



REGERINGSKANSLIET

N2005/6740/A

1 September 2005

European Commission

DG	EMPL	CAD	A/200622
Date:	12-09-2005		
CF:	E		
C:			

On behalf of the Swedish Government please find enclosed the Swedish comments on the Green Paper '*Confronting demographic change: a new solidarity between the generations*'

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The European Commission Green Paper 'Confronting demographic change: a new solidarity between the generations' – Swedish comments

Introduction

General comments

Sweden welcomes the initiative to publish a Green Paper discussing the population changes facing Europe in the future, and also welcomes the fact that the perspective has been widened to embrace several different policy areas. An overall, integrated approach looking to the long term is essential, as action will be needed in many different policy areas in response to the demographic challenges that lie ahead.

Sweden takes the view, however, that the Green Paper is structurally deficient in parts, in terms of both analysis and general understanding of the issues. The factual data is somewhat disorganised here and there, and the issues discussed sometimes appear to have been positioned at random. Sweden would like to see more explicit reference being made to the work already under way in these areas in the Community. Not all areas representing a significant supply potential have been dealt with. There is a lack of focus, for instance, on the need to increase labour supply among those absent from work through illness or those with some form of disability. Attention should also be given to those members of the workforce who are currently in mid-career. How can we improve their working lives so that they will not have to retire prematurely later on, and what do the Member States need to do to avoid such a situation?

The ageing population is not only a national problem but also a regional one, and the differences between regions within a country may be very considerable. If, when drawing up strategies and measures for dealing with the problem of a growing dependency burden and a labour shortage, we proceed only from the national demographic scenario, there is a risk this will lead to the kind of action that is not relevant at regional

level. Measures and strategies framed at both European and national level, therefore, must take these regional differences and challenges into account, and the work must be based on inter-sectoral collaboration.

The Green Paper notes the importance of integrating people into working life, and identifies certain groups – among them women. In Sweden, we do not view women as a special group – and nor men, for that matter. We would like to have seen a gender perspective mainstreamed into the discussion about groups. Younger and older people are mentioned, but both women and men are present in these ‘groups’.

Answers to the questions in the Green Paper

**Do you take the view that the discussion of demographic trends and managing their impact should take place at European level?*

Yes, this is one of the most important issues for future economic development in Europe, and touches upon many of the issues dealt with in the Lisbon Strategy and the Open Method of Coordination, such as pensions and employment policy. This issue should not be discussed exclusively at European level but must also be raised in earnest at national, regional and local level.

** If so, what should be the objectives, and which policy areas are concerned?*

The discussions should aim to arrive at solutions for both women and men that help

- create pension systems that are financially sustainable in the long term.
- create social protection systems that offer the incentive for a high supply of labour of all ages.
- create a working life cycle that is inclusive so that older individuals, too, can continue working, and that includes lifelong learning available to all.
- create an education system that meets the need for training opportunities for all ages and for different requirements.
- create an employment policy that activates and rehabilitates unemployed persons who have difficulty gaining a foothold in the labour market.
- ensure that proper use is made of the whole resource pool by actively seeking to boost labour participation among immigrants, young people, the elderly and people with disabilities. Women should be a special focus of attention in this respect, as their labour participation is generally lower than that of men.

- ensure that the business sector's labour requirements are met both regionally and nationally, and promote regional expansion so as to facilitate labour matching.
- improve opportunities for both women and men to reconcile family and working life, and actively seek to persuade men to assume a greater share of family responsibility.
- improve opportunities for business start-ups and generation change.

In addition to the above, both a stable framework for public finances and budgetary discipline are now essential if the financial challenges that lie ahead are to be properly dealt with. The importance of trade policy for increased growth and employment should also be emphasised. By means of an efficient trade policy – partly through the avoidance of trade barriers in the single market and partly through greater external trade – the EU can encourage the creation of new jobs.

1. The challenges of European democracy

1.1 The challenge of a low birth rate

** How can a better work/family life balance help to tackle the problems associated with demographic ageing?*

A basic requirement if more people are to be brought into employment is that there are good opportunities for both women and men to reconcile family and working life. Those countries that are unable at present to adjust to the demands of gender equality in tax and government transfer systems and in their perceptions of the family life/work balance in this respect currently have a very low birth rate. A study of the EU Member States shows that both a high level of labour participation among women and supportive family policies have a favourable effect on childbirth rates.

