

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

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Do you consent to the publication of your personal data/data relating to your organisation with the publication of your replies to the consultation? <span style="float: right;">Yes</span>	
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Are you replying as an individual or an organisation? <span style="float: right;">Organisation</span>	
On behalf of which of the following are European employers' organisation you replying?	
Please specify the name of your organisation or institution Euro-CIETT	
Country where your organisation is based <span style="float: right;">BE - Belgium</span>	
<b>Explanation</b>	
<ul style="list-style-type: none"> <li>Do you take the view that the discussion of demographic trends and managing their impact should take place at European level?</li> <li>If so, what should be the objectives, and which policy areas are concerned?</li> </ul> <p>With the Green Paper "Confronting demographic change", the European Commission has launched a consultation process on demographic changes and their impact across society and the economy. Demographic change has been identified by the European institutions and Member States' governments as one of the challenges the European Union needs to address in order to reach the Lisbon job creation and worker integration targets and to remain competitive. Euro-CIETT, the European Confederation of Private Employment Agencies, explicitly welcomes this initiative and would like to focus its contribution on its core activity: employment and the efficiency of labour market.</p> <p>1 - What are the challenges for the European labour market The main impacts the labour market will have to handle in the future are as follow: § To improve the fluidity of the labour market § To provide labour flexibility while maintaining social cohesion § To cope with an ageing labour workforce § To bridge the gap in terms of labour shortage § To integrate more disadvantaged people at work (especially younger people) § To reconcile work &amp; family life § To provide life-long learning § To manage work migration/immigration</p> <p>2 - Private Employment Agencies can contribute to address these issues by: § Facilitating the match between demand and supply of labour § Creating jobs that would not exist otherwise § Providing the flexible labour force required by companies while ensuring worker protection § Helping young people to enter the labour market via the stepping stone function of temporary work, hence contributing to job creation and social cohesion § Keeping older people longer at work through flexible contracts § Enabling otherwise marginalized groups (migrants, long-term unemployed, disabled)</p>	

people, ethnic minorities...) to (re)enter the job market and become socially included § Training workers to new skills and thus enhancing their employability § Increasing work mobility on a pan-European level § Strengthening their effective cooperation with Public Employment Services § Contributing to economic growth and public budget incomes

## 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?

As one of the largest and most dynamic employer in Europe, Private Employment Agencies can play a key role in tackling the consequences that demographic changes will have on the labour market, by: Creating jobs that would not exist otherwise. Private Employment Agencies employ over 7 million workers in the EU on an annual basis. That is equivalent to a daily average of 2.8 million workers employed through agencies, or 1.9% of the EU working population. ð PrEAs are responsible for genuine employment creation: 17 % of work done through agencies would not have been carried out had this option not been available. 38 % would have been carried out using other flexibility solutions, such as overtime, which do not contribute to employment creation. Only 14 % of companies using agency work would have hired longer-term employment workers\*.

### 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?

As one of the largest and most dynamic employer in Europe, Private Employment Agencies can play a key role in tackling the consequences that demographic changes will have on the labour market, by: Improving labour market fluidity. Private Employment Agencies (PrEAs) can match labour supply and demand virtually immediately, through their network of 15,000 branches across Europe and their 175,000 permanent staff specialised in recruitment. Increasing work mobility on a pan-European level. For many years, PrEAs have established cross border services, with the aim of recruiting and supplying workers within other Members States new country as well as with to source skilled labour for positions that need to be filled in within their own Member State. ð To face labour shortage, Irish agency work companies are recruiting airline pilots in the new EU Members States and are offering them career opportunities in Ireland.

## 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

As one of the largest and most dynamic employer in Europe, Private Employment Agencies can play a key role in tackling the consequences that demographic changes will have on the labour market, by: Helping young people to enter the labour market. Additionally, provide a the stepping stone function of temporary work to permanent employment. 41% of agency workers are in longer-term employment within one year from their agency work assignment. Indeed, first-time entrants to the labour market gain experience through their assignments and can demonstrate their skills to prospective employers and be tested and hired on that basis. ð In Belgium and France, 40% of temporary workers are less than 25 year old; in Spain, up to 70% of workers employed through PrEAs are between 16 to 30 year old.

- 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?

