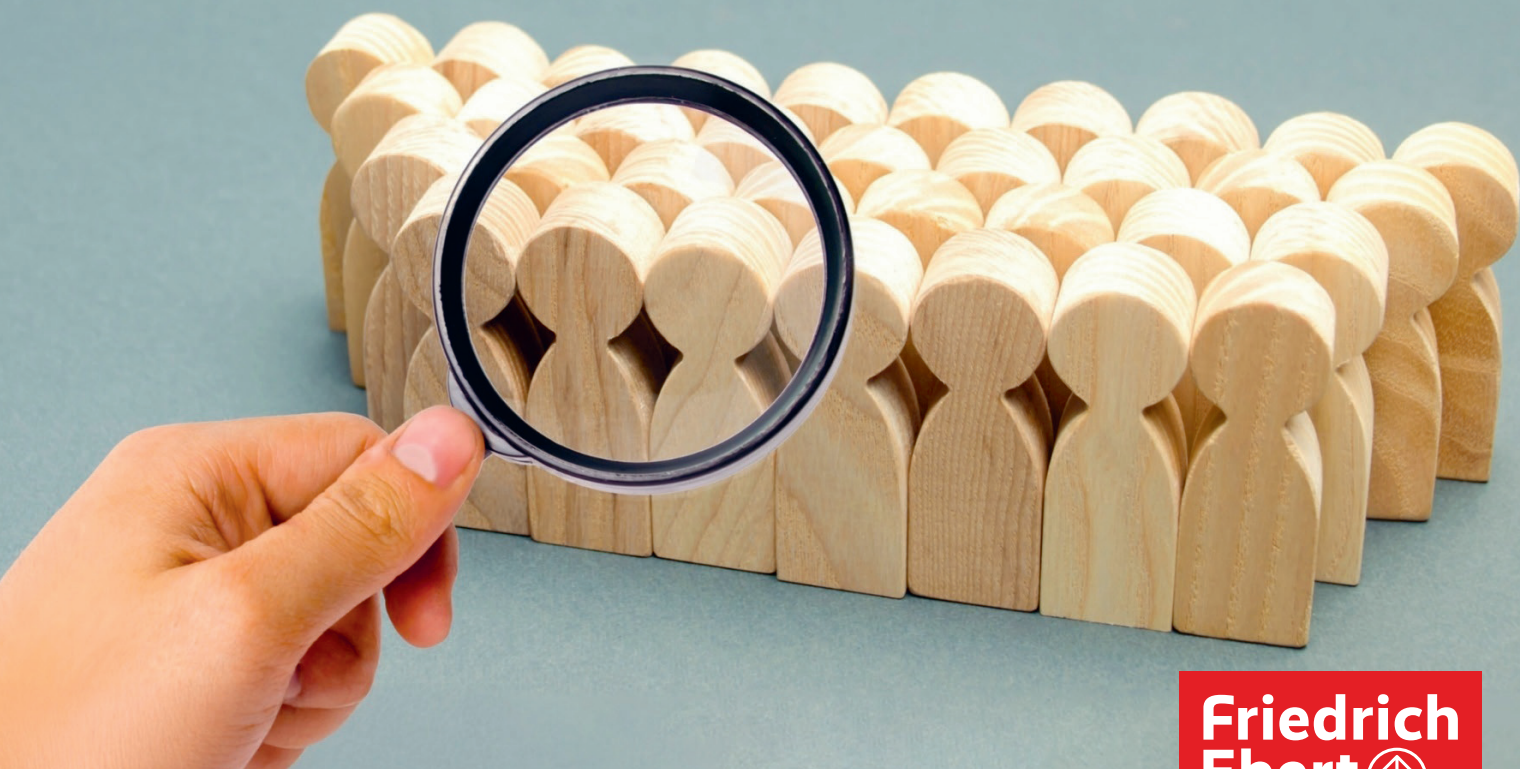


Dr. Maria (Marily) Mexi
June 2025

The Future of Labor in the Context of Greece's Demographic Transition



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Executive Summary

Greece is undergoing a profound demographic transition, marked by population aging, low birth rates, and skilled labor emigration, that is reshaping the country's labor market. With over 32% of the population projected to be over the age of 65 by 2050 and the total population expected to fall below 9 million, these trends are contributing to labor shortages, regional disparities, and growing pressure on public systems.

Against this backdrop, this policy analysis shifts the focus from the traditional “Future of Work” lens to the “Future of Labor” placing people—rather than jobs—at the center of the discussion. It calls for policies that advance intergenerational fairness, ensure inclusive participation in the labor market, and promote resilience in the face of long-term demographic change. The future of labor in Greece will depend on how effectively the country mobilizes the strengths of all generations in the workforce. By reframing the debate through the lens of demographic transitions, this examination explores who will participate in the labor market, how labor dynamics are evolving, and which policies are needed to build a future-ready, equitable, and sustainable labor ecosystem. Drawing on global comparisons and international best practices, the present analysis provides evidence-based insights and tailored policy recommendations for Greece. Key policy priorities:

- Family-friendly, gender-equal work-life policies
- Flexible, age-inclusive labor markets & active aging strategies
- Universal access to lifelong learning and skills investment across the life course
- Effective labor and return migration frameworks
- Innovation in health and social care systems
- Human-centered approaches to automation and technological innovation
- Promotion of intergenerational equity through inclusive social dialogue
- Cross-sectoral policy coordination for all ages

Immediate, coordinated action is essential. Without decisive reform, Greece's demographic trajectory could entrench labor market imbalances, constrain economic growth, and undermine social cohesion. Yet with strategic foresight and political commitment, the country can transform these challenges into opportunities that drive innovation, inclusion, and long-term resilience.

This analysis is intended for policymakers, social partners, and all stakeholders dedicated to shaping a people-centered, intergenerational, and future-ready labor market for Greece.

1.

Introduction: Reframing the Narrative — From the Future of Work to the Future of Labor

In recent years, much of the global policy discourse has focused on the “Future of Work” — a concept largely shaped by technological disruption, automation, and digitization. While important, this framing often centers on jobs, skills, and productivity, sidelining the broader socio-demographic transformations that are reshaping labor markets, particularly in aging societies like Greece.

This analysis proposes a reframing: from the **Future of Work** to the **Future of Labor**. This shift is not semantic but strategic. It redirects attention to **people, lived experiences, and the intergenerational dimensions** of labor market participation. In the context of Greece’s profound demographic transition, this people-centered lens is essential.

Greece is facing a “triple challenge”:

- **Population aging**, with a sharp increase in the share of those over 65
- **Persistently low fertility rates**, among the lowest in the EU
- **Ongoing skilled labor emigration**, particularly among younger cohorts

These dynamics are leading to **shrinking working-age populations, skill mismatches, and growing pressures on health, pension, and care systems**. The consequences are not only economic but also social — impacting equity, cohesion, and long-term resilience.

Reframing the narrative around the **Future of Labor** allows us to ask new questions:

- Who will make up Greece’s labor force in the coming decades?
- How can we better support workers across all ages while ensuring that all can access decent work?
- What kinds of policy innovation are needed to ensure fairness across generations while ensuring that all workers can access decent work?

By elevating these questions, this analysis seeks to advance a new policy agenda — one that is **inclusive, anticipatory, and rooted in intergenerational solidarity**. The goal is not only to manage demographic change but to **leverage it as a catalyst** for a more resilient and human-centered labor future.

2. Demographic Trends and Global Comparisons

Box 1

Over recent decades, Greece has clearly joined the ranks of the world's aging societies. The country's median age has steadily increased, driven largely by a dramatic decline in birth rates. This demographic shift is not unique to Greece. Countries like Japan, Germany, South Korea, and China are facing similar transitions. Meanwhile, emerging economies in Africa and Southeast Asia are entering the early stages of aging. Greece must learn from these contexts to design adaptive and future-facing policies that secure decent livelihoods across the life course.

Taking a global view, population aging is no longer confined to wealthy, industrialized nations but has become a worldwide trend. Countries such as Japan, Italy, and Finland — where nearly 30% of the population is already over 60 — are often seen as pioneers of this trend. However, aging is now accelerating in many developing regions as well, driven by improvements in healthcare, education, and economic development across Asia, Latin America, and parts of Africa (UN DESA, 2024). The World Health Organization projects that by 2050, two-thirds of the world's population aged 60 and over will reside in these regions.³ While Greece belongs to the high-income group of countries, its demographic transformation firmly places it within this broader global shift.

