

Green Paper "Confronting demographic change: a new solidarity between the generations"

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Explanation	
<ul style="list-style-type: none"> Do you take the view that the discussion of demographic trends and managing their impact should take place at European level? If so, what should be the objectives, and which policy areas are concerned? <p>Managing and dealing with demographic change requires a cross-sectoral response, involving a wide range of policy areas and affecting many spheres of life. The majority of these policies, such as education, taxation, welfare provision and health policy, remain largely the responsibility of the Member States. In addition, while most Member States face broadly the same underlying demographic trends, there are considerable national specificities and the most appropriate policy response will also be dependent on the attitudes, culture and the existing policy mix of each individual Member State. As such, EUROCHAMBRES feels that a common European legislative framework would be inappropriate and that subsidiarity should be respected in this area. At the European level, encouraging a dialogue between Member States concerning the challenges posed by demographic change as well as an exchange of experience and mutual learning would be the most useful course of action. The EU should also focus on creating and encouraging vibrant and strong economies as stagnant economic growth affects public confidence, which in turn can directly affect demographic trends. Setting objectives in this area is problematic given the long-term nature of the issue, however, the main focus points of a policy to deal with demographic change must include, amongst others, increasing the participation of older workers in economic activity, awareness raising and support services to companies, managing immigration, addressing the work/ life balance, preventative health campaigns and modernising welfare provision As a decreasing working population has a direct impact on economic output, awareness raising campaigns could contribute to the sensitisation of companies. On the basis of this knowledge companies would be better able to react to an ageing working population and to consider possible</p>	

measures when taking their long term, strategic decisions.

1. The challenges of European demography

1.1. The challenge of a low birth rate

Over many years, the Union has been making considerable efforts to achieve equality between men and women and has coordinated national social protection policies.

- How can a better work/life balance help to tackle the problems associated with demographic ageing?
- How can a more balanced distribution of household and family tasks between men and women be encouraged?
- 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?
- How can the availability of child care structures (crèches, nursery schools, etc.) and elderly care structures be improved by the public and private sectors?
- Can a reduced rate of VAT contribute to the development of care services?
- 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?

The decision to have a child is a very complex, intensely private and personal decision and while policy can create favourable conditions to enable those who wish to have children to do so, its direct effect on birth rates is limited. The work/life balance is an important factor in creating such favourable conditions, and can thus contribute to encouraging a higher birth rate, but it is by no means the only factor. More flexibility in working arrangements and employment contracts (part time, job share) and support for increased use of new technologies such as tele-working, would help people to achieve the desired balance between work and family life. Considerable support should be given to initiatives which raise awareness of such alternatives and help companies to adapt to the needs of their employees and their families. As mentioned above confidence in the economic future is also an important factor in determining the birth rate. Tax and benefit systems are complex and vary greatly in each Member State and the choice of instruments for supporting parents must therefore be left to the national level according to the principle of subsidiarity. The Chamber Network supports tax reductions/credits for childcare expenses to encourage parents and particularly women to return to the workplace, however, the precise form of these benefits must be left to the national/local authorities to decide. Parental allowances should be designed to give parents the option either to care for their child themselves or to finance third party childcare while continuing in their profession - without a limit for additional income. Benefits and advantages must, as far as possible be non discriminatory allowing either parent to benefit from them, however the distribution of household and family tasks is a matter for each individual household based on culture, circumstances and personal choice and public policy should not interfere with such choices. To encourage more parents to return to work, child care structures need to be affordable, widely available and compatible with modern work patterns. For small and medium-sized businesses framework conditions should be established, allowing them to create collective child care structures (several companies create a common child care structure). As the work/life balance continues to be important also after the infant years are over, 'all-day schools' should also be established. Finally, support should also be given to companies for corporate social responsibility initiatives including assistance for company child care schemes, facilitating labour flexibility, awareness raising schemes and prizes for examples of good practice.

1.2. The possible contribution of immigration

The Thessaloniki European Council in June 2003 declared that an EU integration policy for immigrants should help to meet the new demographic and economic challenges currently facing the EU. This is the debate initiated by the Green Paper adopted last January.

- To what extent can immigration mitigate certain negative effects of demographic ageing?
- What policies should be developed for better integrating these migrants, in particular young people?

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

EUROCHAMBRES agrees that economic migrants from outside the EU can help to alleviate some of the problems associated with demographic change but immigration alone is not the answer to the challenge of an ageing population. As stated in the EUROCHAMBRES Position Paper on the 'Green Paper on an EU approach to managing economic migration' it should be left to the Member States' to implement efficient admission mechanisms for managing economic migration in order to ensure that the inflows of economic migrants fit with the needs and capacity of the national economy and society. In addition, it is important that Europe attracts the right kinds of economic migrants, in particular highly qualified and specially-skilled workers. In order to compete with other economies in attracting the most talented people and thus reach our goal of a knowledge-driven highly productive economy, Europe needs to have simple, non bureaucratic procedures in place, especially to allow companies to bring in specialised staff and we must offer clear and transparent paths to residency and citizenship for economic migrants and their dependents. With regard to integration, again measures should be put in place at the national level however in general these measures should focus on language skills, accommodating different customs and traditions, simple and transparent procedures for obtaining work/residences permits and instilling an understanding and tolerance of other cultures from an early age.