In Sweden, a generous parental benefit scheme combined with a well-developed child care system is considered the best recipe. Parental benefit reduces loss of income by providing compensation in connection with parenthood, enabling a parent to stay at home with the child during the initial period. After that, a widely available and highly developed child care system allows parents to combine work and family during a large part of the child's early life. Other important factors are the right of parents with young children to work shorter hours and to take leave to look after a sick child. A better balance between working life and family life can help boost both birth rates and labour supply.

** How can a more balanced distribution of household and family tasks between men and women be encouraged?*

A more balanced distribution of household and family responsibilities can be encouraged by means of legislative action and pro-family policies

enabling both women and men to combine a family and a home with a job. One useful step would be to tax married couples separately, which would make it financially more advantageous for especially women to take a job. Another means of achieving a more balanced distribution of responsibilities is to share parental benefit between the mother and the father. By applying a system where a number of months are reserved for each respective parent, fathers can be encouraged to take parental leave to a greater extent than at present.

** Should the award of certain benefits or advantages (leave, etc) be linked to an equal distribution of tasks between the sexes? How best to ensure an adequate income for both parents on parental leave?*

Sweden believes it is important to reduce the discrepancies in the amount of benefit-linked parental leave claimed by women and men respectively. One of the reasons why men fail to claim more parental leave could be that they usually earn more than women and that the loss of income is therefore larger when the man stays at home on parental benefit, due to the presence of an income ceiling in the parental insurance system. Raising the ceiling on parental benefit, which is calculated on the basis of the parent's sickness benefit level, may be one way of raising the amount of leave taken by fathers with higher incomes. Simply creating incentive structures to encourage men to take greater responsibility for their children is no guarantee of success, as apart from the economic aspects there are a number of other reasons why men fail to claim parental leave to the same extent as women (attitudes, norms, etc).

Steps must also be taken to ensure that both parents in a family find it financially worthwhile to go out to work (e.g. separate taxation of spouses, the universal character of welfare systems, a fee ceiling in child care) and to give both women and men a better chance to reconcile family and work (good parental insurance and a widely available and highly developed child care system). The Member States should also seek to ensure that single parents and parents who have separated both have the chance to combine family life with work.

** How can the availability of child care and elderly care structures be improved by the public and private sectors?*

Legislation of some kind could be a way of improving availability. Sweden, for instance, has a special law stipulating that the municipalities must provide pre-school education and school-age child care (pre-school, family day care, leisure-time centres) for children aged 1-12 to the extent required in order for parents to work or study, or where the children have special needs of their own. This obligation also extends to pre-school children whose parents are unemployed or on parental leave to care for a sibling.

Municipalities must provide the child with a place within three to four months of having received an application, as close to the child's home as possible. Due consideration is to be given to the parents' own wishes. Child care is available all day all the year round.

Sweden also has pre-schools, leisure-time centres and family day care centres that are run privately. The municipalities, however, have overall responsibility for these types of activities as well. Quality requirements (clear and specific objectives, staff ratios, group sizes), parental fees and public financial input are the same in both cases, however, regardless of who the provider is.

See also Section 2.4 on elderly care

** How can parents, in particular young parents, be encouraged to enter the labour market, have the career that they want and the number of children they want?*

Of vital importance for presumptive or young parents is that:

- they are able to return to work after taking parental leave and have guaranteed access to a highly developed and widely available child care of good quality.
- a clear division of responsibilities exists as well as clear rules so that they can choose between different types of activity (pre-school, family day care, private services).
- child care fees are reasonable in relation to their income.
- they are able to feel secure while away at work.
- both parents have the opportunity to influence and participate in the child's everyday life at pre-school or in school-age child care, and that they have the financial and practical means to stay at home when the children are ill.
- child care is guaranteed even when they become unemployed or take parental leave in connection with the birth of a new member of the family.

But the issue is not solely related to the way parental insurance or child care is or should be designed. It is at least as important to work with matters that help young people gain a firm foothold in the labour market. The fact that women and men choose to delay starting a family nowadays probably has to do with the difficulty of gaining such a foothold. A further factor is the growing emphasis on educational skills, which has caused an increasing number of people to study at university or college.

