



EPP LEADERS' RETREAT

Zagreb, Croatia • 30-31 January 2026

Demographic Renewal: A Strategic Imperative for Europe

(text initiated by HDZ)

Over the past seventy years, Europe has built one of the most successful political and economic models in history. Peace, integration and prosperity have transformed our continent. Yet today, **Europe faces a profound demographic challenge**: population ageing, depopulation and persistently low birth rates are becoming defining features of our societies, driven by long-term economic, social and generational trends.

Across all Member States, **fertility rates have fallen well below the replacement level of 2.1 children per woman** and today range between 1.06 and 1.81, with an average of around 1.38. This is reducing the share of young people in our societies and accelerating overall population ageing, placing growing strain on pensions, labour markets and healthcare systems across Europe. In this context, European economies increasingly rely on workers from third countries to contain the decline of the working-age population in the short term. While well-managed immigration can contribute to economic vitality, it requires credible integration policies and effective control of migration flows, and cannot become a substitute for Europe's own demographic renewal. **Europe must therefore invest both in younger generations and in building a genuine "longevity society"** – not by simply extending working lives, but by enabling healthier, more skilled and more productive lives at all ages.

If current trends continue, the European Union is expected to account for **only around 4% of the world's population by 2070**, whereas at the beginning of the 20th century Europe as a continent accounted for nearly a quarter. The competitiveness, prosperity and strategic weight of the European Union depend on its demographic vitality. **A shrinking Europe**, unable to sustain its demographic strength, **will inevitably become a weaker Europe**, less able to protect its citizens, its economy and its values in an increasingly competitive and unstable world.

I. Europe's third great transition

Demography is therefore **not a marginal issue, but a central strategic question**, requiring a coordinated EU response tailored to diverse national and regional realities. Demographic change constitutes Europe's third great transition, alongside the green and digital transitions, shaping the conditions of economic growth, long-term competitiveness and social cohesion.

Within the European Union itself, larger families are not uncommon among less affluent households. This underlines a crucial reality: **the decision to have children depends not only on income levels**, but at least as much on deeply rooted social norms, value systems, and the broader cultural environment. Access to affordable childcare, adequate housing, full-day schooling, genuine work-life balance and a social climate that values parenthood all matter at least as much as financial incentives. **This calls for comprehensive and sustained support for children, parents and families.** For this



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reason, the European People's Party reiterates the importance of **affordable housing** as a central demographic and societal challenge. Across the European Union, our member parties are leading initiatives at national level to ensure affordable housing for our citizens. The EPP calls for stronger legal certainty to address illegal occupation, ensuring that this phenomenon does not deter families from renting out their properties. Such deterrence reduces the housing supply and ultimately aggravates the housing crisis and affordability challenges.

For the European People's Party, this debate goes to the heart of our values. Our political family is rooted in Christian democracy, humanism, personal responsibility and solidarity – and it is committed to building a strong, united and sovereign Europe. A society that does not renew itself cannot remain confident, dynamic or free. **Demographic renewal is therefore not merely an economic necessity, but a civilisational responsibility.**

At the initiative of Croatia, demography was recognised as a strategic challenge and included in the **New Strategic Agenda 2019–2024**. In addition, since 2019 demography has been part of a dedicated portfolio in the European Commission held by **EPP Vice-President and Commissioner Dubravka Šuica**. This has confirmed that demographic trends require not only national responses, but also European coordination, support and long-term strategic direction.

Therefore, the EPP affirms that **demographic renewal must be a strategic imperative of the European Union**, on a par with competitiveness, security, energy and technological sovereignty. Demographic considerations must be systematically mainstreamed into all major European policies, and demographic impact assessments should become a standard component of strategic decision-making at European level. This third transition must now be fully integrated into European strategic and policy frameworks.

II. A European Demography Strategy

To this end, the EPP calls for the establishment of **a genuine European Demographic Strategy**, fully integrated into the European Semester, cohesion policy and long-term budgetary planning, and accompanied by a regular State of Europe's Demography Report presented to the European Council. The scale and urgency of the challenge call for decisive action, after decades in which demographic change was too often underestimated or ignored. This strategy must be supported by an appropriate institutional architecture at EU level, ensuring sustained political commitment, coordination and continuity across the European Commission and the Council, while fully respecting the principle that family policy remains primarily a national competence.

In this context, and building on repeated calls by the European Commission, the European Parliament, the Council and the EPP itself, the EPP considers exploring possibilities for more substantive and institutional engagement of the European Union in fostering demographic revitalisation in Europe.



