art for the achievement of 'mutual understanding.' It is all the same whether the case against children is the American lady's who would not miss a season for anything, or the Parisienne's who fears that her lover would leave her, or an Ibsen heroine's who 'belongs to herself'-- they all belong to themselves and they are all unfruitful."* **What was the attitude of Europe towards population changes and their significance at the earlier 20th century?**

Such arguments, whether voiced a hundred years ago or at any time since, are little short of bizarre. Take the irrelevant contrast between the "primary

woman” and the modern emancipated woman. Collective survival under conditions of high mortality of course required high fertility, an average of, say, six children per woman or even more, whilst today it requires two children: we are talking about completely different demographic regimes.

Shaw, a brilliant playwright, was deeply interested in social analysis and policy and wrote many penetrating pages on the subject of population. The sentence quoted by Spengler is one of those pronouncements where its author could not resist the temptation to exaggerate and to shock in the service of a good cause. No emancipation of women without repudiating womanliness and duty to children? An absurd idea. And amplifying on Shaw’s false proposition, Spengler goes into an even deeper end. It is bad sociology, bad economics, and bad social psychology. Bad demography, too.

Nearly a century after his book appeared, we find that an overwhelming majority of European women - typically 80 to 90 per cent of them - still become mothers, and do so by choice. Do they bemoan the loss of the supposed pleasures recited by Spengler? If a large percentage of these mothers do not have a second or third child, the causes for that failure should be found in problems more real than “missing a season” and similar calamities.

❖ **In 2007, the European Commission formulated and commissioned the report on “The demographic future of Europe—from challenge to opportunity” (European Commission 2006)<sup>2</sup>. The paper has initiated a debate. In your article: “A clouded view of Europe’s demographic future” (2007)<sup>3</sup>, you pointed out that the “challenges and opportunities” identified in the report largely miss their target. What do you regard as the most important failings of the document?**

The report was of course a consensus document. Not surprisingly, it had a tendency to adopt a language and formulations that were calculated to smooth over differences of opinion on difficult issues or treat major relevant subjects perfunctorily if at all.

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<sup>2</sup> See <http://ec.europa.eu/social/BlobServlet?docId=2023&langId=en>

<sup>3</sup> See <http://xa.yimg.com/kq/groups/13644549/417755521/name/Paul+Demeny+on+Europe%27s+Demographic+Future.pdf>

Does Europe need more people and if so, why? What demographic configurations justify policy interventions and what forms should they take? Why immigration should be encouraged and from what sources and in what characteristics and in what volume? Are there alternatives to garden-variety welfare state policies and what effects such alternative approaches might exert on demographic behaviour? And, not the least, what is the European framework in which such questions should be addressed? What are the desirable boundaries of the report's Europe – then conceived as the EU25 but with the prospect for enlargement open? Is Europe more than a glorified customs union and is its population more than simply the sum total of the population of the member states? Or does the label “the people [in singular] of the European Union” have a special meaning, now or in an expected future?

❖ **You have emphasised the obliviousness of the Commission of the issue of population size and growth. Why is it important to consider these issues when discussing Europe's demographic future?**

The Commission did touch on these issues by its comforting reference to a projected very modest decline in the EU25's population size: some 2 per cent loss by 2050. It turns out, however, that the prospect of such near-stasis was achieved by assuming a net immigrant flow of some 40 million (plus their descendants), “conservatively estimated”, as the report put it. But the size of net immigration (unlike the number of births where grass-roots parental decisions rule, and unlike the number of deaths, where the aim of private efforts and public policies converge in the intent to keep them at a minimum) is a policy variable par excellence. How is the 40 million immigrant figure determined? It would be natural to start with population projections in the absence of immigration and address the question to what extent, if at all, the results of such projections may be problematic. Can society and the economy adjust to population decline and how? What are the disadvantages and advantages of a smaller and older population? If correction is needed, what should be the main thrust of policy intervention? These are the key questions that should have been the Commission's task to pose and answer.

