Does Europe have enough babies?

What can Governments do to address the demographic challenge?
RAND Europe examines population ageing: consequences and possible solutions

Consider biomedical solutions: impact of ART is small, but shown to be cost-effective compared to other measures

Introduce new pronatalist policies: the effects of these are often limited, costly and temporary.

Increase immigration: not found to be a long-term solution.

Reform the welfare state: necessary but not sufficient to offset population ageing.

THE RIGHT PIECES FOR A POPULATION POLICY MIX

There's no single solution to the challenge of an ageing population. A combination of policies is required that address biomedical, financial and lifestyle barriers to childbirth.

Effectiveness of different interventions can vary depending on the political, economic and social contexts in which they are implemented. The policies which work in one country may not work in another.

BACKGROUND

Europe is facing a demographic challenge. Population ageing is driven on the one hand, by greater life expectancy, and on the other, by falling birth rates.

The total fertility rate is now less than two children per woman in every EU member state, all below replacement level. Yet, by 2050 almost one-third of Europeans will be over 65 years old.

This cradle-to-grave phenomenon is worrying because it not only threatens standards of living, but also social stability within Europe and its stature on the world stage.

Governments are waking up to the need for a 'population policy mix' to address the challenge.

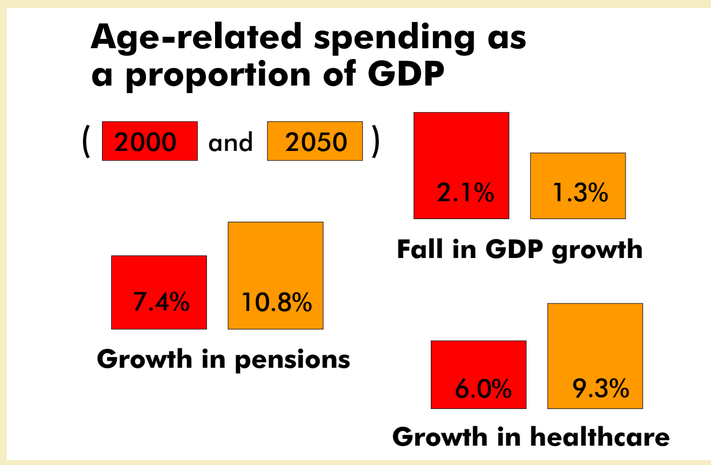
RESEARCH APPROACH

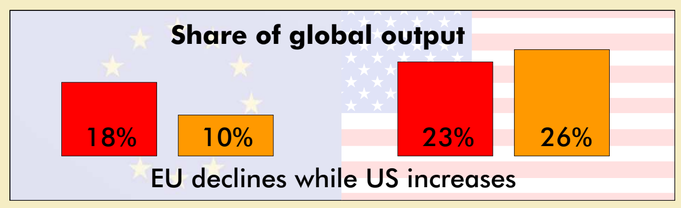
RAND Europe's initial study in 2004 of the population ageing issue analysed European demographic trends and behaviour, and assessed which policies could prevent or mitigate adverse consequences.

Finding the need for a mix of population policies, RAND Europe recently investigated the demographic impact of biomedical interventions provided by Assisted Reproductive Technologies (ART) such as in-vitro fertilisation (IVF). We developed a model incorporating fertility costs, population age structure and behaviour components, comparing data from Denmark and the UK for 2002.

CONSEQUENCES OF AN AGEING POPULATION

Here are just some of the effects we're likely to see as a direct result of the ageing population in Europe 2000-2050.



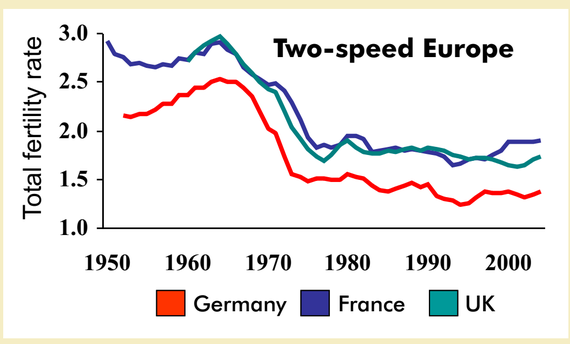


But it's not all bad news...

- Over the last 50 years, life expectancy has risen - people are living longer, healthier lives.
- Since the introduction of the Pill in the 1960s, women have had reproductive choice.

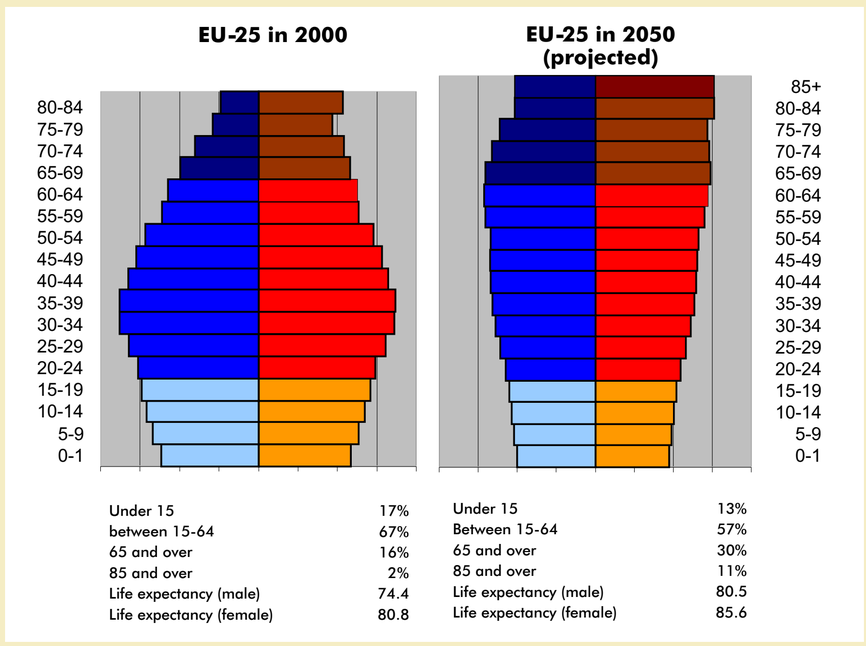
READING THE FERTILITY 'TEA-LEAVES'

Fertility rates across Europe are below replacement (TFR=2.1), although the data suggest the emergence of a "two-speed" population structure.



POPULATION PYRAMID BECOMES A SKYSCRAPER

Europe faces fewer babies and growing numbers of elderly.



	2000	2050 (projected)
Under 15	17%	13%
between 15-64	67%	
Between 15-64		57%
65 and over	16%	30%
85 and over	2%	11%
Life expectancy (male)	74.4	80.5
Life expectancy (female)	80.8	85.6

IMPACT

Sparked necessary debate: RAND Europe and other related research has increased discussion about the seriousness of the demographic challenge and how governments could respond.

Placed ART in population policy mix: The research has shown ART to be comparatively low cost when compared to potential economic benefits. It could help reduce old-age dependency rates by an estimated 1.7% in 2050.

Opened issues for further research: This work has raised some legitimate questions – more research is required to provide answers.

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