As one of the largest and most dynamic employer in Europe, Private Employment Agencies can play a key role in tackling the consequences that demographic changes will have on the labour market, by: Strengthening an effective cooperation with Public Employment Services in order to help disadvantaged groups to get back at work. In many EU countries, PrEAs work in close cooperation with the national Public Employment Services to help jobseekers to find a position. Indeed, the main objective of PrEAs is to find work assignments for the agency workers, aiming to ensure that they have work whenever they want. The agency workers benefits from the fact that the PrEA is constantly trying to find them a new assignment. ð The French Temporary Work Trade Federation (SETT) has signed a cooperation agreement with ANPE (the French Public Employment Agency) in order help jobseekers to get back at work. In 2003, more than 400,000 job ads have been transmitted to ANPE by PrEAs, 78,4% of which have been satisfied. Contributing to economic growth and public budget incomes. PrEAs provide commercial services that serve the general interest while being privately financed. Their 175,000 permanent employees are committed on a daily basis to help jobseeker to get back at work. Furthermore, by putting millions of people at work, PrEAs reduce the unemployment allowances paid by Member States while increasing public incomes through the social contributions paid by these agency workers. ð In the UK, the Agency Work industry's tax and fiscal contribution (income tax, social charges, VAT...) accounts for up to 1% of national income.

### 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?

As one of the largest and most dynamic employer in Europe, Private Employment Agencies can play a key role in tackling the consequences that demographic changes will have on the labour market, by: Training workers to new skills and thus enhancing their employability. By keeping workers in touch with the job market and providing training, Private Employment Agencies help them to remain as attractive as possible to the labour market. Agency workers also improve their skills by multiplying experience in very specific working environment, moving from one assignment to another one in different industries or companies. ¶ In France, as many as 200,000 agency workers are trained every year and PrEAs are spending 2,2% of their total wages amount on vocational training (representing 250 million euros).

- 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?

As one of the largest and most dynamic employer in Europe, Private Employment Agencies can play a key role in tackling the consequences that demographic changes will have on the labour market, by: Providing the flexible labour force required by companies while ensuring worker protection. Flexibility is a market requirement companies cannot ignore. Agency Work is the most dependable response to this need, since it brings the best balance between flexibility and workers protection. Furthermore, Private Employment Agencies meet a genuine demand for flexible work from workers. The role that PrEAs play in the conciliation of flexibility needs of both workers and companies should be explored further by Member States as part of the assessment of the demographic challenge in the context of the Lisbon Agenda. ¶ 33% of agency workers have a real preference for agency work and only 26 % of them work through an agency because they could not find a permanent job.

### 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?

As one of the largest and most dynamic employer in Europe, Private Employment Agencies can play a key role in tackling the consequences that demographic changes will have on the labour market, by: Keeping older people at work through flexible contracts. Because of ageing population, people will have to work longer in order to get extra financial resources (pensions will tend to be reduced because there will be less workers to finance them) and for making up labour shortage. Flexible contracts and part time work will be a good solution for these older workers to remain active in the labour market. ¶ In the Netherlands, 9% of Agency workers are 45 year old and over. Helping disadvantaged publics to enter the labour market. If the current systems of social security and labour market are to be maintained at the same level, the access to the labour market has inevitably to be broadened and more effective measures have to be taken to integrate current outsiders of the labour market. Both through temporary and part-time employment opportunities, Private Employment Agencies broaden the access to the European labour market and supply labour force needed by companies. ¶ 40% of the workers employed through employment agencies belong to the group defined by the OECD as the ‘outsiders to the labour market’ (i.e. long-term unemployed, first-time entrants to the labour market, women accessing the labour market, older people, ethnic minorities and disabled workers).

### 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?

### 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?

With regards to the above-mentioned issues, Euro-CIETT calls the European Union: - To further explore the challenges of the demographic change and provide EU guidelines based on the exchange national best practice experiences, while respecting national diversity in their implementation for Member States to best adapt solutions to their realities. - To take full account of the essential function of Private Employment Agencies in the European labour market and acknowledge their essential contribution to the flexibility and fluidity needs required by the future demographic changes. - To enhance access channels to labour market for all categories of workers, especially for current outsiders (long-term unemployed, disabled and low-skilled people) by making effective use of the stepping-stone function of private employment agencies. - To take measures to remove unjustified barriers and to lift restrictions for Private Employment Agencies in order to promote flexibility on the labour market. Agency work is still subject to a large set of protectionist national laws and outdated restrictions not justified on the grounds of worker protection that limit its job-creating and worker integration potential. - To establish a suitable legal framework for economic migration, which has to include an adequate, regulatory approach for the posting of third country nationals in the EU.

### The Questionnaire

How did you perceive this questionnaire? Expectations met