



Wilfried

Martens Centre

for European Studies

Gudrun Kugler and Peter Hefele

Answering Demographic Change

Policy Recommendations
for National and European
Policymakers

“Acknowledging that demographic change is a defining shift and challenge with far-reaching implications for societies, economies, and governance structures, which impacts labour markets, pension systems, healthcare services, and social stability: We believe that investing in the family is investing in the future of Europe”
(EPP, 2025)

“Recognising that a long-term vision is essential, as increases in birth rates take decades to translate into workforce gains and to reduce the imbalance caused by ageing populations,”
(OSCE PA, 2025)

Mid-term Perspectives¹

Reverting the trend of declining birthrates?

Across the developed world, nations across Europe and East Asia are facing persistently low, and seemingly irreversible, birth rates. Demographic change, however, has the particular disadvantage of unfolding slowly; as a result, it rarely creates a sense of urgency. Yet paradoxically, this very slowness is also an advantage: unlike other crises, we can see it coming and thus have time to act.

Nevertheless, the problem often feels distant, as populations in much of Western Europe are still growing. At the same time, many governments hesitate to respond partly because the necessary measures may prove politically unpopular. Evidence from multiple countries suggests that financial incentives, improved work-life balance, greater gender equality, and expanded access to childcare can sometimes lead to short-term fertility gains. However, these effects are typically temporary. While such measures may bring broader social benefits, e.g., to young families, they cannot be assumed to provide a lasting solution to what is arguably one of the most significant demographic challenges of our time: stabilising birthrates.

In Western countries, low birth rates have been attributed to a variety of factors, including value changes, housing costs, gender inequality in wages, unemployment, and the rise of dating apps. However, demographers and economists have consistently struggled to predict fertility trends from such variables. A recent paper by the British Data Scientist Stephen Shaw for *Scientific Reports* suggests that the decline in birth rates is driven significantly by one factor — a rapid increase in childlessness. While mothers are having roughly the same number of children as mothers decades ago, the rate of women without children has significantly increased.

This insight reframes the problem. Even throughout periods of economic hardship, cultural change, and political upheaval, parents who have a first child have remained remarkably consistent in achieving the number of children they desire. In other words, parents are surprisingly robust against external shocks. At the same time there is evidence for changing attitudes. E.g. Austrians desired on average 2,1 children in 2009, but only 1,68 children in 2023.

The rise in childlessness since the 1970s cannot be fully explained by a sudden cultural turn toward voluntary childlessness, nor are there any indications of increasing medical or biological infertility. A major factor is *unplanned childlessness, driven by delays in family formation*. The later societies begin the process of parenthood, the more people “miss the window” – not least due to the lack of a partner at the right time.

This perspective suggests a fundamental shift in policy. Broad, diffuse family measures, as in the past and often proven ineffective, should be skipped, and relevant stakeholders,

¹ The following analysis and recommendations represent solely the opinion of the authors. They don't reflect the official position of the European People's Party (EPP), Campus Tivoli or the Wilfried Martens Centre for European Studies.

not just governments, should develop frameworks that support young people in starting families at the ages when they want to, thereby reducing the risk of unplanned childlessness. Encouragingly, data show (Tomkinson, 2019) that when such family building starts earlier, those families will, on average, have more than two children each.

Responses: Mitigation and Adaptation

Mitigation and *adaptation* are two distinct but complementary responses to Europe's demographic change. *Mitigation* seeks to address the causes of population decline – in this case, by developing innovative strategies to raise birth rates and make family life more attractive and sustainable. *Adaptation*, by contrast, focuses on adjusting to realities we cannot fully reverse, at least in the foreseeable future. We must accept that in many countries, the population will shrink over the following decades (United Nations, 2024), due to low fertility rates, emigration, and the fact that large-scale immigration will not be a viable and socially accepted long-term solution (Eurostat, 2023). In particular, many rural areas are already experiencing heavy population loss, even while the baby boomer generation is still alive, and further decline is inevitable. Acknowledging this means we must consider even unpopular measures, e.g., without clinging to costly investments in infrastructure for each settlement. The same principle applies to the current welfare state: certain elements, particularly pay-as-you-go systems, cannot be “fixed” within the existing structures and, therefore, require fundamental reforms to function with fewer contributors. While adaptation ensures resilience in the face of inevitable demographic shifts, mitigation remains essential to slow the pace of decline by encouraging higher birth rates and controlled migration.

Policy Recommendations in 11 Chapters

We cluster our policy recommendations into eleven chapters, covering the most relevant policy fields and focusing particularly on the European level. We are well aware that to mitigate and adapt to the “demographic winter” successfully and achieve sustainable and manageable societal systems, all political and administrative levels in Europe have to coordinate their policies closely.