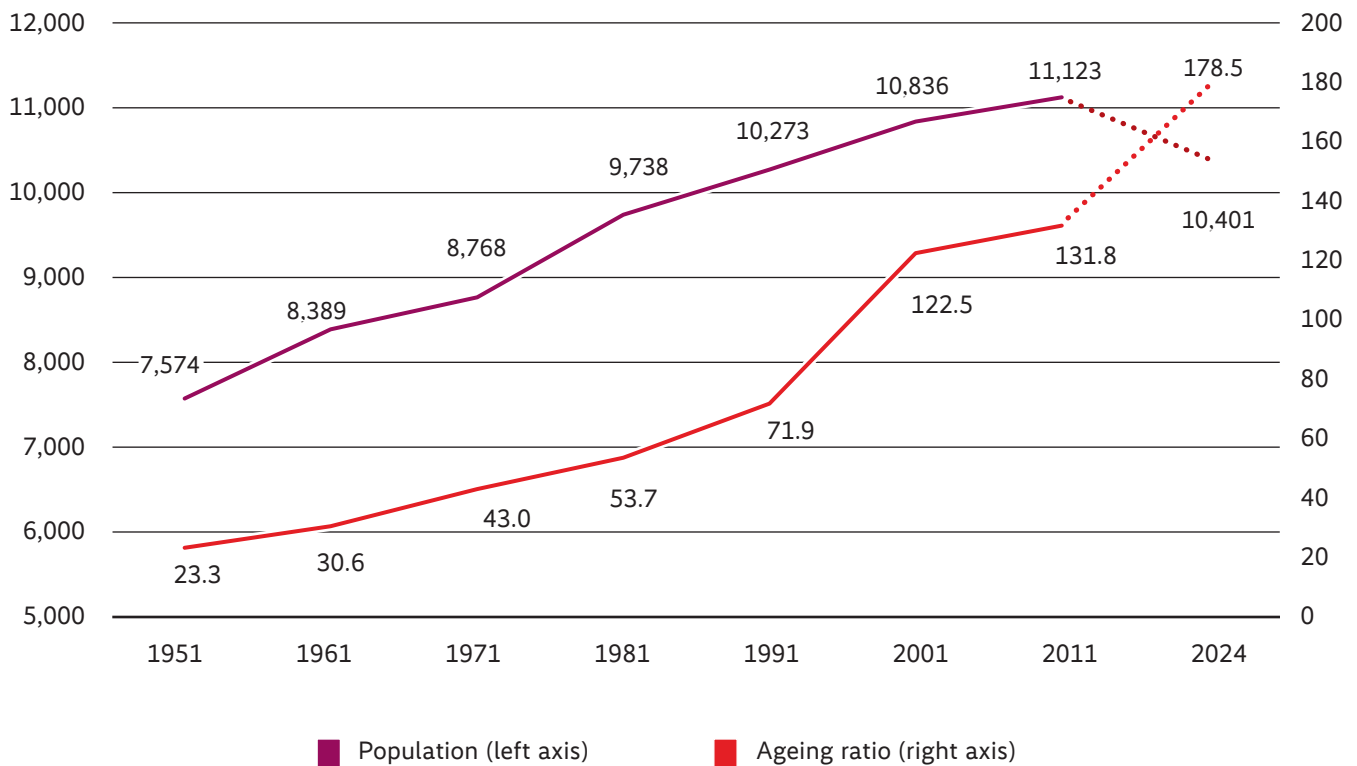
Greece is among the most rapidly aging countries in Europe. According to the most recent data from the Hellenic Statistical Authority (ELSTAT), the country's population has declined from over 11 million in 2011 to an estimated 10.4 million in 2024 (Graph 1).¹ Projections indicate that, assuming a zero net migration balance, Greece's total population is expected to decrease by 1.3 to 1.5 million between 2025 and 2050 (Institute of Demographic Research, 2025). Fertility rates have remained among the lowest in the EU, standing at just 1.3 births per woman in 2023—significantly below the replacement threshold of 2.1. By contrast, in 1970, the fertility rate was 2.4 children per woman, exceeding replacement level.² The aging ratio—defined as the number of individuals aged 65 and over per 100 individuals aged 0–14—has surged to 178.5 in 2024, up from around 72 in the early 1990s (Graph 1), signaling Greece's transition toward a “super-aged” society. As of 2024, children aged 0–14 account for just 13.1% of the population, the working-age group (15–64) represents 63.6%, and those aged 65 and above make up 23.3% (Graph 2). These demographic dynamics highlight not only a shrinking population, but also a fundamental shift in the age structure of Greek society—with profound implications for the country's labor market, welfare systems, and long-term economic sustainability.

1 See Data on Estimated Population (1.1.2024) and Migration Flows (2023), available at: [https://www.statistics.gr/documents/20181/b248e72c-2917-bdae-1d15-98d22787adb7#:~:text=Data%20on%20Estimated%20Population%20\(1.1,to%20178.5%20\(Graph%201\).](https://www.statistics.gr/documents/20181/b248e72c-2917-bdae-1d15-98d22787adb7#:~:text=Data%20on%20Estimated%20Population%20(1.1,to%20178.5%20(Graph%201).)

2 See ELSTAT – “Total Fertility Rate (1950–2023)”, available at: <https://www.statistics.gr/en/statistics/-/publication/DKT75/2021>

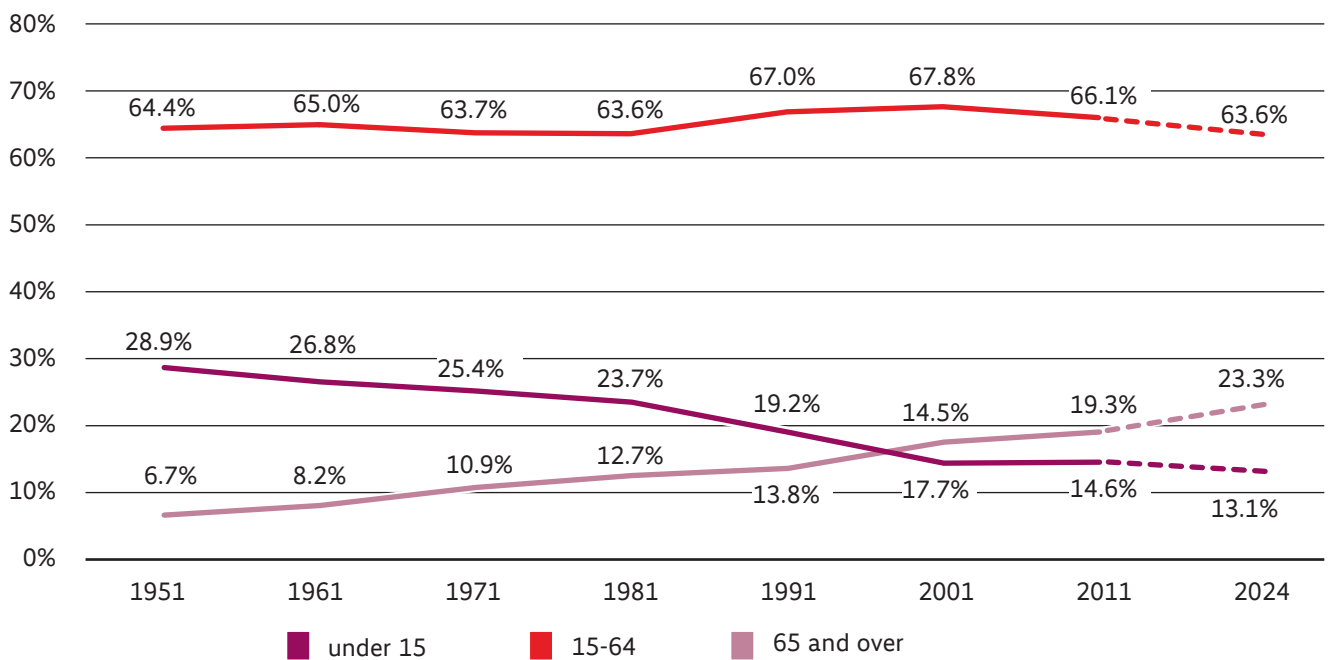
3 Data retrieved from the World Health Organization (WHO) – *Ageing and Health*, available at: <https://www.who.int/news-room/fact-sheets/detail/ageing-and-health#:~:text=In%202050%2C%2080%25%20of%20older,children%20younger%20than%205%20years.>

Estimated population and ageing ratio (1951–2011 and 2024)



Source: ELSTAT, 2024

Population distribution by broad age groups (1951–2011 and 2024)



Source: ELSTAT, 2024

3.

Labor Market Resilience Amid Demographic Shifts

Greece's demographic transition—often referred to as the “real population bomb”—is placing growing strain on the country's labor market. A shrinking workforce, acute shortages in critical sectors, and widening regional disparities are no longer projections but present-day realities, already constraining productivity and exacerbating skills mismatches. This shift is rooted in a combination of long-standing structural and socio-economic challenges: prolonged economic uncertainty, persistent underemployment—particularly among youth and women—insufficient family support systems, and the absence of robust work-life balance policies. Since 2010, the emigration of over 600,000 predominantly young and highly skilled individuals has further eroded Greece's human capital, intensifying labor market pressures.⁴

Beyond the labor market, these demographic shifts are driving broader systemic challenges, including mounting fiscal pressure on pension and healthcare systems and rising demand on already stretched social protection infrastructure. According to the **European Commission's 2024 Ageing Report (European Commission, 2024a)**, age-related public spending may stabilize by **2070**, but **short- and medium-term pressures** on the labor market and fiscal system are intensifying and require **immediate policy attention**. Left unaddressed, these demographic headwinds could severely undermine Greece's ability to:

- Sustain inclusive economic growth;
- Finance its social protection systems;
- Deliver on green and digital transition goals.

These pressures underscore the urgency of adopting forward-looking labor policies that not only respond to immediate demographic challenges but also lay the foundation for long-term resilience. In this context, building a labor market that can adapt and evolve will be essential.

A resilient labor market — one that adapts to demographic shifts through strategic foresight, inclusive policies, and investment in human capital — will be **critical to safeguarding Greece's competitiveness, cohesion, and social contract** in the decades to come.

The following subsections explore five key fault lines shaping Greece's future of labor and labor market resilience:

a. The Vanishing Workforce

Box 2

Greece is entering a new era of structural labor shortages — not due to cyclical downturns, but because of deep demographic and policy misalignments.

