Population Matters?
European Integration Process During a Demographic Change

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Introduction

The global financial crisis of 2008 and the accompanying economic crisis led to a greater interest of the European Union and its Member States in the condition of the European economy and public finances. Issues such as the demographic situation in the EU were of secondary nature and were invoked primarily as a context for socio-economic and financial problems. However, in recent years, due to systematic publications, both by international organizations (e.g. United Nations, Eurostat) and national institutions of long-term population projections and its revisions for countries, regions, continents and the world, the awareness of the importance of demographic issues has been increasing.

The EU began to recognise the importance of demographic trends in the early 2000s. In its Communication on *The demographic future of Europe – From challenge to opportunity*, the European Commission identified five core directions to be taken into account while adjusting EU and national policies to the changing demography of the Union. They were as follows: “promoting demographic renewal in Europe; promoting employment in Europe: more jobs and longer working lives of better quality; a more productive and dynamic Europe; receiving and integrating migrants in Europe; sustainable public finances in Europe: guaranteeing adequate social security and equity between the generations” (European Commission, 2006). In the Europe 2020 strategy aiming at smart, sustainable and inclusive growth in the EU, population issues arose mostly in the context of an ageing population and its consequences for the labour market and the social security system (European Commission, 2010). Meanwhile, the European Commission has been publishing *Ageing Reports* for

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1 The article was prepared on the basis of the results of research no. KES/BMN/15/14 on “Comparative study of immigration policy in selected Member States of the European Union: conditions, solutions, consequences. Conclusions and recommendations for Poland. Part I”, conducted in Collegium of Socio-Economics of Warsaw School of Economics in 2014 and co-financed by the Polish Ministry of Science and Higher Education in the framework of “Young Scientists’ Research Grants”.
several years. The recent 2015 report highlights the economic, budgetary and societal challenges in the EU to be faced in the future as a result of demographic trends (European Commission, 2015).

Demographic conditions are one of the major aspects of European integration, and one that is still underappreciated. In recent years the EU has undergone some important demographic changes encompassing population size and structure indicators, fertility, mortality, natural increase/decrease, and net migration, which vary—often significantly—across member states. According to population projections, they will continue and will have an increasing impact on the socio-economic and political situation of the Union. It is worth noting that demographers and sociologists often refer in that context to the concept of the second demographic transition in Europe (e.g. Lesthaeghe, 2010; Lesthaeghe and van de Kaa, 1986; Okólski, 2004; van de Kaa, 1987, 1988, 2004; van de Kaa et al., 1999).

The aim of the paper is to analyse and evaluate the projected demographic changes in the EU and their potential influence on the future of European integration. The underlying theoretical assumption of the paper is that demographic changes will affect EU Member States to various extents and will put pressure on the future of the integration process. This article presents the results of the preliminary analysis of the demographic situation of the EU-28 in view of the Eurostat’s population projections until 2060, and formulates the most important conclusions for the functioning of the EU and its future.

Demographic Situation of the EU-28 in a Snapshot: 
Today and Tomorrow
In order to ensure the coherence and comparability of data, the analysis of the demographic situation of the EU-28 was based on official Eurostat statistics, more specifically, on the European Population projections base year 2013, short-named EUROPOP2013. The analysis focused on the main scenario of the projection. The study covered the 28 EU member states, assuming that the composition of the EU will remain unchanged until 2060. In keeping within the framework of the study,

2 The first attempt at this analysis was presented by the Author in another paper: (Pachocka and Misiuna, 2014).
3 “The ‘main input dataset’ includes the 2013 base-population and the assumptions for fertility, mortality and international net migration (including statistical adjustment), and defines the frame of main scenario for producing the population projections” (Eurostat. EUROPOP2013). EUROPOP2013 contains statistical information related to the main scenario and its four variants: no migration variant, higher life expectancy variant, reduced migration variant and lower fertility variant. It should be noted that each variant is based on specific assumptions, which in turn results in different values obtained and leads to formulating different conclusions.
the analysis of demographic changes was limited to selected assumptions of the projection and some of projected demographic balances and indicators, such as total population, total live births and total deaths to estimate natural increase/decrease, total net migration, total fertility rate, life expectancy of men and women, median age of population, proportion of working-age population (15–64 years) to total population, proportion of post-working-age population (65 years and more) to total population and old-age dependency ratio (population 65 and over to population 15–64 years).

