



**COUNCIL OF
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NOTE

from: Permanent Representatives Committee (Part I)
to: Council (EPSCO)

Subject: Responding to Demographic Challenges through enhanced participation in the
labour market and society by all
- Council Conclusions

Delegations will find attached the final version of the Council conclusions as adopted by EPSCO on 21 June 2012.

RESPONDING TO DEMOGRAPHIC CHALLENGES THROUGH ENHANCED PARTICIPATION IN THE LABOUR MARKET AND SOCIETY BY ALL

Council Conclusions

Political context

Gradual, but nonetheless major demographic changes are set to take place in Europe over the coming decades. While increased life expectancy represents great progress, demographic changes bring the reality of an increasing share of the elderly population and a decreasing share of the working age population. This presents a number of challenges for welfare systems, public finances and labour markets and the resulting pressure is being compounded by the present economic crisis and its social impacts. Therefore, it is vital for Europe to invest in its human capital of all generations, whilst ensuring the same possibilities for women and men to fully use their potential in order to secure economic growth and reduce inequalities to strengthen social cohesion.

Building on the work already undertaken in this area, see Annex, these Conclusions are intended to contribute to ensuring that policy measures and actions at both national and EU level are consistent and mutually supportive. At the same time, the intrinsic links between the various policy areas should be highlighted. The nature, scale and pace of demographic trends vary substantially from country to country and from region to region. There is no "one size fits all" policy response; however, in all cases the response will require governments, social partners, non-profit organisations and individual citizens to adapt and find new solutions.

The current crisis puts Europe under pressure and it is important to identify the key priorities that require urgent action with a view to ensuring sustainable, job-rich and inclusive economic growth in Europe in order to foster social cohesion and overcome rising inequalities. Europe needs to modernise its economy, raise productivity and strengthen its competitiveness to ensure sustainable growth. This is essential for job creation and for the preservation of the European social model¹ and it is at the heart of the Europe 2020 Strategy.

¹ The reference to the European social model fully respects the diversity of the national social systems.

In the next decade the European economy will require more workers, especially workers with competitive professional and key competences; fostering longer working lives and life-long learning are key to ensuring the supply of manpower. This will allow the economy to grow and help to reduce notably youth unemployment.

In its conclusions of 1-2 March 2012, the European Council underlined the need for a two-pronged approach, covering both measures to ensure financial stability and fiscal consolidation and action to foster growth, competitiveness and employment to put Europe back on the path to growth and jobs. The European Council emphasized the importance of tackling youth unemployment and elaborating National Job Plans in the framework of Member States' NRPs. The European Council also underlined that tackling poverty and social exclusion requires the implementation of active inclusion strategies encompassing labour market activation measures.

Priority areas

1. It is important to further develop and adapt existing policies to respond to on-going major demographic changes in general, both at EU and national level. The EU and the Member States need to increase competitiveness through enhanced productivity and raise the employment rate of all working age persons and to foster active participation and inclusion.
2. 2012 is the European Year for Active Ageing and Solidarity between Generations. As we live longer, we need to increase active participation in society before and after retirement and promote independent, healthy and dignified living. Raising awareness of the ageing process is essential to understanding intergenerational solidarity and enabling mutual exchange of experience between generations. 'Solidarity between Generations' means *inter alia* that everyone – young and old – is expected to and must have the chance to actively participate in our European societies.

3. Taking measures to ensure sustainable, smart and inclusive growth is a prerequisite for Europe's welfare systems and a high level of social cohesion. Likewise, addressing the economic, employment related and social challenges of demographic change should remain an essential priority in view of the significant increase in the proportion of older persons in the population and the corresponding reduction of the workforce. Governments and businesses need to adapt to changes in the available workforce. They must address the need to provide adequate and accessible products and services and adapt working and living conditions to an ageing population.
4. Progress has already been made notably through pension system reforms, measures to reconcile work, family and private life, and changes in tax and benefit systems aimed at reducing benefit dependency and making work a more economically attractive option. Yet, further institutional and policy changes are needed in order to maintain intergenerational solidarity and to avoid placing unreasonable demands on future generations.
5. Meeting the demographic challenges requires determined action to tackle barriers to reconciling work, family and private life which may prevent European citizens from realising their wishes to have children.
6. Being employed or otherwise economically active is a vital factor for ensuring social inclusion and active participation in society. A huge untapped potential exists in the extension of working life: in the EU, on average only 47.4 pct.² of people in the 55-64 age range are in employment; female employment rates of 58.5 pct.³ on average remain substantially below those of men, the unemployment rate for young people has risen to 21.4 pct.⁴, and the employment rate of persons with disabilities is 40 pct.⁵. Raising the employment rates for all persons of working age therefore constitutes a key policy objective for the Member States as set out in the Europe 2020 headline targets on employment and on reducing poverty and social exclusion.

