



The Employment Committee

The Chairman

DG EMPL / E.1 "ARRIVEE"
24-11-2005 A/11067
Attrib.: CF JOB

June 2005

**Subject: EMCO Contribution on the Commission Green Paper:
Confronting Demographic Change**

Dear Ms Quintin,

I am pleased to send you the Contribution agreed by the Employment Committee on the Commission's recent Green Paper on demographic change.

I hope that this contribution provides a valuable input into the Ministerial conference the Commission is organising in July.

The contribution is also meant to assist the Commission in its further work on demographic change, following the Green Paper.

I would also like to use this opportunity to inform you that the Employment Committee will present an opinion on human capital development, in the context of demographic change, to the EPSCO Council of December 2005.

Sincerely yours,

(Signed)

Maarten Camps

**Ms Odile Quintin
Director-General
European Commission**



The Employment Committee

20-06-2005

CONTRIBUTION

on the Commission Green Paper: Confronting demographic change, a new solidarity between the generations

Introduction

Europe is facing an unprecedented demographic change. The European Union and its Member States have to take measures to prevent that this evolution would undermine Europe's economic growth potential, its standard of living and its basis for solidarity between the generations.

In order to support the Commission in its further work on demographic change, including the Ministerial conference on 11-12 July it organises and its planned Communication on demography in the Autumn, the Employment Committee (EMCO) prepared a contribution on the Green Paper on demographic change.

General considerations

EMCO welcomes the Green Paper as a thought-provoking document.

While it underlines that the policy guidance on employment issues relevant in the context of demographic ageing is already provided in the European Employment Strategy, EMCO also acknowledges the importance of examining demographic change beyond the perspective of the Lisbon strategy.

EMCO is of the opinion that future work by the Commission should also address the macro-economic dimensions as well as the regional aspects of demographic change.

Specific considerations

The Employment Guidelines 2005-2008 incorporate the demographic challenges the European Union faces in the policy guidance it gives to Member States. Pursuing the **European Employment Strategy** is therefore crucial, in particular to attract and retain more people in employment and to increase labour supply. The direct linkage with the modernisation of social protection systems should be instrumental in making these systems sustainable while anticipating and accompanying changing needs, hereby preventing social exclusion.

Mobilizing labour supply in all groups is thus essential. In this respect particular attention should be given to the young, older people and to women. The scope to increase the global number of hours worked in the European economy is significant. Furthermore, it is essential to focus on the disadvantaged, the low-skilled, as well as those inactive within sickness and

disability schemes. Improving the employment rate for women will translate into opportunities for enhanced gender equality and equal opportunities. Consequently, the gender pay gap could be bridged as well.

While mainstreaming of the migration and integration dimensions into all relevant policies, including the European Employment Strategy, is necessary, EMCO stresses that it is crucial to make full use of the labour potential that already exists in the EU and that immigration is not a substitute for other policies that address the impact of demographic ageing on the labour market.

A pronounced **lifecycle approach** to work should facilitate extending working life over the life cycle, while providing for better work-family reconciliation measures throughout the career.

EMCO agrees that the strong focus on the decline of the labour force is important, but is also convinced that attention should be given to the **potential for adjustment**. Key policy domains here are work organisation and labour productivity to absorb the change in labour force size and composition. The anticipation of labour market needs could feed into establishing a better link between education systems and labour market demands.

Lifelong learning has a key role to play in maintaining and improving the employability of workers and productivity. Specific attention should be given to women and older workers, building on their existing skills and experiences.

EMCO also pleads for involving all **actors** in shaping and implementing the necessary policy measures, in particular to improve ownership of these policies. The social partners should be encouraged to entirely reflect the patterns of demographic change in the way they exercise their responsibilities.

EMCO welcomes the **long term reflection** invoked by the Green Paper. It underlines the need to deepen the concrete insight into the likely implications of low natality on the structure of the economy, future economic growth, employment and social needs. Acquiring a better understanding of the relationship between policies which allow couples to reconcile work and family life, female participation and natality should be part of this reflection.

EMCO also notes that the evolution of the **family and household structures** remains a central element in demographic change. EMCO is of the opinion that greater attention should be given to recognizing that change in family and household structures leads to new forms of vulnerability and social exclusion. Single parent families are at particular risk here. Children friendly policies can provide a good basis to prevent and combat poverty and social exclusion, with a positive impact on the life cycle.