1.2 The possible contribution of immigration

** To what extent can immigration mitigate certain negative effects of demographic ageing?*

In general, immigration represents a valuable addition to the working population, as the majority of those who arrive as immigrants are of working age. Net migration must be positive if this addition is to be of lasting value. For immigration to have a favourable impact on labour supply, there must be a demand for immigrant labour in the labour market and the immigrants must be able to find employment. The extent to which family and relatives are allowed to accompany the immigrant also affects labour supply in both the short and the long term. Accompanying children can reduce labour supply in the short term, in the absence of a properly developed child care system, but boost supply in the long term. Older family members can adversely affect labour supply if they need help from younger family members, but can make a positive contribution if for instance they look after the children in the family.

Economic migration is important, but cannot on its own solve the future problem of a smaller share of the population being of working age. To deal successfully with the demographic challenge, tough measures will be needed to ensure proper use of the labour – both female and male – already present in the Union. The adverse effects of having a larger share of elderly people in the population means that besides stepping up mobilisation of the potential workforce in Europe we will need to increase the number of hours worked in the economy. This, together with greater mobility both within and between Member States, is vital if we are to confront and mitigate the effects of the current demographic trend. Greater exchange with non-EU countries should also be encouraged.

Immigrant labour requirements based solely on national estimates risk obscuring regional needs for increased labour supply. Low labour mobility in both occupational and geographical terms means there is a danger of severe regional recruitment problems in the years ahead, which would increase the need for immigrant labour.

** What policies should be developed for better integrating these migrants, in particular young people?*

Integration policy affects all members of the community, not just immigrants. It implies that everyone is to have the same rights, obligations and opportunities. This in turn provides a basis for general policy in all sectors of society. The needs of the individual must be the starting point, not the group or category to which he or she belongs. Integration measures affecting immigrants, therefore, must be directed not only at newcomers but also at those who have been in the country for a long time.

An important task in the integration policy field is to discourage and combat discrimination in all areas of society and at all levels. Civil education and language teaching are valuable components that encourage integration and improve immigrants' chances of practising their profession in their new country. In general, rapid contact with the labour market is a decisive factor in an immigrant's assimilation into society. The validation and assessment of qualifications and work skills are also important, and immigrants must be given the chance to supplement their foreign training and to acquire professional diplomas where such are required. Subsidised employment and work placements can facilitate entry into the labour market. Active employment services in regular contact with enterprise make it easier to find placements and a permanent job. Schools have an important duty to help both immigrant children and the children of immigrant parents to integrate into the community and into the labour market.

Networks, informal contacts and good role models are all of considerable importance to those who lack experience of working life or of gainful employment in the country concerned. This applies in particular to immigrant women and young people. Immigrants who have established themselves in the labour market can serve as good examples and role models for those immigrants in the country who lack employment.

There should be strong work incentives in social protection systems and other welfare systems – it must always pay to work. The target for all people of working age should be self-support via a job. To improve immigrants' employment prospects, measures must be introduced that bring together national, regional and municipal actors and also involve cooperation between the public and private spheres. This effort must be pursued across sectoral lines and at all levels.

** How could Community instruments, in particular the legislative framework to combat discrimination, the structural funds and the Employment Strategy, contribute?*

Legislation in the integration field should mainly be a national concern, but exchanges of experience can help bring about greater legislative harmony between Member States. Such exchanges should primarily be undertaken within the framework of current processes. 'Best practices' in the integration field might be one approach. When making international comparisons, it should be borne in mind that the causes and patterns of migration differ considerably between countries.

The EU's legislative framework against discrimination is an important tool in the bid to create equal opportunities for all regardless of ethnicity or religion, throughout the Community. In a number of respects, Sweden has gone further than the Equal Treatment Directive prescribes.

The EU's anti-discrimination legislation has been augmented by the Action Programme to Combat Discrimination, by a variety of studies, analyses and information campaigns, and by exchanges of experience between the Member States. Work in these areas can help facilitate and strengthen the Member States' efforts to combat discrimination.

The structural funds, primarily the European Social Fund, can actively support moves towards greater labour market integration and away from discrimination in employment by providing resources for innovative measures and transnational cooperation, etc. This could pave the way both for testing new methods and for knowledge sharing between Member States. Other efforts to promote integration in the labour market may also be undertaken, including initiatives designed to influence attitudes and structures. From an integration viewpoint, success factors in relation to the structural funds are the participation of those groups affected by implementation of the measures, and partnerships at all levels.