We also recognise the limitations of policy making and the need of the involvement of a wider range of non-state actors who share equal responsibilities, including the private sector. In proposing policy recommendations, we recognise that cultural differences exist also within Europe and that a one-size-fits-all approach does not work. As the topic of family and childbearing touches on many personal sensitivities, our intention is not to offend but to respect individual choices.

Demographic Change must be recognised as Mega Trend in European Politics

- Urge states and governments to publicly recognise demographic change as one of the most significant challenges facing modern societies, which, if not timely addressed, will affect the viability and security of nations.
- Both political and non-state actors must acknowledge that successfully mitigating and adapting to demographic change is a precondition for the survival of our societies and the “European way of life”.
- This requires a sustainable, cross-generational approach beyond short-term electoral cycles to ensure economic development and growth, social stability, and comprehensive security across Europe (EPP) and includes adapting to shrinking population.
- This transformation cannot be managed on the national level; it requires a pan-European approach to maintain a common space of freedom, social coherence and solidarity.

The Response to Demographic Change Must Span All Institutions and Policy Fields

- The comprehensive and cross-sectoral nature of demographic change needs coordinating institutions and procedures, such as demographic task forces or special representatives in governments and parliaments, at the regional, national, and European level, as well as in international organisations. Also, Commissions for Pension Reform or Pension Security must include demographic experts.
- The role of the European Parliament as a platform for strategic discussion and policy coordination in Europe has to be strengthened.
- The EPP should establish a permanent EPP working group on demographic issues.
- Effective action on demographic change depends on research, timely availability of data, and public awareness. Established demographic research focuses on the Total Fertility Rate (TFR), disregarding more sophisticated measurements such as the Total Maternal Rate (TMR) or Children per Mother (CPM). Retrospective cohort studies assess lifetime fertility but lack the granularity needed to identify and monitor changes in family size, and in particular, shifts in societal childlessness that policies must address. These approaches do not provide sufficient real-time data for timely policy intervention (Shaw, 2025).
- Relevant social sciences, such as economics, need to integrate demographic dimensions more effectively into their research programs.
- While research is mostly focused on women, a greater focus on men is equally important, as their behaviour is often omitted from data collection and research.
- Ensure that all necessary demographic data is publicly available, accessible, and widely communicated in a timely manner. It should be the basis of the political decision-making process.
- Address key questions without ideological taboos, including rising infertility, childlessness, marriage and parenthood.

Productivity Must Be Sustained Amid Demographic Change

Productivity through a Reform of the Education System

- Shorten educational pathways by streamlining curricula, reducing unnecessary content, and thereby enabling and incentivizing earlier entry into the workforce.
- Insofar as possible, align educational qualifications and curricula with future labour market needs shaped by AI developments and global labour division in order to maintain high productivity in Europe.
- Revalue and promote the economic importance of dual education and vocational training instead of further extending academic programs.
- Higher education systems should facilitate the reconciliation of academic advancement with family life.
- Lifelong learning should be fostered and continuously adapted through workplace-based programs, while primary educational pathways could be shortened.
- A special focus should lie on the qualification of migrant women and girls, who are currently less likely to participate in the labour market.

Productivity in the Labour Market

- Promote age-appropriate working conditions and life-long pre-emptive measures to extend employability and longevity. These measures have to start much earlier in the working life cycle than today.
- Avoid crowding out job opportunities for the older workforce by reversing seniority-related pay schemes.
- Encourage change of particularly draining jobs at age 50.
- Raise public and employers' awareness about the value of skills and experiences of older workers.
- Increase the total amount of hours worked per week and throughout someone's lifetime. This includes men too, who have high voluntary non-participation rates.
- Expand the potential of full- or part-time employment among people without caregiving duties.
- Reinforce policies which support parenthood and work through flexible parental leave and working arrangements.
- Prevent the large-scale loss of sector-specific knowledge and experience by effectively managing the transition processes surrounding retirement.
- Consider the potential of artificial intelligence in making services and workflows more efficient. Equally consider the potential of artificial intelligence in helping to keep the standards of services, while dealing with a shrinking workforce.

- Encourage national governments to align tax and fiscal policies with demographic and technological changes, as they are currently heavily focussed on labour.