Basing on the above indicators, corresponding data for the 28 EU Member States for 2015 and 2060 were juxtaposed, changes calculated (in absolute and/or relative terms) and the direction of the change indicated (increase/decrease/no change). Consequently, results were obtained, which allow to formulate the following conclusions concerning demographic changes in the studied areas between 2015 and 2060:

1. According to the projection, in 2015 the EU-28 has a population of 508.2 mn, with the following six countries contributing the most to the total population: Germany (15.9%), France (13.0%), United Kingdom (12.7%), and Italy (12.0%), and to a lesser extent – Spain (9.1%) and Poland (7.6%). Poland is the only country from Central and Eastern Europe in the top six, and it is the most populated state among those which acceded to the EU in 2004. The joint share of the seven least populated EU Member States – Cyprus, Estonia, Latvia, Lithuania, Luxembourg, Malta, and Slovenia – in the total EU population is only 2.0% (10.1 mn people). Within the timeframe until 2060, the six countries will continue to dominate over other EU-28 states in terms of population (both in absolute and percentage values). United Kingdom is expected to take first place with a population of 80 mn, followed by France with 75.6 mn. Between 2015 and 2060 Germany will slip from top spot to third position as its population will decrease by 9.7 mn to 71 mn. Further ranking positions will remain unchanged: Italy (66.3 mn), Spain (46.1 mn), and Poland (33.3 mn). In 2060 over half of all Member States (17) will have a population of less than 10 mn (Austria, Bulgaria, Croatia, Cyprus, Denmark, Estonia, Finland, Greece, Hungary, Ireland, Latvia, Lithuania, Luxembourg, Malta, Portugal, Slovakia, and Slovenia). The small group of countries that can be considered as moderately populated will comprise of Romania (17.4 mn), the Netherlands (17.1 mn), Belgium (15.4 mn), Sweden (13.1 mn), and the Czech Republic (11.1 mn). By 2060 the demographic weight of 13 states will have grown compared to their shares in the total EU-28 population in 2015. This applies especially to two countries – the UK (+2.6 pp) and France (+1.4 pp) – with the other states having grown by less than 1 percentage point. The countries to experience the most significant decrease in demographic potential (with the overall EU potential) will be Germany (-2.3 pp) and Poland (-1.2 pp). The demographic weight of the six most populated states
will amount to 71.2% of the overall European population, whilst – which is an interesting observation – the group of moderately populated countries (5) and the group of other countries populated by less than 10 mln people (17) will account for roughly similar shares of 14.2% and 14.6% respectively.

2. Between 2015 and 2060 the population of EU-28 will increase by 14.7 mn, equivalent to a growth rate of 2.9%. However, the situation at member state level will unfold in two directions. On one hand, by 2060 the population of half of the EU-28 countries will decrease, when compared to 2015 (Bulgaria, Croatia, Estonia, Germany, Greece, Hungary, Latvia, Lithuania, Poland, Portugal, Romania, Slovakia, Slovenia, and Spain). The most rapidly depopulating countries in relative terms will be three of the new EU member states: Lithuania, Latvia, and Bulgaria (compared to the base year 2015). Lithuania will be the one to see the highest drop in population of 36.7%, followed by Latvia with a drop of approximately 30.0% compared to their 2015 demographic resources. The depopulation rates for Bulgaria and the following two states – Greece and Portugal – will be similar: between 20.0% and 25.0%. The picture changes when absolute values are analysed. The countries to suffer largest population losses between 2015 and 2060 are Germany and Poland: 9.7 mn (-12.0%) and 5.2 mn (-13.5%) respectively. Also Greece, Portugal and Romania will see considerable population losses – albeit to a lesser extent: each amounting to a drop of over 2 mn. On the other hand, in absolute terms, the highest increase in population will occur in the UK (+15.3 mn), France (+9.4 mn), and Italy (+5.4 mn). However, in relative terms, a record population growth will be observed in Luxembourg (+102.5%), followed by Belgium and Sweden with roughly similar increases of 35.8% and 34.3% respectively.