Exchanges of experience and knowledge transfers should take place within the framework of the Employment Committee (EMCO) and its subgroups, and via the Mutual Learning Programme, where peer reviews and thematic reviews are useful tools. The new employment guidelines emphasise the importance of boosting labour supply in all groups, facilitating labour market entry for immigrants and combating discrimination.

Sweden supports the opinion expressed by EMCO in 2003 in response to the Commission's communication on migration, integration and employment. EMCO called for further debate on the question of how migration might help solve the anticipated supply problem and how we can ensure the development of a high labour supply capable of matching labour demand in the future.

2. A new solidarity between the generations

2.1. Better integration of young people

** How can Community policies contribute more to combating child poverty and poverty among single-parent families and to reducing the risk of poverty and exclusion among young people?*

A Community programme against poverty and social exclusion is currently in progress as part of the Open Method of Coordination (OMC). This process has been under way since 2000, and has featured two rounds of national action plans. To strengthen the process further, Sweden has proposed placing special emphasis on the situation of children and young people in preparing for the formulation of objectives in 2006.

This can be further linked to the *European Youth Pact* recently adopted by the European Council. The priority concerns as described in the pact are opportunities for young people to obtain a good education and a job, opportunities to study, to gain work experience and to work abroad, participation of young people in public life, and better opportunities to reconcile working life and family life. Adoption of the pact means that the implementation of existing objectives and processes is to be intensified. A youth perspective is to be mainstreamed into areas that affect young people and that relate to the Lisbon Strategy. The priorities identified in the pact are well in line with the priorities of Swedish youth policy.

** How can initial training and adult training schemes be improved? What can non-formal education and voluntary activities contribute? How can the structural funds and the instruments for achieving better access to the knowledge society contribute?*

Access to lifelong learning for all in a system without blind alleys or fees payable by the individual is a basic principle of the Swedish education system. Steps are being taken to support moves towards better quality, equity, flexibility and goal fulfilment in education throughout the system. The kinds of approaches that in Sweden's view lead to better quality in education include providing clearer guidelines on how the municipalities and the schools are to assess quality and results and introducing individual development plans for all pupils in compulsory education and equivalent alternatives. In Sweden, a new Education Act is being prepared, based on the principles of quality work, a good working environment in schools, and both the rights of pupils and their ability to influence school matters. Resources are also being invested in improving educational opportunities in areas characterised by social and ethnic segregation, where pupils who have difficulty living up to the educational objectives are over-represented. Cooperation between schools and working life is crucial to the task of ensuring quality and relevant training.

In the case of adult education, the emphasis must be on the individual, and people must be given the chance to combine learning with other commitments in life. Sweden takes the view that good study financing is vital if everyone is to be able to study, regardless of background, sex or family finances. Special attention should be paid to those who need extra support in order to complete their studies or develop their skills. This may apply to women and men with less education, or to students with children, where the aim would be to help children in financially vulnerable families and make it easier for parents to study. Better opportunities for older workers to access studies and study support must be regarded as a key to lifelong learning. In Sweden, for instance, employees wishing to pursue skills and competency development have the right to leave of absence for studies.

Various parts of the European Social Fund programme offer support for a policy of full employment, partly via preventive action strengthening the position of those already in work and partly through measures promoting skills development and thus making unemployed persons more attractive to employers. Measures directed at particularly vulnerable groups, such as those for whom employment is a remote prospect, makes for greater social cohesion. Projects aimed at promoting integration are also in line with this general objective.

** How can the bridges between school and working life and the quality of young people's employment be improved? What role should social dialogue play? What can dialogue with civil society, in particular youth organisations, contribute?*

Closer cooperation between the education sector and working life is vital, both to ensure quality and relevance in education and to facilitate the transition from school to the workplace. Contact between school and working life in the form of placement and project work should be available at all levels in the education system. Vocational training planning and provision should be undertaken in consultation with employer representatives and representatives of unions, trade organisations, vocational training providers and public authorities, to ensure that programmes are up to date and relevant and to prepare participants for the demands that working life will impose upon them at local, regional and national level. Efficient study and vocational guidance services are also a valuable component that can ease the transition from school to working life. In a European perspective, it is clear that young women – to a greater extent than young men – are well educated but have difficulty establishing themselves in the labour market. They constitute a labour reserve that should be turned to proper account.