Higher Fertility Depends on Cultural Shifts, Supportive Policies, and Parenthood Incentives

a. Promote a Cultural Shift Toward Parenthood and Family Life

- Foster public dialogue that positively portrays the value of parenthood and having children for the individual and society: Public discourse, media and entertainment should frame having children and grandchildren in a more positive light, thereby enhancing societal respect and openness towards children.
- This includes open and transparent information on the costs of low fertility for the economy (e.g., for productivity, the labour market, upholding our social systems) and society (e.g. loneliness, lack of network & care), highlighting the public good that families provide.

b. Create Concrete Incentives for Having Children

- Create concrete financial advantages in tax, pension and social security systems for people with more children.
- Recognise the skills and contributions of parents as a positive asset in job hiring processes.
- Develop and extend existing support programmes for private real estate ownership, given the strong link between home ownership and family formation.

c. Strengthen Family-Oriented Social Policies

- Family policy should also target on sustainability, i.e. raising the birth rate (pronatalist).
- Empower individuals to have the desired number of children, as research indicates, it is generally higher than the actual number.
- Raise public awareness that it is not only women who have to bear the decisions and consequences of reconciling career perspectives, ever-changing working conditions, and family preferences and care responsibilities, ensuring that women do not bear solely the pressure.
- Strengthening parents' freedom to choose how they balance work and the raising of children.
- To ensure freedom of choice, parents should have access to affordable childcare facilities. This includes afternoon care in elementary schools.
- Initiate awareness-raising efforts and public debates on the impact of delayed parenthood on fertility, starting in schools. This will support research and development of strategies that help individuals achieve their desired family size, while promoting policies that foster openness to larger families.

- Include subjects such as “family life and parenthood” alongside financial literacy in the curriculum of secondary schools.
- Stay-at-home mothers should not be economically and culturally pressured or discriminated against, as women should be given their freedom to decide whether or not to enter the labour market. Their contributions to public well-being through serving and raising children deserve equal societal recognition.
- Avoid discrimination against childless or single people at all ages and respect individual decisions.

Rural Vitality Depends on Commune Consolidation and Strong and Targeted Infrastructure

a. Spatial Planning on Long-Term Demographic Data

- Acquire granular commune development data for the next twenty-five years, and open a debate on where communal infrastructure may need to be consolidated.
- Fine-grained, spatially differentiated data enable policymakers to identify region-specific trends, address disparities more effectively, and design targeted interventions that reflect the real dynamics of local development.

b. Targeted Support of Declining Communes and Regions

- Develop a realistic view on declining communes. Not all are alike: some have potential for tourism, others for agriculture, some may become part of a city region, while others may best be returned to nature, in order to avoid stranded investments.
- To slow outmigration and a spiral negative development, offer incentives for young people to stay: promote family-friendly policies, affordable housing and land, jobs, and infrastructure.
- Strengthen local engagement to foster community belonging.
- Ensure fair and equal democratic representation of depopulated areas to avoid further alienation or political radicalisation.
- Improve accessibility, including automobile mobility by keeping an eye on mobility costs, since not everything can be covered by rail.
- Maintain social care for the elderly population despite the fact, that these infrastructures are more expensive than in the cities. This is crucial since relatives may already have moved away.
- Focus on research on the reasons and consequences and enhance knowledge exchange, in particular with regard to rural-to-urban migration and depopulation processes.

c. Suburban Regions with Population Growth

- Develop coherent plans defining where growth should occur and where nature should be

preserved. Municipalities should coordinate amongst each other instead of independently designate new residential or commercial areas to attract residents und industry.

- Expand public transport and focus settlement on already serviced corridors.
- Invest in smart infrastructure and digital connectivity to improve access to services and work. Exploit technological opportunities such as telemedicine and digital healthcare services.

d. Planning for growing large cities

- Cities must develop sustainable and demographically flexible infrastructure to avoid pseudo-urbanisation.
- Avoid segregation in cities and neighbourhoods which hinder integration through public housing and settlement policies.
- Support innovative construction activities to answer a shortage of housing as well as high housing costs. Encourage mixed-use neighbourhood development (“15-minute city”).
- Ensuring home ownership and housing affordability as key policy objectives.
- Architecture is a form of social care. It can help reduce loneliness and even contribute to suicide prevention. Companies and local authorities should cooperate with this awareness in mind. Intergenerational living should be actively promoted.

Quality of Life and Active Aging Depend on Strong Healthcare and Social Care Systems.

