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# DEMOGRAPHIC CHANGE, THE ECONOMY AND THE CLIMATE CRISIS

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The pandemic and resulting distancing measures have particularly affected older and more vulnerable people. However, the demographics are affecting not only health strategy and social security and welfare sustainability but also the implementation of the Green Deal.

Preventing an uncontrollable climate crisis requires keeping the average temperature rise below 1.5°C and completely decarbonising the global economy by 2050 at the latest. However, the 'business as usual' scenario will, based on current demographic trends, lead to a large increase in demand for food, energy, water, urban space and rare metals. Without decoupling prosperity and economic growth from the consumption of raw materials and energy, the transition to climate neutrality will be impossible.

However, demographic changes, combined with altering values and lifestyles, together with the emergence of the ecological/climate crisis, are generating contradictory trends. Such trends cannot be ignored when it comes to healthcare, disease management, social services, employment and economic choices.

Many elderly Europeans are buying holiday homes in the south. At the same time, while the number of households in Europe is increasing, they are shrinking in size, with one-third of all households now consisting of only one member and many people over the age of 65 - especially women - living alone.

On the other hand, many young students and workers are favouring different housing options, reflecting increasing mobility and the possibility of working remotely, becoming

working nomads or making other lifestyle choices. They tend to rent smaller furnished accommodation on a temporary basis, staying in hostels when travelling for work, extending their stay for holidays or in order to socialise and frequently working remotely for different employers. These trends are now being taken on board by tourism platforms (with bookings being made through Hostelworld and Hostelling International) and innovative hostels offering co-housing, co-working and socialising options in response to these new socio-economic needs and trends. Examples of these are: Welcommon Hostel in Athens, the Anemos Ananeosis / Wind of Renewal cooperative, Luoghi Comuni Porta Palazzo providing temporary accommodation in Turin and Community Land Trust Bruxelles, a social housing and collective ownership scheme.

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Demographic developments and the emergence of different values are having a broader impact on

consumption trends and on the economy. Many young people are choosing to travel less by air or private car and more by train and bicycle, in a bid to reduce consumption and make it more sustainable. In addition, they are seeking to apply social and ecological criteria to their purchases, limit their red meat consumption or eliminate it from their diet altogether and reduce their climate footprint. As a result, certain economic activities are emerging more strongly, while others are on the wane.

One of the most acute problems facing us today, that is to say labour shortages, particularly in major economic sectors, is partly down to demographic changes. Restrictive measures have caused a decrease in mobility and migration. Older people are taking early retirement, women are leaving work to care for their children and many young people proving reluctant to (re)enter a labour market offering badly-paid jobs beneath their qualifications. The problems posed by an ageing labour force, high unemployment among the unskilled and the brain drain are all the more acute in the structurally weak economies that are struggling to innovate and adapt. The working-age population of the EU-27 is predicted to shrink by 18% up to 2070. However, the demographic composition and economic structure of each country will play a key role in ensuring a sustainable, green and healthy recovery.

Labour mobility and business dynamism, along with innovative start-ups and social enterprises in the technological, digital and green-energy transition sectors, which have been somewhat restricted by the pandemic, can

nevertheless be a driving force for recovery, depending on the policies pursued. The Recovery and Resilience Facility, coupled with the 2021-2027 MFF, should contribute to more robust healthcare, social and economic policymaking that is responsive to the multiple environmental and demographic crises, without leaving behind large parts of society. Short-term solutions to the problems highlighted by the pandemic must also respond to structural problems, such as the decline in the working-age population (20-64) or shortages of the highly skilled professionals required in the technical, social and healthcare sectors, not to mention those needed for the green and digital transition.

The problem can be partially resolved by adopting a brave and unbiased approach to the targeted education, training and recruitment of migrants. Removing economic obstacles and promoting the ecological and green energy transition also requires an organised approach to education and training for the rapid integration of young people and migrants into the workforce. This must be accompanied by the re-skilling and up-skilling of existing workers - especially older workers - to meet the rapidly changing needs of the economy in terms of knowledge, social values and technology.