❖ **One of the failings of the above mentioned report you named is the cluelessness about fertility policy. European policy makers have not yet decided whether they should make the level of fertility rate an explicit object of government policies. What is the reason for the helplessness**

**of governments when facing the issue of population change? Do you regard pronatalist policies as justified?**

The Commission's report carefully avoids reference to the politically incorrect term of pronatalism. It speaks, instead, of "demographic renewal", an anodyne expression signalling, it would seem, more or less the same intent. More recently, there has been some shift in terminology and explicitness. This is reflected in a hefty (almost 500 pages) United Nations report *World Population Policies, 2009*, that has just appeared. It characterises member state population policies and government attitudes in lapidary phrases. There is of course no EU policy on population matters; what EU members think or do is reflected in 27 country summaries, with two pages allotted to each country. Uniformity is complete with respect to "Level and concern about population age structure". For the last available year (2009) EU governments all declare that "Size of the working-age population" and "Ageing of the population" both represent "Major concern". On "Population size and growth" and on "Fertility" there is a degree of dissonance, apparently reflecting a mixture of prevailing political and ideological positions and the most recent birth statistics. Still, not surprisingly, the majority of EU member governments view population growth as "Too low" and characterise their policy intent on population growth as "Raise". Similarly, the majority view the fertility level as "Too low" and declare that their policy on fertility is to "Raise" it. (On immigration, once again, uniformity rules: governments blandly pronounce it as "Satisfactory" and their attitude to immigration policy is to "Maintain".)

Intent and deed, however, do not easily go hand-in-hand. Policies are formulated in a political arena that seeks to weigh costs and benefits of specific measures as determined under the prevailing rules of the game. When fertility is in the neighbourhood of replacement level - neighbourhood being fairly broadly interpreted as perhaps down to a period TFR of 1.6 or 1.7 - it is difficult to argue that costly intervention (costly in terms of either public expenditure or political onus) to raise fertility is justified. Various pro-family social policies, adopted and supported for reasons other than raising the birth rate, then are presented as also pronatalist, since possibly having that beneficial by-product. When fertility is below replacement level by a wide margin, arguments for explicit pronatalist measures are able to command greater political support. The problem is the paucity of effective measures that have the desired effect. The main recipe is increasing socialisation of child-rearing costs and institutional arrangements that create a more child-friendly social environment and make motherhood and women's participation in the

formal labour force more compatible. The record of these approaches thus far is not encouraging.

**❖ Some European countries like France, Britain or the Scandinavian countries have relatively high fertility levels, others, like most of the Eastern European countries have lower fertility levels. What should governments of countries with very low fertility consider during contemplating what to do?**

They can certainly study apparent success stories and consider policy approaches that would seem as promising. But the task is not easy since lessons are far from obvious. It is less than clear to what extent better fertility performance in the countries mentioned are policy-related. Current fertility levels in France and in the UK, for example, are very similar yet their social policies related to fertility are quite different. And not long ago, such as in the 1980s and earlier, Scandinavian countries were very much in the lower segment of European countries when ranked by the level of fertility, even though their fertility-relevant social policies were considered as the most “progressive”. Recovery of fertility (or rather just some movement edging closer to replacement level) is not necessarily explainable by further reinforcement of such policies. There are no hard-and-fast rules - economic, social, psychological - that govern fertility behaviour. Just a few years ago, fertility in the former East Germany was far below the level prevailing in West Germany. Today, East Germany’s fertility catching up with West Germany’s appears to be fully accomplished. Welcome surprises may well be in store in Eastern and Southern Europe, too, in the coming decade. Ex-post, such recoveries, however natural and spontaneous, will no doubt be attributed to wise policies. Such claims will rest on weak foundations.

**❖ Many of the articles related to demographic change and policy issues contain interesting ideas but lack practical suggestions for implementing them. You suggested a couple of years ago that pension entitlements should be re-linked positively to the number of offspring produced (Demeny, 1987)? What is the main idea behind this?**

Historically, intergenerational financial exchanges and other support arrangements took place within the family. Modern industrial societies made old-age support dominantly state-organised, relying on taxing the active labour force and distributing pensions to the retired. This severs an important link between willingness to raise children and material security in old age. Re-

establishing an at least partial yet significant linkage between child-rearing and entitlement for old-age support would be a potential stimulus for fertility, especially under circumstances of an ageing society when government-promised pension rights come to be regarded as increasingly tenuous.

❖ **The idea of “Demeny voting” has been recently discussed intensely in Japan, another country with rapidly declining fertility rates. Can you explain us what this voting rule exactly means? How would its implementation affect families with children?**

In all countries, the very young - such as those under age 18 or even 20 - represent a disenfranchised population. Yet their stake in wise long-term public policies is very high (stretching up to the region of a century), in contrast to the old-age population whose relative numerical weight within the electorate is increasingly heavy, yet whose self-interested time horizon is far shorter. The young could be given electoral weight through representation by their natural or custodial parents. For example, votes for under-age girls could be exercised by their mother and for boys by their father. Other assignment of voting rights could also be contemplated. A radical version, for example, could weight all votes (including children’s votes exercised by parents) by the average life expectancy at the voter’s age. Technically this (or a less discriminatory, but still age-related vote-weighting scheme) could be easily accomplished.