As the working-age population contracts and retirees outpace new workforce entrants, the country is facing a growing and persistent mismatch between labor supply and demand. This shortage affects both **high- and low-skilled occupations**, especially in sectors vital for Greece's economic resilience and its green and digital transitions — **healthcare, agriculture, construction, tourism, and digital services**.

Key trends underscore the urgency:

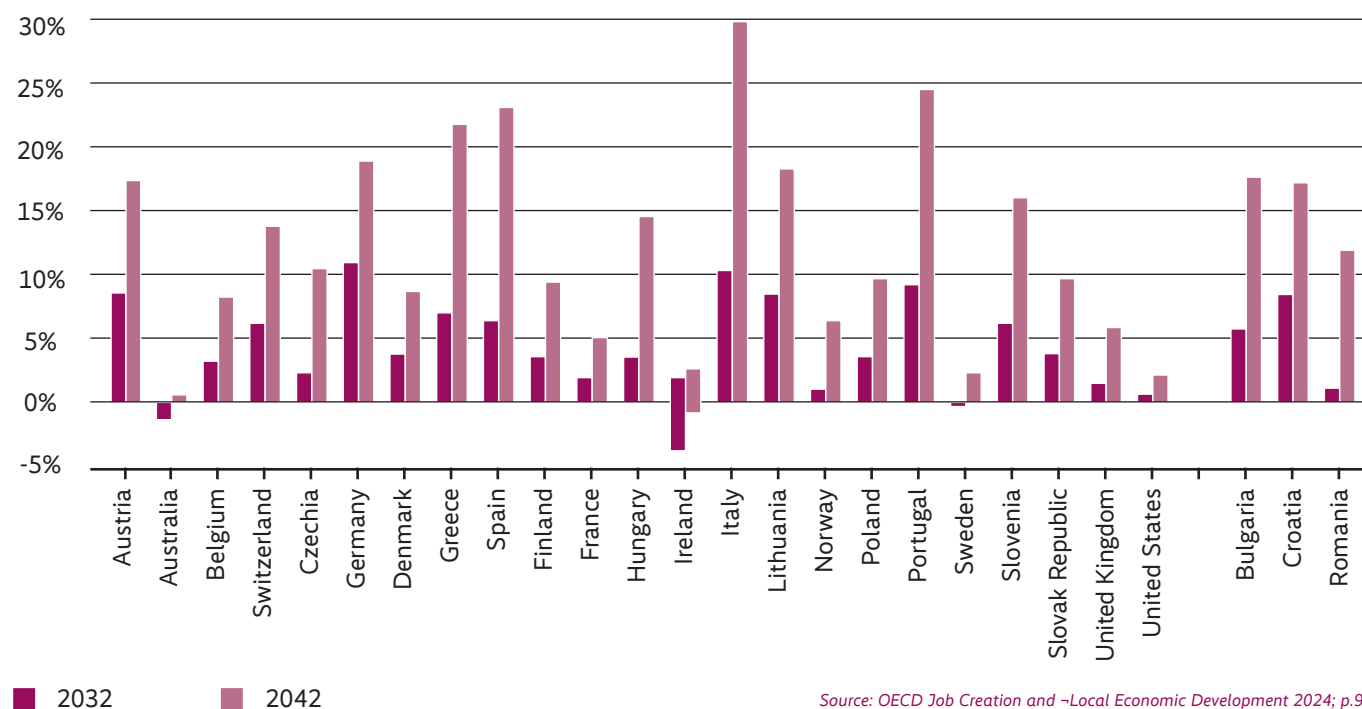
- Between **2019 and 2022**, labor market tightness surged globally: by **50% in Germany** and **80% in the U.S.** But **Greece outpaced both**, with job vacancies rising by **115.6% in just the first half of 2024** (Bank of Greece, 2024).
- Employers are now **competing fiercely for scarce talent**, pushing **nominal wages up by 5% annually**. Without corresponding productivity gains, this wage inflation risks undermining Greece's **export competitiveness**.
- By **2042**, labor shortages across the Organisation for Economic Co-operation and Development (OECD) countries are projected to rise by **9%**, with Greece facing one of the **sharpest increases — up to 21.7%** — due to its rapidly aging workforce.
- Low participation among **older workers**, stemming from **digital skill gaps, health constraints, and age-based hiring discrimination**, further constrains labor supply (Botelho and Weißler, 2022).

⁴ See To Vima – “Greece's Bold Plan to Reverse Brain Drain by 2027”; available at: <https://www.tovima.com/society/greeces-bold-plan-to-reverse-brain-drain-by-2027/#:~:text=Newsroom-,According%20to%20official%20data%2C%20by%202024%2C%20approximately%20350%2C000%20of%20the,50%2C000%20young%20professionals%20by%202027.>

Average projected change in labor market tightness

(given net working age population change by country, indexed to 2022)

Fig. 1



Source: OECD Job Creation and –Local Economic Development 2024; p.95

The impact is far-reaching. Labor shortages are already hitting occupations that are critical to the EU's green and digital ambitions (OECD, 2022; OECD, 2023a; OECD, 2023b). A 2025 Capital Economics study estimates that chronic labor shortages and low migration inflows could reduce Greece's long-term GDP growth potential⁵ — a significant loss, especially at a time when Greece is consolidating its fragile post-crisis recovery.

Key Takeaway:

The workforce is not just shrinking — it is vanishing. Without bold action to increase labor participation, invest in skills, and attract and retain talent, labor shortages will choke Greece's growth, undercut transition efforts, and deepen regional and generational inequalities.

b. The High Cost of Growing Old

Greece's demographic time bomb is not just a pension or healthcare issue — it threatens the long-term sustainability of the entire fiscal system.

As the population ages, public spending pressures will intensify:

- Pensions already absorb 16.4% of GDP, the highest share in the EU. Without reform, this is projected to rise to 18–19% by 2050, increasing strain on public finances.

- The gross replacement rate — a key indicator of pension adequacy — is expected to fall to 55% by 2060, undermining retirement security and social equity (European Commission, 2024a).

- Healthcare costs are set to rise by 0.6 percentage points of GDP between 2022 and 2070, driven by increased demand for long-term care and chronic disease management. This growth exceeds the EU average and will place further pressure on already stretched health services.

The long-term fiscal outlook is alarming. By 2100, Greece could face:

- A 31% drop in real GDP
- A 48% decline in employment — equal to 2.1 million fewer workers
- A €14 billion loss in public revenues

Source: IOBE, 2022

In a context of persistent public debt, these demographic trends risk amplifying fiscal vulnerabilities, limiting the government's ability to invest in inclusive growth or respond to future shocks — be they economic, environmental, or geopolitical.

⁵ Information retrieved from Capital Economics - *Lack of Labour Casts Shadow Over Greek Recovery*. Available at: <https://www.capitaleconomics.com/publications/eu-rop-economics-update/lack-labour-casts-shadow-over-greek-recovery>

Key Takeaway:

Aging is not just a social challenge — it is a fiscal cliff. Without bold and proactive structural reforms, Greece risks a future of economic stagnation, declining public services, and widening inequality.

c. Talent Gaps, Mismatches, and the War for Skills

Box 3

Greece is on the frontline of a global «war for talent». Employers across the country are increasingly struggling to find qualified candidates — a situation that reflects deep-rooted structural challenges and demographic pressures.

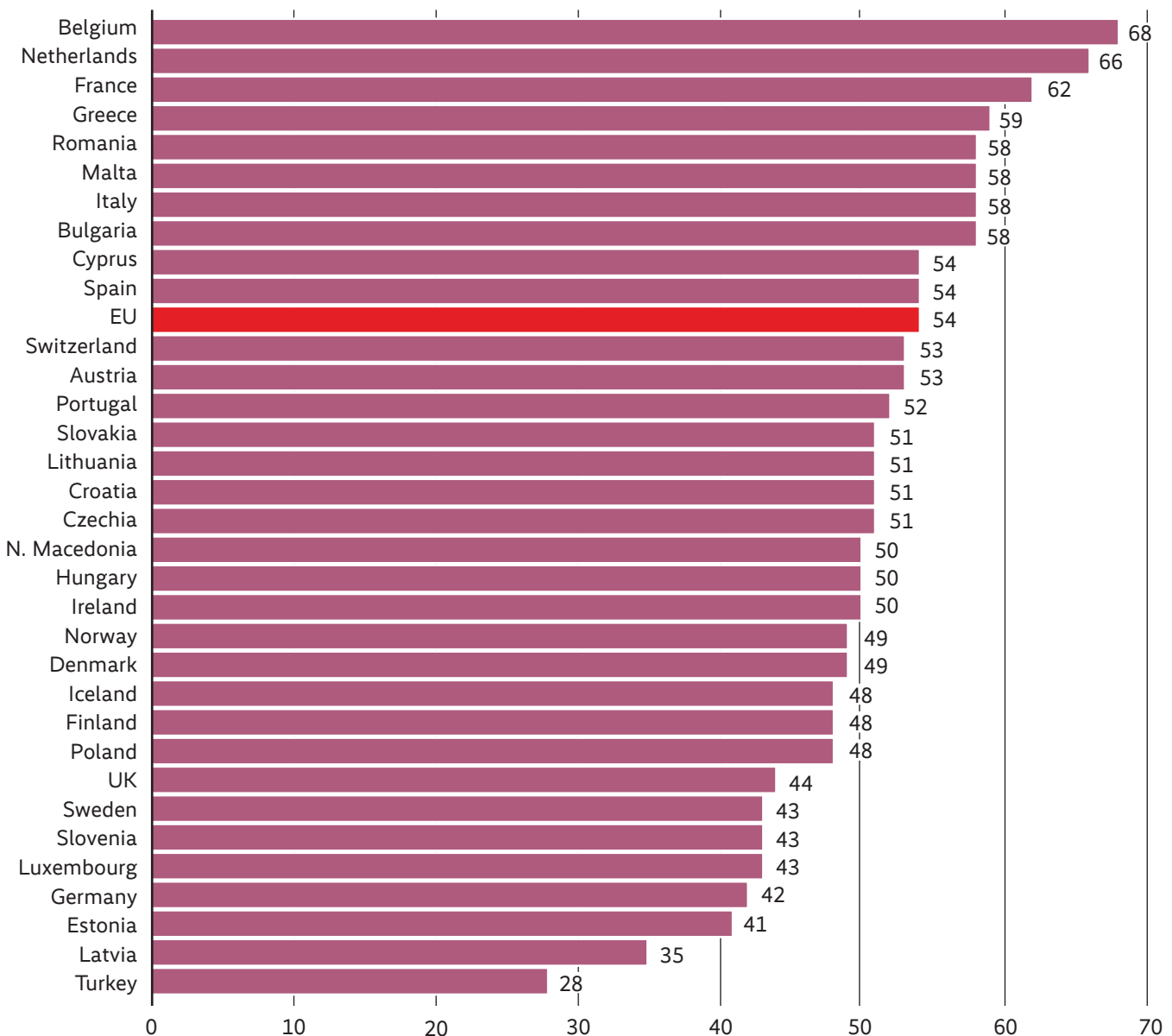
In 2023, 82% of employers in Greece and Germany reported difficulties in filling positions — the highest figures across the EU (ManpowerGroup, 2024).⁶ The sectors hardest hit by skills shortages include:

- Healthcare
- Construction
- Tourism
- Agriculture
- Information Technology (IT)

A Eurobarometer survey (2023)⁷ found that more than half of EU SMEs, and an even higher share in Greece, cite the lack of qualified applicants as their main hiring barrier.

Fig. 2

Difficulties in finding employees with the right skills (2023)



Source: Eurobarometer Survey, carried out late 2023

⁶ Data retrieved from: <https://www.euronews.com/business/2024/04/08/eu-jobs-crisis-as-employers-say-applicants-dont-have-the-right-skills>)

⁷ Data available at: <https://europa.eu/eurobarometer/surveys/detail/2994>

Furthermore, according to ELSTAT data, job vacancies in Greece surged by 32.6% in Q3 2024, reaching 48,813 openings. Key sectors include:

Sector	Q3 2024 Vacancies	Q3 2023 Vacancies
Education	11,642	2,669
Public administration & defence	6,903	1,911
Accommodation & food service	6,345	3,297
Wholesale & retail trade	8,447	6,125
Administrative & support services	2,255	1,605

Source: Capital.gr, December 2024

These acute shortages are driven by a combination of low birth rates, population aging, and the emigration of skilled workers, while the labor force participation rate remains low at 60.3% (Q3 2024).

At the EU level, the European Commission has identified 42 occupations with critical shortages — stemming from the dual pressures of the green and digital transitions and the need to replace retiring workers. With the EU’s working-age population projected to shrink from 272 million in 2009 to 236 million by 2050, the race for talent is intensifying (European Commission, 2024b).

Structural Barriers Aggravating Talent Shortages

The growing mismatch between labor supply and demand in Greece is exacerbated by policy gaps in several key areas:

- Youth demographics: The shrinking pool of younger workers — who tend to be more mobile and adaptable — limits labor market flexibility.
- Childcare and gender gaps: Insufficient investment in early childhood education and care undermines female labor force participation.
- Housing mobility: A lack of affordable housing hinders geographic mobility, job access, and participation in training.
- Older workers: The absence of active policies to retain and retrain older workers worsens the strain on available labor.

Without a comprehensive approach, Greece risks entering a long-term cycle of labor shortages, missed productivity gains, and stalled growth — particularly as it races to meet its climate and digital transformation targets.

Key Takeaway:

Talent is Greece’s scarcest economic resource. To close the gap between workforce demand and supply, Greece must act decisively: investing in education and skills across the life course, improving labor mobility, and building inclusive pathways into and back into the labor market.

d. The Geography of Inequality

Demographic pressures are not evenly distributed across Greece. While urban centers like Athens and Thessaloniki continue to attract talent, investment, and public resources, rural, mountainous, and island regions are facing an accelerating decline. These areas are marked by youth outmigration, population aging, and shrinking public service provision, creating a growing divide in access to decent work and essential infrastructure.

This urban-rural disparity not only deepens social and economic inequalities but also weakens Greece’s overall resilience, particularly in the face of future crises such as climate shocks or economic downturns.

To prevent irreversible demographic and labor market decline in peripheral regions, targeted place-based policies are urgently needed. Key priorities include:

- Expanding high-speed broadband and digital infrastructure to connect remote areas
- Incentivizing remote and hybrid work models, particularly in the public and knowledge-based sectors
- Establishing local skills hubs and vocational centers tailored to regional labor market needs
- Supporting circular and green economy initiatives that harness local assets and create jobs
- Strengthening transport and social infrastructure, including healthcare, childcare, and eldercare services

Key Takeaway:

No region should be left behind. A just and inclusive labor future for Greece requires a balanced geographic approach that revitalizes rural and remote communities while unlocking their untapped potential.

e. A Glimmer of Hope: From Brain Drain to Brain Gain?

Box 4

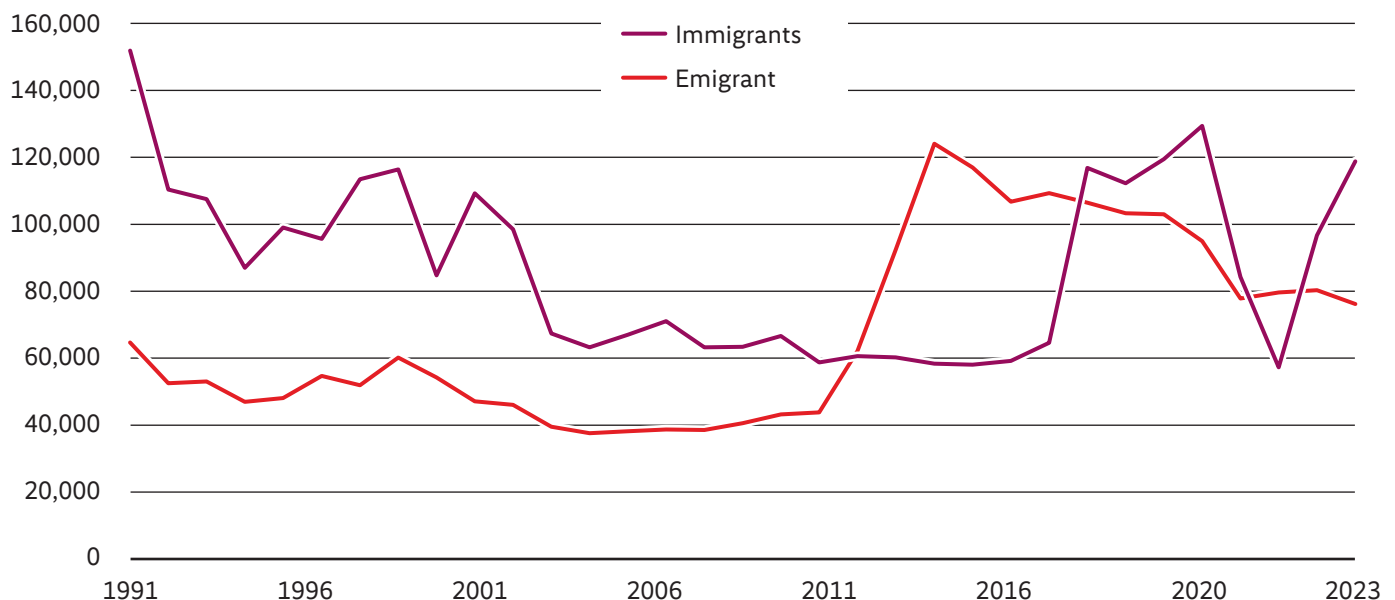
Recent data suggest that return migration to Greece is gradually increasing, hinting at a possible — if fragile — reversal of the brain drain. Yet to translate this momentum into a sustainable “brain gain”, Greece must ensure the foundations for decent work are firmly in place: competitive wages, quality employment opportunities, affordable housing, and robust public services.

Between 1991 and 2023, Greece experienced a **significant net outflow of talent**, as emigration consistently outpaced immigration. This was particularly pronounced during the economic crisis years, with **emigration peaking in 2015 and 2017**, each exceeding 100,000 people — mostly young, educated, and skilled workers seeking better prospects abroad.

While **emigration remained high into the mid-2010s**, a shift began to emerge post-2020. By **2023**, the gap between emigration and immigration had **narrowed**, suggesting the early effects of “**brain gain**” initiatives and a modest improvement in Greece’s economic outlook.

Immigrants - emigrants, 1991 – 2023

Fig. 3



Source: ELSTAT, 2024

Still, this positive trend remains precarious. Many returnees face the same structural issues that originally drove their departure: limited career progression, cost-of-living pressures, and weak institutional support.