For many adults, the possibility of transition between work and education/training is important. Opportunities for validating the skills and professional competency of people who have acquired them by other means than via a formal education must be available. In Sweden, validation is seen as a key to lifelong learning. The validation process must involve the social partners so as to ensure good quality, legitimacy and equity.

There is an increasing need of study and vocational guidance for adults as a result of the rapid changes taking place both in working life and in the community at large, not least so as to close the widening gaps between individuals and groups in society. This kind of guidance makes it easier for people to discover what retraining opportunities are available to them. Retraining also helps promote labour mobility, in both geographical and occupational terms. Thus regions without higher education facilities must also be able to offer such opportunities so that

their inhabitants, both young and old, can keep up to date and be attractive in the labour market.

Another important aim should be to encourage an entrepreneurial outlook among young people, regardless of whether they choose to start their own businesses or work for others later in life. Entrepreneurship can help generate renewal in society. Continuing economic growth, as a basis for welfare development, presupposes both a generally high level of education among the population and a favourable view of entrepreneurship and business activities. If such an outlook is encouraged early in life, during school, more young people will have the courage and incentive to start their own businesses in the future. In Sweden, a three-year national entrepreneurship programme is currently on offer, focusing on young people at compulsory and upper secondary school and in higher education. The programme seeks to encourage personal qualities such as creativity, drive, initiative, responsibility, a willingness to solve problems and belief in one's own ability.

One way in which a government can pursue a dialogue with civil society in the youth sector is to organise special dialogue forums on different themes bringing together young people/youth organisations and government ministers in various sectors. This approach is practised in Sweden, and will also be used at European level when the Commissioner for youth affairs organises a European Youth Forum dialogue in late 2005. The European Youth Pact states that dialogue with those parties affected by policy decisions, not least youth organisations, is of considerable importance, at both national and European level.

** What forms of solidarity can be fostered between young people and elderly people?*

In connection with the European Youth Pact, reference is occasionally made to solidarity between generations, including the supportive role of young people in relation to the rest of the (increasingly ageing) population, and the 'social duty' of enterprises to take on young people. There is a need to develop capacity for the provision of what are termed generation analyses on a regular basis. Demographically motivated reforms – a shift from tax financing to contribution financing, new pension schemes, etc – should be examined from a generational perspective so that the costs of the welfare system are equitably distributed between the different generations. It should be emphasised that solidarity between young and old in society must be reciprocal.

2.2. A global approach to the 'working life cycle'

** How can the organisation of work be modernised, to take into account the specific needs of each age group? How can young couples' integration in working life be facilitated and how can we help them to find a balance between flexibility and security to bring up their children, to train and*

update their skills to meet the demands of the labour market? How can we enable older people to work more?

Young employed parents may want to spend more time with their children and to devote themselves more to their work later in life. Such demographic change may lead to a new, more adaptable and flexible organisation of working time. Technological development is another way of generating a better balance between family life and work. Parental leave must be generous in scope, with the flexibility to reconcile work and family life, combined with a right to work shorter hours. It is also important to have a well-developed child care system that is widely available and flexible. High marginal effects in the tax and benefit system must not restrict labour supply among young parents.

The quality of jobs and the working environment will also contribute significantly to the goal of keeping people at work longer, by reducing the risk of occupational accidents and improving workers' health, in particular the health of the oldest workers. Anticipating these changes will help us to manage the working life cycle better. It will also be necessary to develop incentives to change people's behaviour with regard to older workers and to combat discrimination. In order to combat ill-health in working life, steps should be taken to assure people on sick leave of rehabilitation opportunities and a rapid return to work.

The efforts of the social partners in this respect and readiness on their part to assume responsibility are crucial to a healthy working life. An important part of the strategy is the need to create clear-cut economic incentives for both preventive work and rehabilitation work. Taking steps to reduce sickness rates and give more people the chance to keep working or return to work can help boost both labour supply and economic growth.