- Strategically create the care infrastructure suited to the specific needs of regions by incentivising public and private investments, including social day centres and retirement residences for the most vulnerable elderly.
- Reform, expand and improve long-term care services, including mental health care for the elderly, ensuring affordability, independence, accessibility, diversity and free choice (of living arrangements) where possible.
- Enhance the recruitment of sufficient care personnel, while placing greater emphasis on training and improving working conditions for healthcare professionals. This helps mitigate labour shortages and enhance the quality of care.
- Support care at home and those, who take on caring responsibilities.
- Find innovative ways to finance the growing demands in healthcare and care infrastructure, and leverage technological progress to reduce costs.
- Support policies for active ageing, longevity, prevention, and the encouragement of older individuals to remain in the workforce and participate in society through voluntary work, flexible retirement models and lifelong learning, as a demographic priority.
- Address intergenerational conflicts over resources, strengthening social cohesion and tackling the isolation and loneliness of older people, including through the promotion of intergenerational living.

Future Competitiveness Depends on a Demographically Resilient Workforce

- Address actual and projected labour shortages and emerging job market needs, by integrating groups with disadvantages, such as people with care responsibilities, people with disabilities, the long-term unemployed, older unemployed people, women returning to work etc. Especially older citizens play an important role: Reskilling and upskilling throughout the lifetime employment cycle provide the basis for prolonged employability.
- Avoid large-scale, technology-induced unemployment while encouraging technological innovation, such as AI, to enhance productivity and create sustainable employment opportunities.
- To incentivise market-based employment, reduced tax wedges and social insurance costs must ensure that employment prevails over abstaining from the labour market and depending on social transfers (make work pay).
- Ensure that European economies remain competitive even with a shrinking workforce through deregulation, tax relief on labour and income, and by exploiting the possibilities offered by new technologies.

Managed Migration Is an Essential Element of a Sustainable Demography

- Asylum as a substitute for labour migration has generated dysfunctional outcomes for both host societies and migrants. It is therefore essential to restore asylum to its original purpose as a protection mechanism for individuals fleeing persecution. Steer and manage qualifications-based and culturally compatible immigration and retention in a targeted manner, ensuring that migration systems respond effectively to labour market needs on the basis of a common European framework.
- Reform our administrative systems to make the admission of qualified, targeted foreign (non-EU) workforce less bureaucratic.
- Consider qualified migration is part of the solution to Europe's demographic decline, but has to consider long-term effects such as migrants ageing, the limits of integration, and maintaining cultural identity and social cohesion, needs of the countries of origin and global population trends, as the rest of the world is also beginning to see population decline. Immigration as a long-term solution is not feasible, as it would require high levels of perpetual immigration.
- “Get tough” in the area of integration, including language requirements, provide ethics education in schools, demand assimilated behaviour in the public, wherever possible, and avoiding ghettoization. Emphasise the role of employers in this regard. At the same time, engagement and investment on the part of migrants themselves are necessary for a successful integration process.
- Address societal problems of cohesion related to migration, by stopping irregular migration, restrictions to family reunifications, including marriage fraud. Make deportations possible, especially for crime offenders.

- Foster programmes for dual intent education and circular migration to avoid brain and human capital drain, to contribute to economic empowerment and political stability in the countries of origin, among EU member states and during the enlargement processes.
- Address brain drain from the EU, especially to the USA.

Pension and Welfare Reform Is Key to Long-Term Financial Sustainability

- Raise statutory retirement age - with a broad corridor for correcting factors including hard labour and care responsibilities – to correspond to increased life expectancy and decreased birth rates. Implement mechanisms especially in pay-as-you-go systems to automatically raise the statutory retirement age with increasing life expectancy.
- Abolish incentives for early retirement and make working beyond the standard retirement age more attractive by expanding tax and social security benefits, for example by excluding post-retirement employment from pension insurance contributions.
- Redesign national pension systems to include and strengthen occupational and private pension schemes.
- Ensure that pension systems more accurately reflect the contribution parents make to the public good.
- Promoting financial literacy from the beginning of one's professional career to help individuals plan for retirement and their long-term financial security, to supplement state pension systems.

Sustainable Demography is Key for a Fair Democracy and National Security

- Address demographic and social dynamics that risk creating disproportionately strong voting blocs among older or immigrant populations, in order to safeguard democratic balance and vitality.
- Promote a public debate in Europe on the importance of sustainable demography as a core topic of national and regional security. This includes a debate on the impacts on future defence capabilities, the geopolitical weight of Europe, and the enhancement of economic security.
- Develop a high level of sensitivity among political leadership and society to the danger of strategic interference of foreign governments in domestic politics by their respective ethnic diasporas.
- Depopulated regions, such as the Balkans, pose a security and geopolitical threat, opening the door to other powers to move in.