To sustain and accelerate return migration, Greece must address critical enablers, including:

- Competitive and transparent salary structures
- Long-term career development opportunities
- Clear professional pathways and mobility
- Accessible, affordable housing in urban and regional hubs
- Modernized, responsive public services (e.g. childcare, healthcare, digital infrastructure)

Key Takeaway:

Demographic decline is not destiny. Greece has a narrow window of opportunity to reverse chronic labor shortages and re-engage its skilled diaspora. Targeted, coordinated policy action today can shape a future of shared prosperity and inclusion.

4.

Policy Responses and International Practices

Aging Populations Demand Bold, Balanced, and Fair Policies

As populations age, countries face a common imperative: to design policy responses that are socially just, economically sustainable, and demographically strategic. The challenge goes beyond managing the consequences of aging — it involves leveraging demographic shifts as opportunities for inclusive growth and enhanced societal resilience. This requires balancing support for older adults with measures to sustain labor market vitality and promote intergenerational equity. A coordinated, forward-looking approach—drawing on international experience—is essential to expand labor force participation, invest in skills, innovation, and automation, and reinforce intergenerational cohesion as a pillar of long-term sustainability.

a. Asynchronous Aging and the Role of Labor Migration

A significant global trend is asynchronous aging: while many developed countries experience shrinking working-age populations and tightening labor markets, other regions continue to have surplus labor forces. This demographic mismatch has catalyzed managed labor migration as a pragmatic and mutually beneficial solution. Migrant workers often fill critical labor shortages, supporting economic stability and social welfare systems in aging societies.

The success of such approaches depends heavily on effective cooperation among social partners — governments, employers, and trade unions — through tripartite and bipartite social dialogue (Mexi, 2022; ILO, 2025).

Examples from international practice include:

→ **Germany's Skilled Immigration Act (2023–2024):** Developed through tripartite consultation, the legislation sets out to increase the annual inflow of

skilled workers from non-EU countries by 60,000. The Act simplifies entry and residence procedures for third-country nationals in strategic economic sectors, facilitating a more responsive and needs-based immigration system.⁸

→ **Spain:** The Tripartite Labor Commission on Immigration has played a central role in identifying occupations experiencing labor shortages and determining immigration quotas, in coordination with regional governments. This collaborative process led to the publication of a list of hard-to-fill occupations in June 2022. Furthermore, the social partners were actively involved in the 2022 revision of the Spanish Immigration Regulations, contributing to the development of criteria for granting residency permits to foreign nationals, as well as procedures for renewing or revoking permits and defining penalties for regulatory violations.⁹

→ **Brazil:** The National Immigration Council, established as a tripartite institution under the Ministry of Labor, advises the government on migration policies, ensuring stakeholder input in shaping frameworks.¹⁰

→ **Australia:** A tripartite approach has been adopted to address workforce shortages in the elderly care sector through the introduction of a new Aged Care Industry Labor Agreement. This agreement is designed to facilitate the recruitment and retention of workers by attracting foreign talent. Key features include incentives such as an expedited two-year pathway to permanent residency, which aim to make employment in the sector more appealing to international care workers.¹¹

Other countries have also introduced points-based immigration systems or sector-specific schemes to attract younger, skilled workers and address shortages in key sectors:

→ **Canada's Global Talent Stream:** Offers fast-track visas targeting high-demand STEM (Science, Technology, Engineering, and Mathematics) occupations.¹²

⁸ See: "Germany to Pass Immigration Reform Law This Week", Reuters, 19 June 2023.

⁹ European Commission, "Press Release on Spain: Government Adapts Immigration Law to Include Migrant Workers in the Labour Market", 5 September 2022.

¹⁰ ILO, "National Council of Immigration" (Known by the Acronym CNIG in Portuguese), ILO MIGRANT Good Practices Database, accessed 15 July 2023.

¹¹ See: Australia, Ministry for Immigration, Citizenship and Multicultural Affairs, "Press Release on A Tripartite Approach to Address Workforce Shortages in Aged Care", 5 May 2023.

¹² See: *Express Entry Chances for STEM Occupations in 2025*, available at: <https://amcaim.ca/express-entry-chances-for-stem-occupations-in-2025/>

→ **Portugal:** Promotes **circular migration and reintegration programmes** targeting returnees from the diaspora as part of broader efforts to boost the national labor supply. In a complementary move, the **Lisbon City Council (CML)** approved the development of a **new digital platform** designed to facilitate the integration of migrants into the city's labor market. Considered a **pioneering initiative in Europe**, the platform aims to **match migrants' skills with the needs of local companies**, fostering more structured and dignified access to employment.¹³

At the international level, the International Labor Conference (ILC) resolution (2023) on labor protection emphasizes the vital contribution of migrant workers to sustainable development and labor markets. However, it also highlights persistent challenges, such as discrimination and limited access to labor rights protections, underscoring the need for comprehensive policy frameworks that ensure fair treatment and social inclusion of migrant workers.¹⁴

b. Family-Friendly and Work-Life Balance Policies for Long-Term Renewal

To counteract declining fertility rates, governments worldwide are increasingly investing in family-supportive policies aimed at creating conditions for long-term demographic and societal renewal. **France**, for instance, has historically maintained one of the highest fertility rates in the EU, supported by a comprehensive family support system that includes child allowances, extensive public childcare, paid parental leave for both parents, and tax benefits for families. However, due to a recent decline in fertility rates, these policies have been under reform to better address emerging challenges and encourage family growth.¹⁵ In other countries efforts vary according to specific demographic challenges. In **South Korea**, despite record-low fertility rates, the government has expanded cash incentives for new parents and is investing in housing subsidies, better gender equality, and workplace flexibility tailored to young families. While demographic change is gradual, such policies are foundational for building long-term societal resilience.¹⁶ Moreover, evidence from EU Member States shows that a combination of well-designed

work-life balance measures can encourage more equitable caregiving roles between parents and reduce the unequal care burden often placed on women. Key elements of such measures include flexible working hours, properly structured parental leave (especially non-transferable and well-compensated options for fathers), and initiatives that actively promote leave uptake among men. For instance:

→ **Finland** has introduced a gender-neutral parental leave system, offering equal paid leave to both parents.¹⁷

→ **The Netherlands** offers substantial carers' leave, enabling workers to care for other dependent family members without exiting the labor market.¹⁸

→ **Sweden and Norway** combine well-paid parental leave with comprehensive state-supported early childhood education and care (ECEC), enabling parents—particularly women—to stay active in the labor market. Sweden stands out with 480 days of paid parental leave, equally divided between parents, fostering gender equality and flexible sharing of childcare responsibilities.¹⁹ Figure 4 below illustrates how Greece compares to other European countries in terms of maternity leave duration—an essential component of family-supportive policy frameworks.

¹³ See European Commission – Migration and Home Affairs, https://home-affairs.ec.europa.eu/news/portugal-new-platform-promote-migrant-labour-market-integration-2025-02-03_en

¹⁴ Refer to: International Labour Organization - *International Migrants are Vital Force in the Global Labour Market*, available at: <https://www.ilo.org/resource/news/international-migrants-are-vital-force-global-labour-market#:~:text=Addressing%20the%20needs%20of%20migrant,but%20also%20an%20economic%20necessity.%E2%80%9D>

¹⁵ See *France to Reform Parental Leave After Births Hit Post-War Low*, available at: <https://www.reuters.com/world/europe/france-sees-collapse-births-lowest-since-world-war-two-2024-01-16/>

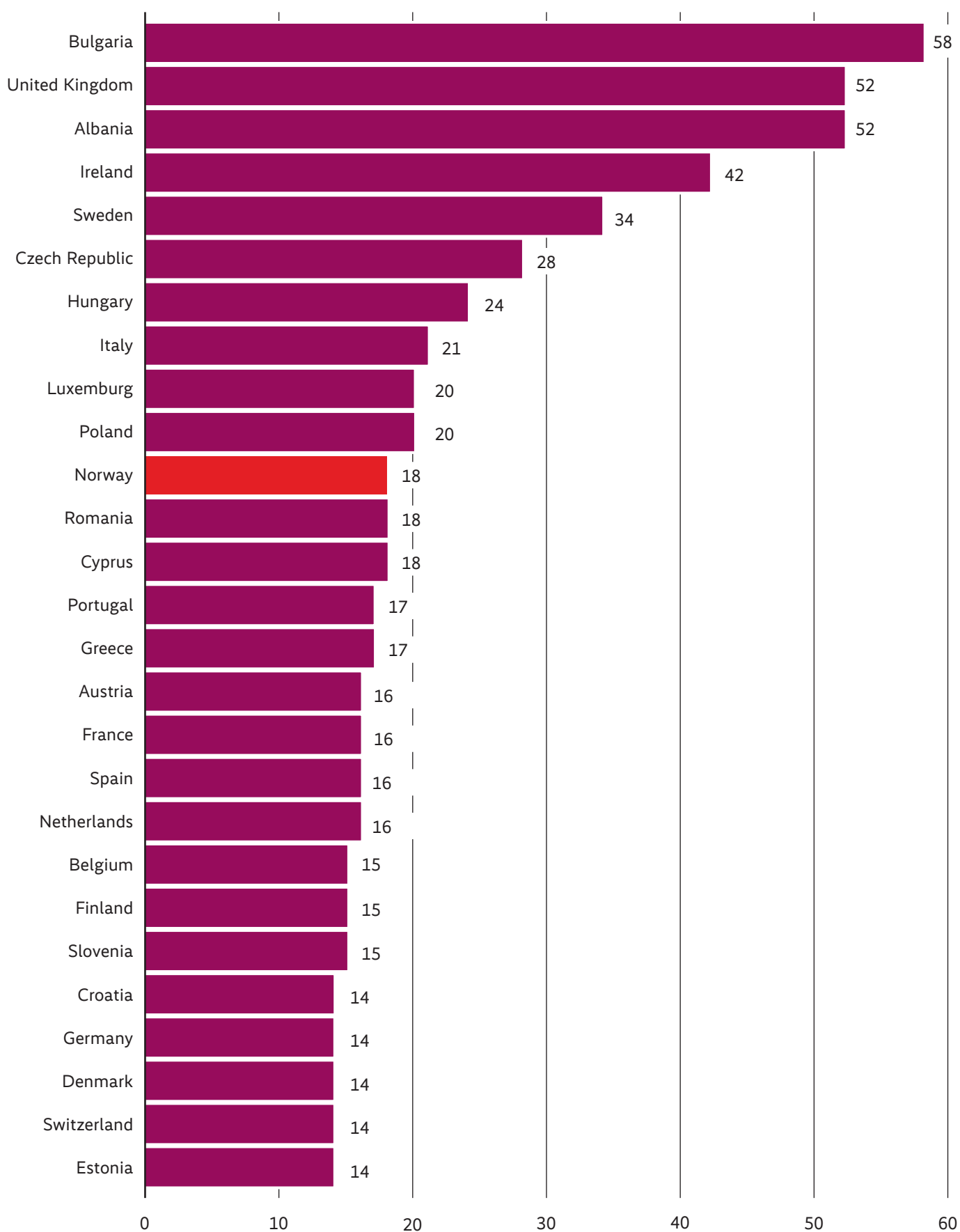
¹⁶ See *South Korea's Plan to Avoid Population Collapse*, available at: <https://www.thinkglobalhealth.org/article/south-koreas-plan-avoid-population-collapse>