An efficient labour market also presupposes that participation among older workers is not constrained by the presence of a high proportion of women on sickness or activity compensation. It is vitally important, therefore, to review the system and the way work is organised to ensure that people absent through illness and people on disability pensions can be drawn back in and return to work. This is a particularly important issue for regions grappling with other problems such as high levels of dependency and an age structure likely to create difficulties.

One way of enabling older workers to remain in the labour market is to provide, where appropriate, activities in career transition agreements in the form of counselling and guidance, including support for job-seeking activities, education/training and work placement schemes, as well as support enabling workers to set up their own businesses. Another component that would enable older workers to remain longer in the workforce is a pension scheme providing them with the incentive to do

so. A contribution-based pensions scheme where all income earned during the worker's lifetime affects the size of the pension is an incentive to keep on working, as the longer you work the larger the pension sum. Considerable flexibility as regards the point of retirement, coupled with the possibility of drawing a partial pension, means that older workers themselves can decide how much they want to work and for how long. This also allows them to remain longer in the workforce.

** How can work organisation best be adapted to a new distribution between the generations, with fewer young people and more older workers? How can the various stakeholders in the Union contribute, in particular by way of social dialogue and civil society?*

Today, more companies are starting to look for more experienced employees. Some companies will have problems replacing all female and male workers born in the 1940s, who will be close to retirement over the next few years. Lifelong learning can be supported via

- education policy in the form of the general education system,
- popular education and study support,
- industrial policy in the form of workplace skills development programmes,
- employment policy in the form of active labour market programmes, and
- social policy in the form of training programmes for rehabilitation and inputs via the structural funds.

See also the reply in Section 2.1.

Many small entrepreneurs are among the large sections of the population born in the 1940s and now approaching retirement. In Sweden, an estimated one small business in ten will be due for a generation change within the next ten years. Action to facilitate change of ownership in small businesses, therefore, is essential. In Sweden, for instance, both inheritance and gift tax have been abolished to ease the economic pressure on company owners in connection with transfers of ownership. Also, a national programme that targets businesses facing a generation change is currently under way. A joint venture with the national organisations representing enterprise, it includes activities that provide step-by-step guidance and support to company owners planning a change of ownership. Measures that facilitate changes of ownership in small businesses include information provision, guidance and the establishment of forums where buyers and sellers can meet. Viable undertakings can thus live on and contribute to welfare and employment in the future.

The governments of the Member States can encourage stakeholders to construct systems in the form of career transition agreements covering as many workers as possible with the aim of helping redundant members

of the workforce who have difficulty finding new employment, including women and men over the age of 55.

2.3. A new place for ‘elderly people’

** Should there be a statutory retirement age, or should flexible, gradual retirement be permitted?*

Pension scheme rules should be flexible as regards the transition from work to retirement and incorporate clear-cut incentives to persuade older members of the workforce to keep working. In a retirement pension scheme such as the Swedish one, which is based on actuarial principles of computation, there is no reason to specify age of retirement. Instead, workers themselves decide when they wish to retire, either fully or partially. A system totally without restrictions on retirement age, however, can create problems: individuals who choose to retire at too early an age may be left with such a small pension that they later become dependent on public assistance. To avoid such a situation, therefore, and to prevent speculation, a minimum age should be established for pension claims. In some situations, a statutory retirement age may be warranted. In the case of those drawing sickness allowance, there should be a set point for the switch to a retirement pension. A statutory retirement age should also be established for those claiming basic protection benefits, which are not calculated on actuarial principles.

** How can elderly people participate in economic and social life, e.g. through a combination of wages and pensions, new forms of employment (part-time, temporary) or other forms of financial incentive?*

A pension scheme in which all income earned during people’s lives affects the size of their pension and makes it profitable for them to work acts as an incentive to older workers to remain longer in the workforce. To strengthen the incentive, people should also be allowed to earn new pension entitlements for as long as they work, regardless of their age and regardless of whether they are drawing full or partial pensions at the same time. Flexibility regarding the point at which pensions can be claimed and the option of drawing only a part of the pension are further factors enabling the elderly to remain in the workforce longer, as they themselves can then choose the pace at which they wish to wind down their participation. Labour law must seek to make adequate provision for the needs of both employees and employers in terms of flexibility, security and influence. A carefully balanced and stable system is crucial to the development of sustainable growth and full employment.