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Demographic considerations must also be **fully embedded in EU economic governance**. Demography-related challenges should be addressed upstream, as an integral part of policy coordination within the European Semester and in the work of the relevant Council formations, **in particular the EPSCO and ECOFIN Councils**, and their preparatory bodies. Regular horizontal exchanges at Council level should help ensure sustained political focus on demographic change.

III. Supporting demographic renewal

In order to translate strategic ambition into tangible change, Europe should incorporate demographic renewal into EU and national policies, including tax, social and investment policies related to critical infrastructure.

The EPP calls for a **European Child Investment Benchmark** to encourage sustained prioritisation of early childhood, education and family support in national budgets and recovery plans. In addition, financial sustainability criteria, notably ESG, should include the impact on population renewal, in order to provide incentives also to the private sector to integrate family-friendly policies in corporate decision-making.

Within this framework, particular attention should be paid to **families of different sizes, including those with three or more children**. Demographic recovery will be difficult to achieve solely by increasing first birth rates. Policies should therefore ensure that no financial, housing or institutional obstacles discourage families who wish to have a second, third or subsequent child. Possible measures, adapted to national contexts, may include tailored tax and social incentives, housing solutions reflecting the needs of larger families, and the long-term recognition of parental investment within social security systems. Given the difficulties young people in Europe face in achieving independent living, the EPP proposes facilitating the purchase of a first home by means of tax exemptions.

At the same time, Europe must remove some of the most concrete material obstacles to family formation. The EPP supports the development of family-friendly cities and regions, and a voluntary European label recognising municipalities that meet high standards in childcare, schooling, housing and public space for families. The EPP calls for innovative solutions such as the creation of a special European Large Families Card, which would serve to provide large-family status across EU countries and provide tax benefits, educational advantages or discounts when using transport services or attending cultural events, museums, sports or leisure facilities.

IV. Involving all generations

Demographic renewal also requires Europe to value, retain and **mobilise its human capital across all generations**. The EPP therefore supports a comprehensive European approach to increasing labour market participation, particularly among women, young



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people and older workers who wish to remain active, supported by skills development, lifelong learning and more flexible working lives.

For young people, the EPP supports stronger skills-to-jobs pathways, including vocational training, paid apprenticeships and first-job opportunities aligned with labour market needs, in order to reduce delays in family formation and prevent talent loss.

In parallel, the EPP supports the development of a genuine **European longevity agenda**, aimed at promoting active and healthy ageing, strengthening intergenerational solidarity and understanding, and turning longer lives into a social and economic asset.

In a context of shrinking workforces, demographic renewal must be closely linked to productivity, innovation, automation and artificial intelligence, enabling Europe to sustain prosperity and competitiveness with **fewer but more productive workers**.

Territorial cohesion remains a central pillar of demographic resilience. The EPP reaffirms the importance of cohesion and convergence policies as long-term demographic instruments, helping to reduce brain drain and enabling young Europeans to build their future in their home regions should they so choose. In this spirit, the EPP calls for the inclusion of the demographic challenge among the criteria of cohesion funds and affirms the strategic importance of **the “right to stay”** as a core principle of European territorial cohesion and calls for targeted, place-based policies for regions facing depopulation and talent depletion, including islands and the outermost regions. The **next Multiannual Financial Framework (2028–2034)** should continue to support economic, social and territorial cohesion, providing targeted support to all regions with at least the same level of funding as in the current period in real terms.

V. Talent, mobility and managed immigration

At the same time, Europe must attract talents and bright minds from abroad. Complementing the existing Choose Europe initiative, the EPP proposes the launch of a **“Return to Europe”** talent and family initiative, aimed at Europeans living in third countries, combining targeted tax incentives, social security coordination and fast-track recognition of qualifications, in order to attract skills and experience back to Europe and encourage returnees to put down roots, build their lives and raise their families in Europe.

Immigration, if well managed, can and does contribute to Europe’s economic vitality, but it **cannot replace the need for sustainable domestic demographic renewal**. It must therefore be managed in a **firm, realistic and responsible manner**, and be accompanied by effective integration policies and requirements, including language acquisition, civic education and access to work.

VI. Demography 2028–2034

Sound policy requires sound knowledge. The EPP therefore calls for the systematic development and use of Europe’s demographic analytical, forecasting and strategic foresight capacities, in order to support evidence-based policymaking across all relevant EU policies. It also calls for the strengthening of a **“demography-proofing mechanism”**

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for major EU strategies and legislation, to assess their long-term impact on population structures, territorial balance and intergenerational fairness.

Demographic renewal is not only a matter of financial tools, but of shaping a social and cultural environment that values families, children and intergenerational solidarity. It is, ultimately, **a question of Europe's confidence in its own future.**

The European People's Party therefore commits itself to making demographic renewal **a central pillar of its political programme** at European, national and regional levels.