The constitutional and political obstacles to such a reform are of course enormous. But active advocacy of it and the ensuing debates would have a potentially strong policy-influencing effect in highlighting the inherent time-horizon bias affecting current policy decisions. I don’t think of the proposal as a fertility-stimulating measure, although the recognition of parental contribution to collective social survival would have merit and perhaps some effect. The shift in the composition of representative political bodies should, however, contribute to saner policies reflecting less myopic time horizons than is common in present-day policymaking.

❖ **Last but not least, let me ask you a question concerning the project FAMILYPLATFORM. We are now at the final stage of the platform and the main goal is to develop a research agenda that encompasses fundamental research issues as well as key policy questions in order to provide an input into the EU’s Socio-Economic and Humanities Research Agenda on Family Research and Family Policies. Could you**

**name some important research needs related to demographic change whose analyses could help in increasing the wellbeing of families across Europe?**

It would be easy to offer a long list of what ought to be researched and what policies should be contemplated. Reading the scientific output of the by now very large and very active demographic community, whether in Europe or in North America, gives a good sense of what demographers do and what policy ideas they have. It gives, unfortunately, also a sense of frustration and a sense of lack of progress: much rehashing of familiar ideas and decorating them with formal analytic virtuosity.

Instead of elaborating on this complaint, I will be wiser to mention only one idea whose exploration would challenge researchers in demography and also stimulate policy makers. Social policies, nowadays also extending to attempts to deal with population issues, originated more than a century ago from attempts to deal with issues of poverty affecting a substantial segment of the population. As advanced economies developed and incomes rose, the share of the poor within the population shrunk and material standards - nutrition, health, housing, education, spatial mobility, and leisure - improved across the board. Yet the main direction of social policies ran counter to that uplifting trend. Arrangements originally designed for the downtrodden became generalised and extended to all. Indeed, much of the redistributive function of the modern welfare state, now involving more than a third of national income, consists of taking money from the comfortably-off to reward the comfortably-off. The realistic perspective for the future, current economic set-backs notwithstanding, is further steady material improvement. Yet there is a strong likelihood that gravitation toward ever greater government-engineered redistribution of incomes will continue in the name of good causes and programmes, including programmes supposedly justified by adverse demographic developments. Does this system growing out from uplifting the downtrodden make sense in an affluent society? Can't it be that perhaps 10 per cent of the population experiencing hard times (for no fault of their own) be decently taken care of, whilst at the same time avoid treating the rest as if they are incapable of taking care of themselves? Demographers are well-placed to pose such unorthodox questions, since the arrangements of the modern welfare state are not exempt from well-founded suspicion of being responsible for some untoward characteristics of contemporary society, including disorganisation of the family system and sub-replacement fertility. The prospect of fundamental social reform may seem utopian today. But the

matter deserves thinking, analysis of options, and contemplation of radical policy alternatives.

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Paul Demeny has been Distinguished Scholar at the Population Council since 1989. He has served as the editor of the Council's Population and Development Review, which he founded, since 1975. He was a Vice President of the Council from 1973 to 1988. His research focuses on population policy, international migration, and replacement fertility issues. Prior to joining the Council, he was founder and director of the East-West Population Institute in Honolulu and professor of economics at the University of Michigan, where he was also Associate Director of the Population Studies Center. With Council colleague Geoffrey McNicoll, he organised the 2002 Bellagio conference on "The political economy of global population change, 1950-2050."

Among Demeny's professional affiliations are the American Association for the Advancement of Science, where he has been a Fellow since 1974; the Population Association of American, whose president he was in 1986; and the International Union for the Scientific Study of Population, which named him as Laureate in 2003. In addition, he was recipient of the 2003 Olivia Schieffelin Nordberg Award for Excellence in Writing and Editing in the Population Sciences and is now an External Member of the Hungarian Academy of Sciences.

Invited lectures and professional engagements have taken Demeny overseas more than 180 times during the past four decades. He has been a consultee for the World Bank, the United Nations, the National Academy of Sciences, the National Institutes of Health, and the US Department of State, among others.

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