** How can activities employing elderly people in the voluntary sector and the social economy be developed?*

Creating opportunities for older workers to take part in voluntary work can help them feel needed, while at the same time they would be giving assistance to sectors with few economic resources. Voluntary work, however, must not lead to a situation where employees in the regular workforce are replaced by people working voluntarily without pay or on a lower wage.

** What should be the response to pensioner mobility between Member States, in particular with regard to social protection and health care?*

Foreign pensioners living in Sweden and Swedish pensioners living in another EU country are covered by Regulation (EEC) 1408/71 as regards their right to emergency medical care. Under Community law, care is to be made available on the same terms as for other insured parties under the national legislation of the country providing it. Consequently, pensioners' access to health and medical care in the Union is not a problem. Pensioners may, however, require assistance from municipal home helpers or other assistance for which the municipality/social services are responsible. This issue, therefore, should also be addressed.

** How should we be investing in health promotion and prevention so that the people of Europe continue to benefit from longer healthy life expectancy?*

From a Swedish point of view, the primary focus of health promotion is to reduce inequalities in the distribution of health risks in the population. Hence, we strive for equal access both to safe working and living environments and to leisure, and reduced risk behaviour throughout the population, particularly as regards smoking, healthy dietary habits and mental health. Women are a special focus for these efforts, as they are smoking more nowadays and are said to be exposed to increasingly stressful living conditions. Another target group is children and young people, for whom excessive consumption of sugar and a high calorie intake combined with a sedentary lifestyle have created significant problems in recent years. Alcohol consumption has increased rapidly among young people, too, causing both immediate health problems and the prospect of problems later in life.

Investment in high-quality occupational health services capable of bringing sick people under care and maintaining contact with them, is essential. This would help people absent through illness to keep in touch with their workplace, and would also reduce the risk of long-term absenteeism. It would also make it easier to detect and remedy deficiencies in the working environment at an early stage.

2.4. Solidarity with the very elderly

** The coordination of national social protection policies is due to be extended to long-term care for the elderly in 2006. How can this help to manage demographic change?*

It is important to develop an efficient care service for the elderly that enables other members of the family to participate in working life. Not least, this is needed for reasons of gender equality, so that women in particular are not forced to remain outside the labour market. With more people integrated in working life, a country is better placed to deal with the demographic challenge facing it. Greater coordination in this area, therefore, is a much-needed step.

**In particular, should a distinction be made between retirement pensions and dependency allowances?*

Yes.

** How do we train the human resources needed and provide them with good quality jobs in a sector which is often characterised by low salaries and low qualifications?*

To enhance the status of jobs in the elderly care sector, it is important to have clearly defined professional requirements and efficient training programmes. With a view to helping nursing staff advance in this sector, the Swedish Government has launched a special initiative, Steps for Skills, the purpose of which is to encourage and support innovative projects that can have a favourable long-term impact on professional development and skills provision among those caring for the elderly. By generating ideas, guidance and support, the programme aims to inspire and encourage greater quality work via frontline skills development among staff.

One challenge for the future that is not touched upon is the increase in migration and its implications. A growing number of elderly people from foreign backgrounds are having to be looked after in national care services. This places tough demands on staff, both linguistically and as regards their awareness of cultural differences and history, not least in relation to perceptions of gender equality.

** How do we arrive at a balanced distribution of care for the very old between families, social services and institutions? What can be done to help families? What can be done to support local care networks?*

Providing support to family members who are looking after close relatives is important. Such support is provided in Sweden via relief provision and short-term accommodation of various kinds, and through

cooperation between the municipal home help service and the family. Comprehensive public support schemes enable elderly people to continue living at home for longer.

** And what can be done to reduce inequality between men and women when they reach retirement age?*

To avoid a situation in which a pension system conflicts with the work incentive, people whose lifetime earnings were high must receive a larger pension than those who did not work at all or had little income. Income inequalities between the sexes in the pensioner community are largely a product of the income gaps that pertained when this group was gainfully employed. To prevent such a situation arising, greater equity in working life is required and unwarranted pay gaps between women and men must be eliminated.

A levelling factor in the Swedish system is the basic protection provided to pensioners in the form of a guarantee pension and a housing supplement. These assure people with little or no income in the past of a reasonable living standard. As a large share of those liable for basic protection are women, this helps level out the differences between the sexes. However, the special pension benefits for surviving dependents, which target women exclusively, may be a factor that cements traditional sex roles in the home and helps to maintain income gaps between men and women.