¹⁷ See: *European Commission (2023) Demographic Change in Europe: A Toolbox for Action*. COM(2023) 577 final, available at: <https://eur-lex.europa.eu/legal-content/EN/TX/?uri=celex:52023DC0577>

¹⁸ Ibid.

¹⁹ Refer to *Work-Life Balance in Sweden*, available at: <https://sweden.se/work-business/working-in-sweden/work-life-balance>

How Greece compares: Maternity leave duration across Europe (in weeks)



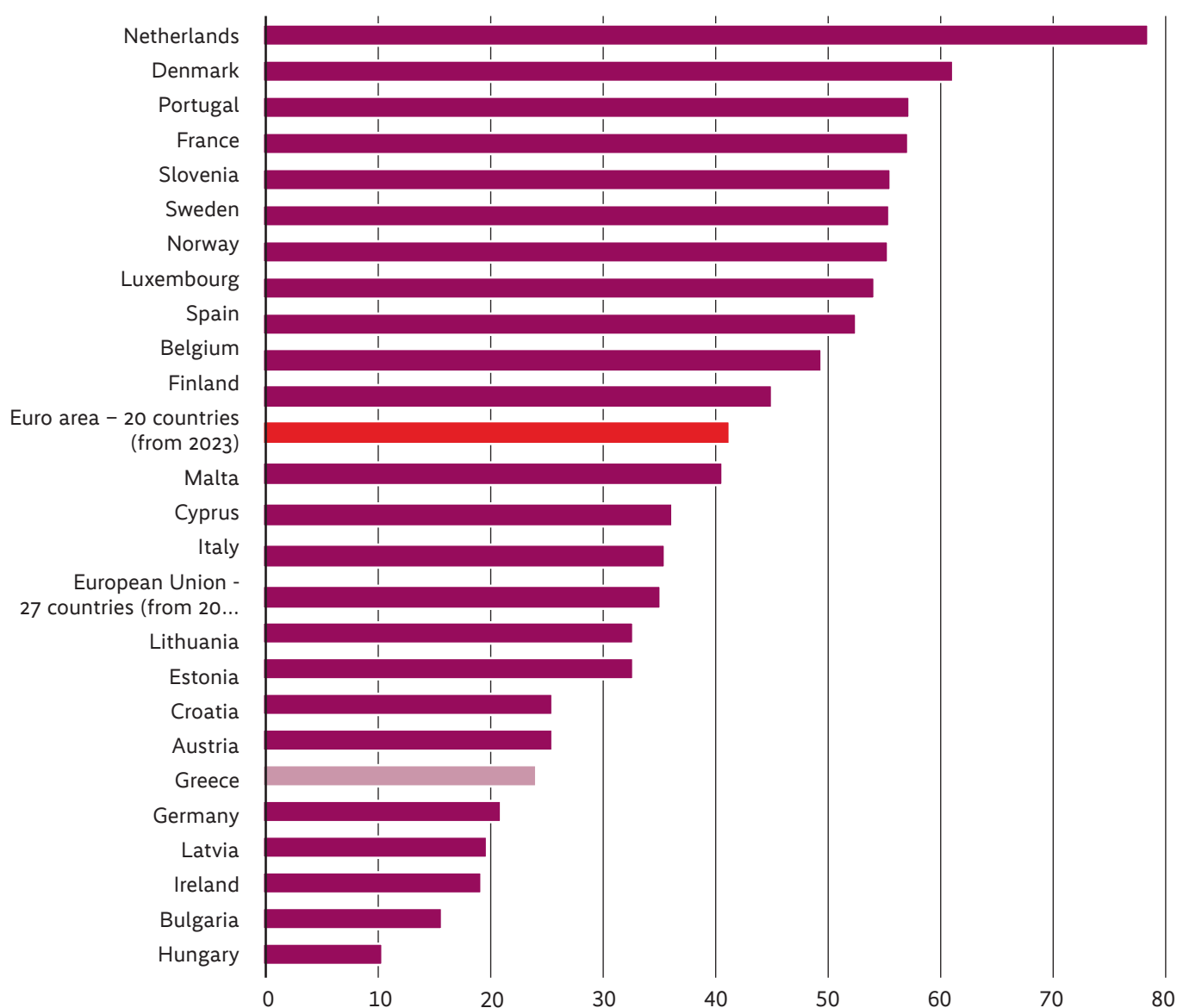
Source: To Vima, May 2025

Concurrently, affordable and high-quality childcare is essential for enabling parents—particularly women—to balance work and family responsibilities and participate fully in the labor market. Several European countries have made notable investments through their Recovery and Resilience Plans: **Croatia** is allocating around €215 million to expand early childhood education and care, aiming to guarantee places for all children over four and create 22,500 new spots, reducing regional gaps. **Portugal** is also prioritizing childcare expansion to support women's employment, particularly in areas with low labor market participation and limited formal care options.²⁰

In Greece, childcare remains a critical bottleneck: only around 29% of children under the age of three were enrolled in formal childcare (for one hour or more) in 2024, significantly below the EU average of 39%. By contrast, countries like the Netherlands (79%), Denmark (63%), and Portugal (59%) demonstrate how strong investment in early childhood education and care (ECEC) can support both child development and female labor force participation.

Fig. 4

Children aged less than 3 years in formal childcare



Source: Eurostat, 2024

²⁰ See: European Commission (2023) Demographic Change in Europe: A Toolbox for Action. COM(2023) 577 final.

This undersupply of affordable and accessible childcare is: a major barrier to women's labor force participation (one of the lowest in Europe, at less than 60% in Greece in 2024, compared to an EU average of around 71%)²¹ especially for mothers, a structural constraint on fertility rates, as many couples cite lack of childcare support as a reason for delaying or avoiding having children, a contributor to regional inequalities, as urban areas tend to have more childcare services than rural or remote regions.

Overall, recognizing the absence of effective interventions and the scale of the challenge, Greece's planned National Action Plan on Demographic Policy (*Εθνικό Σχέδιο Δράσης για το Δημογραφικό*)²² sets out a ten-year roadmap of measures aimed at boosting birth rates and supporting families—primarily through enhanced financial and social support for childbearing and parenting. It also seeks to increase employment by promoting work-life balance, expanding flexible working arrangements, and removing barriers to labor market participation for women, parents, and young people.

The success of these measures **remains to be seen** and will largely depend on their actual implementation, the robustness of monitoring mechanisms at national, regional, and sectoral levels, and whether these mechanisms are properly enforced and respected.

c. Increasing Older Worker Participation

Enhancing the participation of older workers is crucial to addressing demographic challenges, especially since Greece's employment rate for the 55-64 age group was around 57% in 2024, significantly below the EU average of approximately 65%.²³ In Greece, workforce participation among older adults remains moderate, placing the country in the mid-tier on the Active Ageing Index (UNECE, 2018). Harnessing the potential of older workers requires policies that transcend merely raising the retirement age, focusing instead on enabling longer, productive working lives.

Age-friendly policies aim to remove barriers limiting older workers' labor market participation and include:

→ Flexible work arrangements such as part-time schedules, remote work, or phased retirement options.

- Workplace ergonomics and task redesign to reduce physical demands.
- Targeted retraining and upskilling programs aligned with growth sectors such as green technology and digital services.
- Anti-age discrimination legislation coupled with public awareness campaigns to transform societal attitudes toward older workers.
- Measures to address job insecurity, particularly for women in Greece, where the rate stands at 12.9%, exceeding the EU-27 average of 10.4%. This highlights the increased vulnerability of older female workers in Greece compared to their European peers (Eurofound 2025; p. 9).