3. According to the projection, in 2015 the natural increase for EU-28 only slightly surpasses 50 thsd inhabitants. The states to record the highest natural increase are the UK and France – both of over 200 thsd inhabitants. In total, 13 Member States are to see positive natural increase, that including Austria and Malta with marginal positive values. At the same time, 15 Member States are to experience natural decrease, among which Germany and Italy are affected the most with decreases of over 200 thsd and over 100 thsd inhabitants respectively. New EU Member States are heavily represented in this group (Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, and Slovakia), together with Greece, Portugal, and Spain. Meanwhile, in 2060, the EU will experience a natural decrease of over 1.4 mn inhabitants. What is more, only in seven EU countries (Belgium, Denmark, France, Ireland, Luxembourg, Sweden, and the UK) the number of births will be higher than the number of deaths. The list is led by the UK and France, where natural increase will exceed 81 thsd and 70 thsd people respectively. None of the countries that joined the EU in 2004 or later will fall into this group. In the majority of EU Member States a natural decrease
will be observed – from a record one of 454.9 thsd inhabitants in Germany to a decrease of only under 300 inhabitants in Cyprus.

4. According to Eurostat data, in 2015 almost 2/3 of EU countries – just as the EU itself – are to have net immigration\(^4\). This group is predominated by old EU Member States (11), however, it also includes Croatia, Czech Republic, Hungary, Malta, Romania, Slovakia, and Slovenia. For Poland, the migration balance is slightly negative – of just under 50 people, which indicates the country’s gradual transformation from an emigration state to an immigration one\(^5\). The highest migration balance values are to be observed for Italy, Germany, and the UK – 310.6 thsd, 242.3 thsd, and 166.6 thsd respectively. The balance for Sweden, Belgium, and France ranges between 50 and 90 thsd people. Meanwhile, Spain is the leader among net emigration countries with a balance of -83.3 thsd people. The number of emigrants outweighs the number of immigrants also in Bulgaria, Cyprus, Estonia, Greece, Ireland, Latvia, Lithuania, Poland, and Portugal. In 2060 the foreign migration balance for the entire EU will amount to over a million people and basically all states, with the minor exception of Latvia (-1 inhabitant), will have net immigration, albeit of various degrees. The three Baltic states of Estonia, Latvia, and Lithuania will have a foreign migration balance of near zero. According to Eurostat projections, the main net immigration countries will be Spain, with a positive balance of around 275 thsd people, and Italy and the UK, with a surplus of over 170 thsd people. The largest positive absolute change between migration balance values for 2015 and 2060 will be observed for Spain (+358.3 thsd people), while the smallest one for Slovenia (+538 people). Moreover, the biggest drop in foreign migration balance values will occur in Germany (around -144.4 thsd inhabitants).

5. In 2015 only two EU countries – France and Ireland – reach total fertility rates (2.01) close to the value that guarantees generational replacement (2.1). Those indicators are also favourable in Sweden and the UK with both countries with a rate of 1.93, which means that each 1,000 women in those countries during their reproductive years would give birth to around 1,930 children. By 2060, however, in a great majority of states (25) these rates will have grown, with only a handful of countries experiencing slight declines in total fertility rates: France and Ireland dropping to 1.98, and Sweden to 1.92. As for the UK, the fertility rate will remain unchanged. Overall, no EU country will surpass the 2.1 threshold, which means no EU country will find itself in conditions that guarantee generational replacement.

\(^4\) The migration situation of a state is analysed individually basing on data provided by national statistical offices. No distinction is made between migrations within the EU and from non-member states.