** How can new technologies support older people?*

New technologies are extremely important tools for enhancing security among the elderly and for enabling them to go on living at home for as long as they want. Social alarm devices of various kinds are one example of new technology that has proved highly valuable.

3. Conclusions: what should the European Union's role be?

** Should the European Union be promoting exchanges and regular (e.g. annual) analysis of demographic change and its impact on societies and all the policies concerned?*

In view of the fact that the demographic trend is going to have such a strong impact on the EU, continuing analysis of demographic change by the Union, from its own point of reference, is of course most welcome. This should take the form not only of reports and studies but also of conferences, seminars, increased exchanges of experience, and the use of structural funds, etc. It might also be a good idea to update the demographic trend in connection with – and to provide supporting data for – national Lisbon programmes. This would create a natural link between the demographic issues and employment, the European Youth Pact, economic and social affairs and sustainable development. In this

connection, the Community should avail itself of the demographic studies being conducted by other international organisations, such as the UN, the OECD and the Council of Europe. EU analyses must take both country-specific and regional differences into account. As explained in the OECD report, *Employment Outlook*, regions in the same area often face similar problems, i.e. those of a transboundary nature, which is why focusing on the Community as a whole or on an individual country is misleading. Analyses of the long-term financial sustainability of Member States as part of their growth and stability programmes are a valuable means of increasing pressure on them to act at national level to tackle the demographic challenges ahead.

** Should the Union's financial instruments – particularly the structural funds – take better account of these changes? If so, how?*

A wide variety of measures are already feasible under the European Social Fund in response to demographic change and its implications for the labour market. One of the ultimate aims of such measures would be to boost labour participation in various age groups, among women and immigrants. To further benefit from the structural funds, the Union should focus specifically on demographic change when developing strategies for and planning the funds' programme period 2007-2013.

** How could European coordination of employment and social protection policies better take on board demographic change?*

Regarding more specific efforts to mainstream a generational perspective into Community activities, the demographic issue has already been introduced into the work on employment guidelines, into common pension work, into work on social exclusion and into health care and care of the elderly.

In time, the new integrated guidelines are likely to create further opportunities for taking these messages forward, for instance via measures to further strengthen the position of women in the labour market, measures to help reconcile family life and working life, and measures to reduce the frequency of disability pensions and boost the number of older workers still active in the workforce. In this connection, efforts to combat unemployment among young people are essential. It should be possible to make more extensive use of those structures that are already in place. There is no need for new processes. An awareness of the issue is already evident in existing structures, but Member States must implement reforms to a greater extent.

** How can European social dialogue contribute to the better management of demographic change? What role can civil society and civil dialogue with young people play?*

Experience gained from civil society, the social partners and NGOs, including pensioners' organisations, should be taken on board when the EU/Commission formulates new proposals. This question has already been answered in part in Section 2.1.

** How can demographic change be made an integral part of all the Union's internal and external policies?*

An overall, integrated approach looking to the long term is essential, as action will be needed in many different policy areas to deal with demographic change. The Lisbon Strategy extends across a wide range of policy areas and can thus facilitate consensus. Cooperation between different Council formations and subgroups is also valuable. What is needed above all, however, is the implementation of reforms in the Member States, and there must be increased pressure for such a course. Higher levels of growth and employment are crucial to the management of demographic change, and the Lisbon Strategy is therefore viewed as a way of successfully responding to the challenges that such change presents us with.

By specifically emphasising labour supply as one of the keys to Europe's economic future, we can ensure that the demographic perspective is mainstreamed into the processes coordinating social and employment policy. Many of the steps that will need to be taken in response to demographic change in the future concern areas for which the Member States themselves are responsible. In such cases, the relevant approach at Community level is the Open Method of Coordination, according to which the policies of the Member States are coordinated and directed at common goals, and the aim is to create a learning process through the dissemination and exchange of best practice. Common objectives at Community level, recommendations and scoreboards thus become highly important in clarifying levels of ambition and the commitment of Member States, and in strengthening follow-up and implementation. Today, there are a number of objectives in the European Employment Strategy – greater employment, later retirement, equality between women and men, access to child care, lifelong learning goals, etc – addressing areas that are vital to the task of managing demographic change.