Notable international practices include:

- **Japan's "Silver Human Resource Centres"** facilitate short-term, flexible job opportunities for retired citizens, promoting community engagement and supplementary income. Starting in 2021, companies are required to actively facilitate employment opportunities for workers up to the age of 70.²⁴
- **Finland's "Work Ability Programme"** improves employability through vocational training and health services, targeting older and long-term unemployed workers (Ministry of Social Affairs and Health, 2024).
- **Singapore's Retirement and Re-employment Act** mandates re-employment opportunities beyond statutory retirement age, incentivized by government support to employers. Employers who increase their internal re-employment ages and offer part-time re-employment options can receive financial support.²⁵
- **Germany's "Initiative New Quality of Work - Neue Qualität der Arbeit (INQA)"** encourages companies to adopt age-inclusive human resource practices, job redesign, and ergonomic improvements. INQA is a collaborative effort involving the federal government, states, employer associations, trade unions, and other stakeholders. The initiative emphasizes the importance of adapting workplaces to demographic changes and fostering inclusive practices to maintain employee health and productivity.²⁶

²¹ See Eurostat data: <https://ec.europa.eu/eurostat/databrowser/view/tesem010/default/table?lang=en&category=es.tesem>

²² Refer to ERT News: <https://www.ertnews.gr/eidiseis/oikonomia/elladaoikonomia/ethniko-sxedio-drasis-gia-to-dimografiko-5-aksones-100-driseis-kai-20-disek-eyro-tin-epomeni-10etia-gia-tin-antimetopisi-tou-provlimatos/>

²³ See Eurostat data available at: <https://ec.europa.eu/eurostat/databrowser/view/tesem050/default/bar?lang=en&category=es.tesem>

²⁴ See Japan's Ageing Workforce Is Redefining Retirement And The World of Work, available at: <https://hr.asia/asia-2/japans-ageing-workforce-is-redefining-retirement-and-the-world-of-work/#:~:text=For%20decades%2C%20mandatory%20retirement%20at,to%20the%20age%20of%2070.>

²⁵ See Singapore's Ministry of Manpower – Responsible Re-employment, available at: <https://www.mom.gov.sg/employment-practices/re-employment#:~:text=Employers%20must%20offer%20re%20employment%20to%20eligible%20employees,as%20they%20are%20willing%20and%20able%20to.>

²⁶ See Federal Ministry of Labour and Social Affairs – INQA. Available at: https://www.inqa.de/DE/service/english/english.html?utm_source=chatgpt.com

Together, these family-friendly and age-inclusive policies provide a comprehensive framework for enhancing demographic sustainability while supporting economic and social cohesion.

d. Skills First: Retirement Age Is Not the Full Solution

Countries such as Sweden, Spain, Estonia, the Netherlands, and Portugal have extended working lives by over five years, largely by encouraging older workers and women to remain employed. While pension reforms and raising the retirement age are common policy tools to sustain public finances and increase labor supply, they are not a standalone solution.

Raising retirement ages alone is insufficient. Simply asking older workers to stay employed longer will not succeed if these workers lack the skills needed to meet evolving labor market demands. In today's rapidly changing economy, workers require adaptability through continuous skill development — not just additional years of work. Without access to reskilling and upskilling opportunities, older workers face increased risks of exclusion or underemployment (OECD, 2020).

Disparities in training participation among older workers persist across Europe. The European Commission's 2024 Labor Market and Wage Developments Report (European Commission, 2024c) highlights that, although participation in training has increased compared to 15 years ago, the average number of training hours has declined in some Member States. In 2022, training participation exceeded 50% in Germany, Hungary, Sweden, and the Netherlands but remained below 15% in Bulgaria, Poland, Romania, and Greece.

Some countries provide strong models for lifelong learning and workforce adaptation:

→ **Denmark, Switzerland, and the Netherlands** offer publicly funded training programs combined with employer incentives to promote adult education.

→ Austria's **"Fit2Work"** scheme supports older workers transitioning into new roles, especially in physically demanding sectors.²⁷

→ Germany's **"WeGebAU"** program (Weiterbildung Geringqualifizierter und beschäftigter älterer Arbeitnehmer in Unternehmen), which focuses on further training for low-skilled and older employees in companies, was introduced to provide targeted support to these groups. The program subsidizes training for older and low-skilled workers with the involvement of employers.²⁸

→ Ireland's **"Skills to Advance"** initiative delivers state-subsidized upskilling tailored for workers over 50.²⁹

→ In British Columbia, Canada, the **"Skills Training for Employment Program for Older Workers 55"** is designed to assist people aged 55 and above in overcoming obstacles to secure stable employment. The program focuses on individuals who are unemployed or in precarious jobs and who may face difficulties such as outdated skill sets, limited access to technical training, and unfamiliarity with modern recruitment processes. It provides a range of services tailored to participants' needs, including skills development, employment assistance, counseling, mentoring, transportation support, disability accommodations, practical work experience, and wage subsidies.³⁰

→ South Korea's **Lifelong Vocational Education Act** mandates training access for all age groups, encouraging continuous learning and smooth employment transitions. South Korea's successful lifelong learning system provides important lessons in three key areas: fostering collaboration among different government levels, involving stakeholders at every stage of the policy process, and ensuring that funding mechanisms are well-coordinated.³¹

→ Singapore's **"SkillsFuture"** initiative provides training subsidies for mid-career individuals, promoting lifelong skill development for all citizens. Launched in 2015, SkillsFuture is a groundbreaking national movement designed to help Singaporeans realize their full potential throughout their lives, regardless of their background. Over time, it has remained a key driver of both individual and employer-led efforts to upskill and reskill the workforce, preparing them for the demands of a rapidly changing economy.³²

By embedding learning throughout the life course, these countries demonstrate how to maintain employability across all ages — an essential pillar for ensuring that the

²⁷ For more information see also: <https://www.fit2work.at/>

²⁸ Refer to: *What Is the WeGebAU Program?*, available at: <https://codelabsacademy.com/en/blog/what-is-the-wegebau-program/>

²⁹ See: Department of Further and Higher Education, Research, Innovation and Science of Ireland, see <https://www.gov.ie/en/service/b9d2c-skills-to-advance-upskilling-and-reskilling/#what-skills-to-advance-is>.

³⁰ For more information refer to: <https://ageing-policies.unecp.org/browse-policy/491>

³¹ See Lifelong Learning in South Korea — A Case Study, available at: <https://en.eef.or.th/2023/05/08/lifelong-learning-in-south-korea-a-case-study/#:~:text=South%20Korea's%20lifelong%20learning%20system,an%20ever%2Dchanging%20global%20landscape>.

³² For more information refer to: <https://www.skillsfuture.gov.sg/>

major transitions of our time, including the digital and green transitions, are inclusive and equitable.

e. Innovation and Automation to Address Demographic Pressures

Box 5

Demographic aging is reshaping labor needs across sectors. Major workforce expansions will be required in health and eldercare, while digital services and green sectors demand skilled workers to meet climate and innovation goals. Automation can help fill some labor gaps, but policy must ensure technology complements human labor rather than replaces it, while upholding workers' rights, incomes, and wellbeing.

With shrinking workforces and rising dependency ratios, many countries are accelerating the adoption of automation and advanced technologies as a strategic response to maintain productivity and economic competitiveness. This surge marks a fundamental shift in how countries prepare their economies for long-term demographic challenges.

Demographic aging, once seen primarily as a social and fiscal challenge, is increasingly recognized as a driver of technological transformation. Pioneering research links aging populations with increased automation adoption. Acemoglu and Restrepo (2018, 2020, 2022) show that countries experiencing workforce decline tend to adopt more robotics and artificial intelligence (AI). Building on this, Abeliatsky and Prettnner (2023), analyzing data from 60 countries (1993–2013), found that slower population growth strongly correlates with higher robot adoption—a 1% rise in population growth leads to a 2% drop in robot density growth. This suggests demographic stagnation incentivizes innovation, pushing countries to invest in labor-saving technologies to sustain economic performance.

Technological responses are diversifying beyond manufacturing, with rapid automation growth in services, agriculture, logistics, healthcare, and eldercare. Global robot density reached a record 162 units per 10,000 employees in 2023—more than double the figure from seven years earlier (International Federation of Robotics, 2024). Countries facing severe demographic headwinds lead automation strategies:

→ **Germany**, with one of Europe's oldest populations, holds nearly half of the EU's industrial robots. Firms automate physically demanding jobs in manufacturing and logistics to boost productivity and help older workers remain active by reducing physical strain.

→ **China** faces a sharp rise in its dependency ratio—from 45% in 2021 to an estimated 76% by 2055 (well above the global average of 61%, see Meacham, 2023) — largely due to the legacy of the 'one-child policy.' To respond, China launched a national five-year plan aiming to lead global automation. In 2023 alone, it installed 276,288 industrial robots, accounting for 51% of global installations (International Federation of Robotics, 2024). This effort targets sustaining growth and controlling costs in healthcare, pensions, and social care.

→ **Japan**, a pioneer in robotics and aging, projects an 11 million worker shortfall by 2040. With over 10% of its population aged 80+, and relatively restrictive immigration policies, Japan leverages automation not only to fill labor gaps but to improve productivity across manufacturing, transportation, and caregiving. Its approach emphasizes *workforce complementation over replacement*, yielding productivity and wage gains unlike many other high-income countries (Kawaguchi et al., 2021).