² Eurostat, 2011.

³ Eurostat, 2011.

⁴ Eurostat, 2011.

⁵ SILC 2010.

7. Active policies and innovative measures should be defined and implemented in the following key policy areas:

- investing in education and training to foster youth employment – including a better coordination between education and training systems and labour market needs – and higher productivity, which is key to future growth and improved economic performance;
- gender equality policies and policies tackling the gender segregation of the labour market to increase the labour market participation of women, to close the gender pay gap, to improve careers and to reduce the negative impacts of parenthood on employment and vice versa;
- combating intergenerational transmission of poverty and social exclusion;
- increasing labour market participation of older persons and facilitating longer and healthier working lives through better age management in work places and labour markets, investment in adequate competences and skills, including life-long learning, through improved accessibility and improved health and safety conditions at work;
- equal opportunity measures supporting better conditions for families and child raising as well as improved reconciliation of work, family and private life for women and men, including equal sharing of responsibilities;
- non-discrimination policies, including measures to eliminate stereotypes and integrate persons in vulnerable situations into society and the labour market;
- effective use of available budget and financing instruments in order to ensure the highest value of public spending.

THE COUNCIL OF THE EUROPEAN UNION

INVITES THE MEMBER STATES AND THE EUROPEAN COMMISSION,

in accordance with their respective competences, and taking into account the specific situation in each Member State, to take actions along the following lines, as appropriate:

a) Youth employment:

- improve education and training systems to strengthen and upgrade the competences of young people, thereby facilitating the transition from education and training into work;
- better address gaps between the needs of the labour market and vocational education and training and prevent a skills mismatch;
- step up efforts to promote young people's first work experience and their participation in the labour market, with the objective that young people receive a good quality offer of either employment, continued education, apprenticeship, or traineeship within a few months of leaving school⁶;
- make appropriate use of the EURES [network](#) to increase the intra-European job mobility rate by providing young people with easier access to employment opportunities according to their qualifications and by supporting employers in recruiting young workers with the required skills;

⁶ Declaration of Members of the European Council, 30 January 2012.

- enhance efforts to increase the number of high-quality apprenticeships and traineeships for young people, in cooperation with social partners and, where possible, integrated into education programmes so as to prevent loss of competence and motivation due to unemployment, whilst ensuring that such apprenticeships and traineeships represent real opportunities;
- integrate a gender perspective into education and training, in particular by combating gender stereotypes with regard to educational choices;
- pay special attention to the needs of young people in vulnerable situations in order to prevent intergenerational transmission of poverty and social exclusion;
- pay particular attention to early childhood education, "second chance" education, life-long learning and retraining geared towards emerging labour market needs in order to combat early school leaving, education drop-out and the increasing NEET⁷ youth;
- combine the efforts of all relevant stakeholders.

b) Older persons:

- together with social partners, support measures for older workers with a view to helping them stay employed or re-integrate them into the labour market and foster the existence of inclusive labour markets that continue to provide job opportunities to older workers;
- reduce the risk of unemployment and social exclusion among older workers by facilitating access to appropriate advice and guidance, effective training and life-long learning, including from public employment services and other appropriate institutions;

⁷ NEET: Neither in employment, education or training.