Demographic Sustainability Depends on Managing EU Enlargement Effects and the Fallout of the War in Ukraine

- Highlight the fundamental and detrimental demographic challenges of the Russian war of aggression on Ukraine and integrate these challenges into the accession process.
- Equally consider the demographic “reconstruction” as a fundamental prerequisite for a politically, economically and democratically stable Ukraine. This includes developing efficient strategies to encourage Ukrainian citizens to return home after the war, contributing to the revitalisation and reconstruction of Ukraine and the entire region.

Bibliography

European Commission: Directorate-General for Employment, Social Affairs and Inclusion, Fries-Tersch, E., Jones, M. and Siöland, L., *Annual report on intra-EU labour mobility 2020*, Publications Office of the European Union, 2021, <https://data.europa.eu/doi/10.2767/075264>

European Commission: Directorate-General for Employment, Social Affairs and Inclusion, Gasperini, M., Cinova, D., Petracco, C., Truc, M. et al., *Annual report on intra-EU labour mobility – 2024 edition*, Publications Office of the European Union, 2025, <https://data.europa.eu/doi/10.2767/2077850>

European People's Party (EPP). (2025). Ordinary Resolution Nr. 10: Resolution addressing demographic challenges and proposing policy measures to address declining birth rates, aging societies, and depopulation in Europe. In EPP Congress. Retrieved 24 August, 2025, from https://www.epp.eu/files/uploads/2025/04/10OR_OEVP-1.pdf

EUROSTAT Statistics Explained (2025): Population and demography. Retrieved 1.10.2025, from https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Category:Population_and_demography

EUROSTAT. (2023). EUROPOP2023 - Population projections at national level (2022-2100) (proj_23n). Retrieved 24 August, 2025, from https://ec.europa.eu/eurostat/cache/metadata/en/proj_23n_esms.htm

Fuchs, S. (2017). Female Employment and Higher Fertility – Policy Goals in Perfect Harmony?, in Mayer, T. (eds) Die transformative Macht der Demografie. Springer VS, Wiesbaden. https://doi.org/10.1007/978-3-658-13166-1_9

Kugler, G. (2025). Demographic Change in the OSCE Region. Analysis, impact and possible solutions of a mega trend reshaping society. Retrieved 24 August, 2025, from <https://www.oscepa.org/en/documents/special-representatives/demographic-change-and-security/reports-32/5170-report-of-special-representative-on-demographic-change-and-security-gudrun-kugler-21-february-2025-1/file>

Neuwirth, Buber-Ennser, Fuchs, Familien in Österreich, S 40, https://www.ggp-austria.at/fileadmin/user_upload/k_ggp_austria/GGPat_Familien_in_OEsterreich_2023.pdf

OECD. (2024). Society at a Glance 2024: OECD Social Indicators. Retrieved 24 August, 2025, from https://www.oecd.org/en/publications/society-at-a-glance-2024_918d8db3-en/full-report.html

OECD. (2024a). OECD Family database: Childlessness. Retrieved 24 August, 2025, from https://webfs.oecd.org/Els-com/Family_Database/SF_2_5_Childlessness.pdf

OSCE Parliamentary Assembly. (2025). Declaration and Resolutions adopted by the OSCE Parliamentary Assembly at the thirty-second annual session. Retrieved 24 August, 2025, from <https://www.oscepa.org/en/documents/annual-sessions/2025-porto/declaration-31/5313-porto-declaration-eng/file>

Statistik Austria. Bevölkerung (2025). Retrieved 1.10.2025, from <https://www.statistik.at/statistiken/bevoelkerung-und-soziales/bevoelkerung>

Tomkinson, J. (2019). Age at first birth and subsequent fertility: The case of adolescent mothers in France and England and Wales. *Demographic Research*, 40, 761–798. <https://doi.org/10.4054/demres.2019.40.27>

United Nations. (2023). World Population Prospects. Retrieved 24 August, 2025, from <https://population.un.org/wpp/>

Wilfried Martens Centre for European Studies. (2024, 30 December). The 7Ds – Demography extended. Martens Centre. Retrieved 24 August, 2025, from <https://www.martenscentre.eu/publication/the-7ds-demography-extended/>

Credits

The Wilfried Martens Centre for European Studies is the political foundation and think tank of the European People's Party, dedicated to the promotion of Christian Democrat, conservative and like-minded political values.

Wilfried Martens Centre for European Studies
Rue du Commerce 20 Brussels, BE 1000

For more information, please visit www.martenscentre.eu

Typesetting and Cover design: Victoria Agency

This publication receives funding from the European Parliament.

© 2026 Wilfried Martens Centre for European Studies

The European Parliament and the Wilfried Martens Centre for European Studies assume no responsibility for facts or opinions expressed in this publication or their subsequent use. Sole responsibility lies with the authors of this publication.