2. A new solidarity between the generations

2.1. Better integration of young people

European objectives have been laid down for the prevention of long-term youth unemployment, combating early school leaving and raising the level of initial training. The structural funds help to attain them at grass roots level.

- 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?
- 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?

The better integration of young people into the labour force requires an urgent upgrading of their skills in order to get the best out of our human resources. Europe is still a long way from reaching the benchmarks set in 2003 on reducing the number of early school leavers and efforts must be strengthened in this field. There needs to be a fundamental improvement in the quality of education in schools to ensure the skills of school leavers correspond better to the needs of the labour market. The integration of young people is also linked to real life experience at school or during vocational training. Therefore, practical experience has to be included in the curricula. Cooperation between schools and enterprises should also be fostered in order to provide young people with information and experience about professional requirements. An understanding of the information society and of new technologies should also be emphasised throughout school, university and vocational training. Finally, Europe must work to strengthen work-related skills acquired in vocational education and training and by non-formal learning. Vocational training policies must in particular be directed towards employability. The needs of business and the working world at large must shape and determine their content. Practical experience should be integrated into all training systems. In addition, mentoring schemes should be explored and promoted whereby more experienced older workers give advice and guidance to young people joining the workforce.

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

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

In order to foster the transition to a knowledge society, EU policies promote the modernisation of work organisation, the definition of lifelong learning strategies, the quality of the working environment and "active ageing", in particular raising the average

retirement age. Demographic changes reinforce the importance of these policies, whilst raising new questions:

- 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?

Some of these points have already been partially covered in the responses above. From our point of view, organisation of work can best be modernised at enterprise level, since there is no one-fits-all solution. Campaigns should be undertaken to raise awareness among businesses of the potential future challenges, the needs of different age-groups and potential solutions which they could then adapt to their individual circumstances. Assistance and advice should be provided to companies for example on promoting good health, encouraging life-long learning and over-coming age-related prejudice. Increased use of ICT solutions which allow more flexible working patterns such as tele-working should be promoted and labour law should also be made more flexible. Businesses could be motivated through fiscal incentives or by other means to create jobs while taking into account the needs of each age group including the provision of child-care, more flexible hours etc. Attention must also be given to establishing strategies for lifelong learning including education schemes which are also suited for older people. Finally a change of attitudes is also important and society needs to learn to value the experience and skills which an older worker can bring to the work place. Efforts should be made to promote the exchange of skills and experience between young and older workers.

- 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?

2.3. A new place for “elderly people”

The European coordination of retirement scheme reforms is promoting more flexible bridges between work and retirement.

- Should there be a statutory retirement age, or should flexible, gradual retirement be permitted?
- 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?
- How can activities employing elderly people in the voluntary sector and the social economy be developed?
- What should be the response to pensioner mobility between Member States, in particular with regard to social protection and health care?
- How should we be investing in health promotion and prevention so that the people of Europe continue to benefit from longer healthy life expectancy?

In view of the ageing population it will be necessary to raise or even abolish statutory retirement and a more inclusive workplace will also contribute to greater social cohesion between the generations. More flexible models of retirement should be looked at such as part-time work or gradual retirement and older workers should be encouraged to remain in the workforce by offering greater flexibility in working hours. Incentives such as reductions in the taxes paid on marginal income earned in addition to agreed pensions upon reaching retirement age could also be discussed. Early retirement which is not caused by illness on the other hand should lead to pension deductions. Finally, incentives should be offered to companies who provide, and individuals who follow, continual training and development programmes and companies should also be offered support to provide 'retirement counselling' and healthy lifestyle advice to their employees.

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?

- 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?
- In particular, should a distinction be drawn between retirement pensions and dependency allowances?
- 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?
- 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?
- And what can be done to reduce inequality between men and women when they reach retirement age?
- How can new technologies support older people?

Although the exchange of experience and best practice should be encouraged at European level, the design of national social security systems must be left to the Member States themselves.

3. Conclusion: 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?
- Should the Union's financial instruments – particularly the structural funds – take better account of these changes? If so, how?
- How could European coordination of employment and social protection policies better take on board demographic change?
- 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?
- How can demographic change be made an integral part of all the Union's internal and external policies?

EUROCHAMBRES supports the opening up of a dialogue on this important issue, however, we cannot currently identify any substantial added value in adopting a common judicial European framework or common policy in these areas. The role of the European Commission should be to provide the platform for open discussion and the exchange of best practice as well providing analysis of the phenomenon of demographic change and its impact on society and policy in general. Concerning the role of the EU financial instruments- these should be as flexible as possible in design to allow Member States to find the right national policy mix and provide support where it is needed the most. Finally, the role of the social dialogue at European level in this area should be the identification of examples of good practices in the field of work organisation and managing demographic change.

The Questionnaire

How did you perceive this questionnaire? Expectations met