\(^5\) More on the subject of Poland: (Duszczyk, 2012; Górny et al., 2010; Matyja, Pędziwiatr and Siewierska-Chmaj, 2015; Misiuna and Pachocka, 2014a, 2014b).
The four states in the most favourable situation in 2060 will be the same four as in 2015. Meanwhile, the lowest fertility rates will be observed in Greece (1.58), Spain (1.55), Slovakia (1.53), and Portugal (1.52). For the sake of comparison, in 2015 as many as 15 countries have a TFR value of under 1.5. Among those the following countries have the lowest values: Portugal and Slovakia both have a rate of 1.29, Spain and Poland – of 1.34 and Greece – of 1.36. The largest positive changes in the TFR over the projection period will occur primarily for the 10 states that acceded the EU since 2004, with Hungary (0.32), Malta (0.30), and Poland (0.28) leading this group. The countries to experience the smallest positive change in the TFR will be the Netherlands, Belgium and Finland with an observed positive change of below 0.1.

6. Citizens of all EU countries will tend to live longer. In 2060 each country will increase the average life expectancy at birth for both sexes, compared to 2015. Sweden is expected to have the longest life expectancy for men (85.6 years), closely followed by Spain and Italy (85.5 years both). Other states, where men will be expected to – on average – live 85 years or more, are Cyprus, France, Germany, Ireland, Luxembourg, Malta, the Netherlands, and the UK. The 11 countries with the lowest life expectancy for men will be the new EU members. Among those Lithuania and Latvia have the lowest value of 80.9 years. However, it should be emphasised that the biggest improvements in life expectancy of men in the analysed period will occur precisely in those two countries: by 11.6 years in Lithuania and by 11.2 years in Latvia. Also, male citizens of Romania and Bulgaria are estimated to live on average 10 years longer. In 2015 in all the EU-28 states women live longer than men, and this will remain true also in 2060. In 2060 female citizens for Spain and France will have a life expectancy of 90 years. What is more, female citizens of 11 other states will have a life expectancy of not less than 89 years. With the exception of Malta, this group is predominated by old EU member states. The countries with the lowest female life expectancy are Bulgaria (86.4 years), Romania (86.7 years), and Latvia and Hungary (87.0 years both). However, these countries are also the ones to experience the largest growth in female life expectancy of more than 7.5 years.

7. Between the year 2015 and 2060 the population structure by economic age groups will undergo considerable changes. For the EU-28, the share of persons considered to be of working age (15 to 64 years old) will drop by 8.9 percentage points from 65.5% to 56.6%. In all the European countries this share will drop below 60.0% (with the exception of Luxembourg – 60.4%). The most significant decrease in relative numbers will be recorded for two new EU members: Slovakia (by -17.6 pp) and Poland (by -15.6 pp). The change will be the least severe for six old EU members: Belgium, Denmark, Finland, France, Ireland, and Sweden, for which the drop will be of less than 6 percentage points. In 2015 the countries with
the highest share of working age population are Slovakia (70.9%), Poland (69.7%), and Cyprus (69.6%), while France and Sweden have the lowest (63.1% both). In 2060 Luxembourg will top the list (61.4%), followed by seven old EU members and Cyprus. At the same time, the population structure of European countries will be subject to changes as the share of the post-working age population will be on the increase in all EU states. At the beginning of the analysed period, the share of old people is just over 20.0% in Italy, Germany, Greece, and Portugal. Among the new EU members, Bulgaria (19.9%) and Latvia (19.3%) have the oldest population. In 2015 the lowest share of people aged 65 and over is 12.9% in Ireland, followed by 13.9% in Slovakia. By 2060 the span of the old age share will have widened ranging from 21.5% in Ireland to 35.1% in Slovakia. Overall, people aged 65 and over will represent at least 30.0% of the population in nine EU countries. This group includes both old (Germany, Greece, Italy, Portugal, and Spain) and new (Bulgaria, Estonia, Poland, and Slovakia) EU members. The largest positive change will be observed for Slovakia (+21.2 pp) and Poland (+17.7 pp), while the smallest recorded change will be for Sweden (+4.5 pp).