- ensure the recognition of skills and competencies and enhance the job search intensity of unemployed older persons;
- promote the growth of the "silver economy" in view of its positive impact on the demand for goods and services as well as on the development of new job opportunities and independent living;
- create more flexible working conditions for older persons that take into account their special needs, promote safe, healthy and accessible workplaces, remove barriers to learning and training for older workers and provide incentives and special programmes focussed on updating their skills;
- increase the intergenerational exchange of skills and better use of mentoring schemes in the working process;
- actively promote, in cooperation with relevant stakeholders, improvements in accessibility of goods and services as well as innovative assistive technologies, devices and services that are specifically suitable for the elderly and can therefore help them to live independent, healthy and physically active lives;
- support elderly people in participating actively in civil society and promote measures aimed at inter-generational cooperation and dialogue; and
- enhance independent living by offering adequate training and rehabilitation measures which are conducive to an independent life.

c) Women in employment:

- take measures to substantially increase women's participation in the labour market and to promote their employability during the whole of their working life as this is a prerequisite for aiming to raise to 75% the employment rate for women and men as agreed in the Europe 2020 Strategy;
- develop family-friendly policies that promote a balance between work, family responsibilities and private lives for women and men throughout the life cycle and that contribute to meeting the demographic challenges, *inter alia* through affordable and accessible quality childcare and care facilities for other dependants;
- implement measures to overcome job segregation and gender stereotypes; to close the gender pay gap and support women in the advancement of their careers; to foster wider participation of women in science, technology, engineering and mathematics education and careers;
- consider measures to promote a balanced representation of men and women in decision-making positions.

d) Persons with disabilities:

- continue the ratification and application of the UN Convention on the Rights of Persons with Disabilities;
- take appropriate measures to ensure to persons with disabilities access to society on an equal basis with others and take effective and appropriate measures to facilitate their full inclusion and participation in the community with choices equal to others;

- be aware that accessibility, preferably through Universal Design, is a pre-condition for full participation in society and for enabling persons with disabilities to lead active and productive lives as well-integrated members of society and of their families;
- take measures to support voluntary initiatives that promote diversity management in the workplace, with the aim to support employment of persons with disabilities;
- promote inclusive education for persons with disabilities and pay attention to the needs of young persons with disabilities, especially in the context of the transition from education to employment;
- take measures to support independent living of persons with disabilities, *inter alia* by contributing to a transition from institutional to community-based care, including via personal assistance;
- enable persons with disabilities to earn their living, preferably on the open labour market, *inter alia* through better access to life-long learning.

e) Children:

- strengthen efforts to combat child poverty and ensure that participation of children in society and their access to social services also include the most vulnerable children;
- ensure proper social protection through well-designed programmes to the effect that children and families in vulnerable situations profit from the support they are granted;
- recognise the role of the family and the need of the family and network support in matters of social protection of children in vulnerable situations.

f) Active inclusion and participation:

- promote active inclusion on the labour market and participation in society of all persons in vulnerable situations;
- further improve health and social services, including support for family care, aiming to facilitate the labour market participation of those with care responsibilities, and step up measures to achieve the 2002 Barcelona childcare targets, taking into account the demand for childcare services and in line with national patterns of childcare provision, while guaranteeing the availability, affordability and high quality of childcare;
- take measures to develop policies for more integrated health and social care systems for older persons and persons in vulnerable situations;
- develop and promote adequate schemes for persons who are homeless;
- promote adequate income and family support, access to quality services and empowerment and participation of children and families, to prevent and break the vicious circle of intergenerational transmission of poverty;
- within the Open Method of Coordination, collect, analyse and exchange information on new efficient and effective methods to deliver social services.

h) Pensions:

- continue to reform and modernise pension systems towards adequacy and sustainability, paying particular attention to aligning the pension systems to the national demographic situation, for example by aligning the effective retirement age with life expectancy or by increasing participation rates;

- restrict access to early retirement schemes, while taking due account of securing adequate coverage for persons in vulnerable situations;
- equalise the pensionable age between women and men;
- support the development of supplementary pension schemes as a possible way to ensure the adequacy of present and future pensions;
- tackle gender differences in pension income for women and men;
- within the open method of coordination, improve efforts to monitor the effects of pension reforms on poverty and social exclusion among older persons as well as efforts to maintain their standard of living using agreed indicators;
- invite the Social Protection Committee to regularly monitor pension adequacy.

g) Financing:

- make appropriate use of existing EU financial programmes and funding, including the Structural Funds and other relevant financial instruments, and facilitate implementing bodies' access to funding.

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