These examples show that automation—paired with thoughtful policy—is not zero-sum. It can drive productivity, transform jobs, and build economic resilience in aging societies. The scope of automation now extends further with AI and generative AI enhancing decision-making in healthcare, retail, and public services—supporting diagnostics, inventory management, and customer support, traditionally reliant on human judgment (Acemoglu & Restrepo, 2017; Graetz & Michaels, 2018).

However, risks remain. Without safeguards, automation may widen inequalities and displace low- and medium-skilled workers (Mexi, 2024). Sustainable strategies balance technological progress with inclusive policies—promoting lifelong learning, reskilling, and robust social protections. Countries like **Singapore** and **South Korea** combine innovation with strong upskilling programs and SME support, while **several European countries** leverage social dialogue frameworks to anticipate impacts and negotiate fair transitions. Notably, in **Germany**, worker representation through works councils and strong unions like IG Metall ensures early consultation on automation, with collective agreements including retraining and digital skills initiatives. **Sweden's** social partners negotiate agreements that mandate early notification and joint oversight of technological changes, emphasizing worker training and transition support. **Finland** relies on tripartite cooperation between government, unions, and employers to embed upskilling and training within sectoral agreements, aligning with national digitalization and AI policies. The **Netherlands** uses innovation agreements developed by social partners to create transition plans that support reskilling and redeployment amid automation, supported by government-industry-union collaborations such as the Smart Industry initiative.

France strengthened social dialogue through labor laws requiring company-level consultations on digital transformation, with sectoral agreements focusing on risk assessment and workforce training. **Denmark's** labor market model is built on cooperative collective bargaining between unions and employer groups, ensuring commitments to lifelong learning and shared management of technological changes at the workplace.³³

In summary, while aging slows growth and strains labor markets, inclusive automation can transform demographic challenges into opportunities. Strategic responses must align innovation investments with policies ensuring benefits are broadly shared across generations and social groups.

f. Intergenerational Justice: Fairness Across the Life Course

As demographic aging accelerates, intergenerational justice must serve as a guiding principle. True justice ensures younger and older workers are not set against each other but supported through complementary policies that fairly distribute costs, responsibilities, and opportunities. This balance is essential to safeguarding social cohesion and economic resilience.

Key policy considerations include:

- Pension reform must balance adequacy for retirees with long-term fiscal sustainability to avoid unduly burdening younger generations.
- Youth employment and education initiatives should be developed alongside policies supporting older worker retention, fostering a thriving multigenerational workforce. Youth need strong education-to-work transitions, apprenticeships, and affordable housing to succeed.

Country Examples:

- **Austria:** The “Generationenprojekte” (intergenerational projects) bring older and younger workers together through joint training and mentoring schemes, promoting mutual learning.
- **The Netherlands:** Supports intergenerational housing models that combine affordable living for students with companionship and care for elderly residents, enhancing social cohesion and reducing isolation.

→ **Germany:** Pension reforms include sustainability factors that adjust benefits based on demographic and economic changes.

→ **Italy:** Introduces intergenerational solidarity clauses in employment contracts, encouraging youth hiring while protecting older workers.

→ **Belgium:** Promotes “tandem jobs” where older workers nearing retirement mentor younger colleagues, facilitating knowledge transfer and job creation.

In Greece, promoting intergenerational justice requires coordinated policies addressing both youth unemployment³⁴ and active aging, and tackle informal and non-standard forms of employment (Eurofound, 2025) while ensuring sufficient funding for long-term care, education, and social protection. Crucially, investing in social dialogue and empowering young workers in policymaking is vital (Mexi, 2023). Inclusive governance allows all age groups to adapt to technological change, maintain employability, and share in progress. Without worker voice and stakeholder engagement, efforts to extend working lives risk widening inequalities and undermining social cohesion — particularly as the International Labour Organization’s (ILO) global call for social justice³⁵ around the future of labor emphasizes the need for more inclusive, adaptive, and fair work environments.

³³ For more information on further initiatives refer to Eurofound - *Anticipating and Managing the Impact of Change: We Need to Talk about AI*, available at: <https://www.eurofound.europa.eu/en/blog/2021/we-need-talk-about-ai>

³⁴ Youth Unemployment Rate in Greece increased to 25.20 percent in March from 18.60 percent in February of 2025, according to the latest statistics.

³⁵ The ILO’s Global Coalition for Social Justice, launched in 2023, unites diverse stakeholders to promote decent work, reduce inequalities, and advance the Sustainable Development Goals. See: <https://www.ilo.org/resource/other/global-coalition-social-justice-0>

5.

A People-Centered Vision for the Future of Labor

Demographic transition is a structural reality shaping Greece's labor market. To transform this challenge into a source of resilience and shared prosperity, Greece must invest in the following key areas:

Family-Friendly, Gender-Equal Work-Life Policies

- Expand affordable high-quality public and subsidized childcare, ensure adequate leave rights, and strengthen housing support to encourage family formation and boost birth rates.
- Develop comprehensive frameworks that help individuals balance family life and careers, promoting flexible work arrangements such as remote work, compressed workweeks, and reduced hours.
- Implement targeted return-to-work programs and reskilling initiatives to support parents re-entering the labor market after extended childcare leave.
- Promote gender equality in employment to fully unlock labor market potential.
- Strengthen policy incentives to encourage employers to adopt family-friendly practices, such as tax credits for flexible work hours or onsite childcare, public recognition programs for gender-equal workplaces, and government subsidies supporting reskilling for parents.

Flexible, Age-Inclusive Labor Markets and Active Aging

- Strengthen and expand flexible work options, ergonomic job design, phased retirement pathways, and age-sensitive occupational health and safety standards to support longer, healthier working lives.
- Enforce anti-discrimination laws and promote cultural change in workplaces to recognize the value of older workers, combat ageism, and encourage their continued participation in the labor force.

Universal Access to Lifelong Learning and Skills Investment Across the Life Course

- Embed lifelong learning, upskilling, and reskilling into labor market policies.
- Ensure older workers are equipped to adapt to digital and green transitions.

Effective Labor and Return Migration Frameworks

- Leverage well-regulated labor migration to address skill shortages and demographic imbalances.
- Strengthen targeted incentives and support schemes to encourage the return of young professionals and reverse brain drain.
- Promote the recognition of migrant qualifications and facilitate integration into local labor markets through tailored training, upskilling, and certification programs.

Innovation in Health and Social Care Systems

- Harness digital technologies and community-based care models to meet rising eldercare demands.
- Ensure care systems are human-centered, affordable, and sustainable.

Human-Centered Approaches to Automation and Technological Innovation

- Promote the adoption of technologies to address Greece's acute labor shortages, while ensuring that the wider diffusion of automation across occupations complements — rather than replaces — human work.
- Integrate human-centered automation with policies that equip workers for AI-driven transformation, enhancing productivity without deepening unemployment or inequality.

- Foster inclusive technological innovation by involving workers in the design, adoption, and governance of technologies in the workplace, with particular attention to the needs of older employees.

Promotion of Intergenerational Equity through Inclusive Social Dialogue

- Align pension reforms, youth measures aimed at improving young people's access to quality jobs, affordable housing, and decent living standards, and old-age support within a coherent, fair framework developed through inclusive social dialogue processes that engage diverse age groups and skill levels.
- **Promote solidarity across age groups** by supporting **intergenerational learning centers** or **lifelong learning hubs** that bring together different age groups for joint training in emerging fields — such as green technologies, AI literacy, or teamwork and communication — fostering shared preparedness for future labor market demands.
- **Encourage multigenerational workplace initiatives**, including mentorship programs where experienced older workers guide younger colleagues, while younger workers support older ones in adapting to new technologies and work methods.

Cross-Sectoral Policy Coordination for All Ages

- Ensure strong coordination of policies across key areas— such as employment, pensions, healthcare and long-term care, childcare, social housing, skills development, and measures that advance innovation and the equitable deployment of technologies (to counteract the impacts of demographic shifts on productivity and fiscal sustainability).
- Prioritize policy solutions that deliver benefits across multiple generations, ensuring that **decent work**³⁶ remains a fundamental priority in policymaking.
- Develop shared data systems and indicators to monitor demographic impacts and policy effectiveness across sectors.

This shift — from reacting to demographic risks toward proactively building labor resilience — requires political will, broad stakeholder engagement, and strategic public investment. By embracing this vision, Greece can take meaningful steps toward building a sustainable, fair, and inclusive future of labor for all generations.

³⁶ 'Decent work', according to the International Labour Organization (ILO), means fair, secure, and inclusive employment with equal opportunities and a voice for all workers. For more information about the ILO Decent Work Agenda, refer to: <https://www.ilo.org/topics-and-sectors/decent-work>

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The Future of Labor in the Context of Greece's Demographic Transition

Greece is undergoing a major demographic shift, with low birth rates, an aging population, and persistent talent gaps and skill mismatches, while Labor shortages and skill mismatches are already evident. By 2050, over a third of the population will be over 65, putting pressure on the labor market, economic growth, and social protection systems. This analysis reframes the discussion from the “Future of Work” to the “Future of Labor,” focusing on people and intergenerational fairness, while placing demographics at the heart of the policy debate.

Family policies, childcare, inclusion of women and older workers, targeted upskilling, effective migration, and the smart use of AI are key to addressing these challenges. Coordinated, people-focused action across pensions, care, education, and jobs is essential.

Further information on this topic can be found here:

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