8. A major consequence of discussed changes in population structure by age groups that will develop over time is the shift in the proportions between the groups, especially between the working age group and the post-working age one. In 2015 the old-age dependency ratio for EU-28 is 28.8, with the highest ratio observed in Italy, where there are 33.3 people aged 65 and over per every 100 people of working age (aged 15–64). Other countries with an elevated dependency ratio (over 30) include Bulgaria, Finland, Germany, Greece, Portugal, and Sweden. Meanwhile, Slovakia enjoys a low ratio of 19.6, a value that sets the lower limit of the dependency ratio span at the beginning of the analysed period. In 2060 this very state will have the highest ratio in Europe of 65.9, a value that will set the upper limit of the ratio’s span. This will be closely followed by Portugal, where there will be 63.9 people aged 65 and over for every 100 people of working age. Other countries with an elevated ratio will include Greece (61.1) and Poland (60.9). The lowest old-age dependency ratio will be observed in Luxembourg (35.3) and Ireland (36.0). During the period between 2015 and 2060 the biggest changes will be observed for Slovakia, where the ratio will increase 3.4-fold, and for Poland, where the ratio will increase 2.8-fold. Meanwhile, Sweden is projected to undergo the least significant changes with the dependency ratio increasing 1.3-fold. For more than a half of all EU countries, the change of dependency ratio will range between 1.8 and 2.1. In 2060 the overall old-age dependency ratio for the EU-28 will be 50.2, which means it will have changed 1.7-fold compared to 2015.

9. The changes that were discussed in the three preceding paragraphs (no.6-8) indicate a progressive ageing of the European population. An increasing median age of the EU population only confirms what has already been noted. In 2015 the median age of the
EU-28 is 42.4 years, with a majority of the states having a median age of 40 or over – the exceptions include Poland (39.4 years), Slovakia (39.0 years), Luxembourg (39.0 years), Cyprus (36.9 years), and Ireland (36.2 years). Currently, the oldest population is Germany (46.4 years), followed by Italy, Portugal, Bulgaria, Greece, and Austria. By 2060 the median age of the EU-28 will have increased to 46.3 years. At the same time Portugal will become Europe’s oldest population with a median age of 53.1 years. Ireland will remain the state with the lowest median age (40.1 years).

The general conclusion from conducted analysis could be the following: there is no single common model of the demographic changes that will occur in the EU in view of the projections for 2060. The reasons behind this are diverse, e.g. historical backgrounds, baseline demographic potential and the level of socio-economic development, population and migration policies, and other external factors – at regional and global levels. It must be noted that the Eurostat projections are based on the so-called main scenario, while the future demographic changes might follow other trends. However, based on the analysis, it can be presumed that demographic changes in the perspective of 2060 will not affect all EU-28 states the same way and on the same scale. Still several clear general trends for the EU-28 countries or their vast majority can be identified:

1. In the perspective of the projection, no country will have a fertility rate that guarantees generational replacement as the rates for all states will be below the threshold value of 2.1.
2. Life expectancy will increase both for women and men in all EU countries and the average age for women will remain higher than for men.
3. The proportions between age groups in the structure of the population will change for all EU states. In particular, the share of the post-working age group will increase while the share of the working age group will drop, which will result in a highly elevated old-age dependency ratio in 2060. Combined with an increasing median age, this means that the EU population will be ageing ever more rapidly.
4. More countries will become net immigration countries, which means more immigrants than emigrants. Given that half of the 28 states will be experiencing depopulation, immigration could be what slows this process down; however, other comprehensive solutions will be in demand. Depopulation will affect new EU members the most.

Conclusions
In the future the EU will face numerous internal and external challenges of diverse nature. In recent years much has been said about the destabilisation of the situation in the EU and eurozone in the context of the global economic crisis, with critical voices
suggesting even the disintegration of the organization. However, it would seem that the EU is strong enough to – under certain boundary conditions – prevent such events from happening. Still, other challenges – albeit less spectacular – which develop gradually, thus imperceptibly undermining the EU’s potential, must be mentioned, namely challenges regarding demographic issues.

The fact that the demographic situation vary and will vary across EU Member States has and will have important implications for the functioning of an organization such as the EU, which defines common social, economic and political objectives in numerous areas, and seeks to develop common policies, or at least to coordinate national ones. Demographic changes and their consequences may affect the defining of EU interests, priorities and objectives (e.g. to increase legal immigration from third states or to expand the EU through the accession of new member states, especially highly populated ones such as Turkey), the formulation and implementation of new European growth strategies and the decision-making process in the EU (e.g. voting system in the Council of the EU depending on the demographic weight of member states).

The EU’s largest countries in terms of population (both in absolute and relative terms) are and will remain the ones to have the biggest impact on its demographic situation. It is a scale effect – the bigger a country is compared to others, the bigger share in the overall population it will have. According to the Eurostat projection from 2013, the countries that will have the greatest impact on EU-28 demographic potential in 2060 will be the same ones as in 2015. However, their respective influences based on their population levels will change. Said countries – as aforementioned – include the UK, France, Germany, Italy, Spain, and Poland. By 2060, Germany will have lost the most in the field of demographics: its population will have dropped by almost 10 mn inhabitants and its share in the overall EU-28 population by 2.3 percentage points (both compared to 2015). Three of the most populated countries of the EU will see a decrease in population over the analysed time period, with the largest decrease occurring in Poland (-13.5%).

The demographic situation in the EU will be a significant factor for the Union’s further enlargement. As for May 2015, Albania, the Former Yugoslav Republic of Macedonia, Montenegro, Serbia, and Turkey are the only official candidate states for EU accession (European Commission. European Neighbourhood Policy and Enlargement Negotiations). In May 2013 Iceland put the accession negotiations started in July 2010 on hold, and in March 2015 it officially cancelled its bid to join the EU (EurActiv.com, 2015). EUROPOP2013 reference area covers EU-28 Member States and three EFTA countries: Iceland, Norway, and Switzerland. It means that candidate states are not included in population projection based on 2013 data. However, quoting the population numbers as on January 1, 2013, according to the data provided by the countries themselves and released by Eurostat, the population of Montenegro stood
at 620.9 thsd people (just over that of Luxembourg), of Macedonia at 2.1 mn people (comparable to Slovenia), of Albania at 2.9 mn people (slightly less than Lithuania), of Serbia at 7.2 mn people (just under that of Bulgaria), and of Turkey at 76.7 mn people (less than Germany but more than France) (Eurostat. Population change). In the light of these data, Turkey is the only current candidate to the EU that – once an EU member – could join the group of most populated member states. According to the projections of the Turkish Statistical Institute (2013) for years 2013–2075, Turkey’s population in 2060 will stand at 92.7 mn inhabitants. Juxtaposing this value with the EUROPOP2013 projections for the EU, it appears that Turkey will become the most populated country, surpassing the UK and its population of 80 mn. The difference in favour of Turkey would be of 12.7 mn people. This is both an argument supporting the accession of Turkey to the EU, which would – in quantified terms – strengthen the demographic potential of the Union, and an argument against it – due to the large disparity between the first and the second country in the ranking in terms of population.

Even if the overall picture of the EU’s demographic situation – both in 2015 and 2060 – is projected to be relatively favourable, it is important to realise that in the future the EU could become a “multi-speed” organization in demographics. This would be caused by the population changes that have already been taking place and that are projected to occur in the decades to come. The disparities at state level could add to the internal division of the EU and lead to a pursuit of opposing national interests concerning population and migration policies. Such internal contradictions could in turn weaken the European integration process.

The two policies – on population and migration – must be coherent and targeted, both at EU and at national level, where different states have different national interests. Only when that condition is met any actions taken to improve the demographic situation in the entire EU can prove effective. A need exists for a decentralised (due to diverse conditions and different effectiveness) but pan-EU policy aimed at minimising the consequences of demographic change, with the assumption that the EU is committed to maintaining a stable, sustainable development and internal cohesion.

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