

Ninth G8 Labour and Employment Ministers Conference

Meeting the Challenge of Demographic Change

London 10-11 March 2005

Chair's Conclusions

1. Labour and Employment Ministers from the G8 countries and the European Union Commissioner for Employment, Social Affairs and Equal Opportunities met in London on 11 March 2005, together with representatives of the ILO and OECD, to discuss the theme 'Meeting the Challenge of Demographic Change'. In preparation for the meeting, consultations with representatives of the social partners were held on 10 March 2005.

Meeting the challenge of an ageing society

2. Over the next 20-30 years all G8 countries will experience further ageing populations as a result of low or declining birth rates and rising life expectancy. Longer life is a measure of the progress our societies have achieved but all G8 countries now face these demographic challenges. As people enjoy healthier and longer lives, it is both desirable and necessary to promote active ageing policies with a view to ensuring inter-generational equity as well as sustainability.

3. Working age populations which are growing slowly or declining pose a direct challenge to future economic growth. They can lead to significant skills shortages as older workers retire. They also mean that expenditure on sustainable pensions, healthcare and other services for retired people will increase dramatically and put growing pressure on the public finances of many countries. This makes it all the more imperative to promote a lifecycle approach to employment; to create an environment that encourages higher employment rates generally for both women and men; to provide real and effective opportunities for older workers to retire later; and to support strategies to improve labour productivity.

4. As discussed at previous G8 meetings of Labour and Employment Ministers (particularly the meetings in Turin in 2000, Montreal in 2002 and Stuttgart in 2003), this calls for a combination of policies, including:
 - structural reform of labour markets in order to promote more and better jobs by combining security with flexibility in employment and by encouraging new patterns of work to meet the demands of new technology, the knowledge-based society and the expectations of workers;

 - active labour market policies delivered through modern employment services to tackle unemployment and inactivity, particularly for young people and those experiencing or at risk of long term unemployment or inactivity;

- employment services which provide a full range of help for jobseekers of all ages;
 - promotion of inclusive labour markets, free of discrimination, with employment opportunities for vulnerable and disadvantaged people;
 - effective strategies for the transition from school to work; for vocational training and lifelong learning; and for the transition from work to retirement; mobilising all the relevant actors in the labour market in order to encourage employability and adaptability to change;
 - investment in human capital development in the workplace to ensure a better match between the needs of employers and the skills and knowledge of the labour force;
 - promotion of the quality of jobs and occupational health and safety in the workplace.
5. The time has come to reinforce that approach by building comprehensive national strategies, within the framework of a life cycle approach, to promote active ageing for both men and women and an inclusive labour market where:
- older workers are valued for their experience and skills, and their contribution to the economy is fully recognised;

- policies, measures or practices promote the quality of employment by improving working conditions and diversifying working arrangements;
- people are not discriminated against on the basis of their age and older workers are fairly evaluated, including by the use of positive information campaigns;
- older workers have the opportunity to access job-related training;
- older people have a real choice and opportunity to find and keep work, and to extend their working lives; for example, through promotion of lifelong learning; adapting work organisation and work posts; and offering both flexible working and gradual retirement opportunities;
- early, full retirement from the workforce is not encouraged and the average effective age of retirement rises as people enjoy healthier and longer lives and accept and understand the benefits of working longer, for example, through innovative schemes such as gradual retirement where older workers can find a suitable work-life balance;
- the employment rates of older people move closer to the employment rates for the working population as a whole.

6. If older workers are to remain in productive employment, opportunities to refresh existing skills and learn new skills that meet the changing needs of the labour market are essential throughout working life. Public workforce investment systems, businesses, academic institutions and other training providers should work together to develop demand driven training systems that identify skills, knowledge and competencies required by new jobs. The education and training which people receive in the early stages of their careers must provide the foundation for all later learning. Learning to learn is the precondition for effective lifelong learning. Investment in training at younger ages is therefore crucial in enabling all workers to extend their careers.
7. Improving the health of workers through ensuring a healthy working environment is of crucial importance to providing older workers with the opportunity to remain longer in productive employment.
8. Governments have a responsibility to ensure that their tax and benefit systems do not act as barriers to work or provide incentives for early retirement. They also have a responsibility to encourage employers to retain and hire older workers. Improving the employment participation of older workers will contribute to the sustainability and adequacy of pension systems.
9. Employers have a responsibility to develop a life cycle approach in their human resources management; to maximise the potential contribution of older workers; and to adapt workplaces to make them more suitable for older workers. Workers and their representatives have a responsibility to support this goal actively, for example by

being open to new work arrangements and by maintaining and updating skills to meet the demands of the evolving workplace.

10. A comprehensive approach to active ageing requires effective partnerships between Government, employers and trade unions, as well as employees, education and training institutions, and other relevant organisations and groups. Through mobilising all stakeholders and relevant actors we can transform the challenges of an ageing society into opportunities for longer, more active and fulfilling lives for our people.

Youth employment in the developing world

11. Developing countries face demographic challenges which are very different from but just as pressing as those facing G8 countries. Nearly all the future population growth in the world as a whole will take place in currently developing countries so that by 2050, 90% of the world population will be concentrated in these countries. This means there will be significant increases in the numbers of young people and hence these countries will need to increase youth employment. In developing countries, young people already encounter difficulties in finding and maintaining decent work. For these countries this is leading to increasing youth unemployment and this is already a serious issue for them. In 2003 youth unemployment was 25.6% in Western Asia and North Africa, and 21% in Sub Saharan Africa. This compares with rates of 7% in East Asia and 13.4% in the industrialised economies.

12. Many international reports, including the World Commission on the Social Dimension of Globalisation, have drawn attention to the critical importance of youth employment. Mass youth unemployment poses a threat to social cohesion, and therefore to stability and security, which transcends national boundaries. This is an issue where all countries can work together in solidarity to advance freedom and human rights by strengthening international co-operation to promote prosperity and enhance security both nationally and internationally.

13. The emphasis on youth employment is part of a broader agenda for promoting employment and decent work for all which constitutes a fundamental component of sustainable development. In the United Nations Millennium Declaration the international community has resolved to develop and implement strategies that give young people everywhere a real chance to find decent and productive work. The 1995 World Summit for Social Development underlined the importance of employment for social development, and this was reaffirmed in the UN Commission for Social Development in February 2005.

14. We believe that employment growth is central to economic and social development and we welcome the emphasis which is being given to employment in the work of the Commission for Africa. This is in line with the objectives of the New Economic Partnership for African Development (NEPAD) and reflects the conclusions of the extraordinary session of the African Union on employment and poverty alleviation in Burkina Faso.

15. G8 countries would welcome the opportunity to engage in a dialogue with developing countries on how to tackle the problems of youth unemployment through sharing our experience and expertise in the four global policy priorities identified by the Youth Employment Network (the YEN, a partnership between the UN, the World Bank and the ILO): employability, entrepreneurship, equal opportunities and employment creation. G8 Employment Ministries will participate actively in the discussion of youth employment at the International Labour Conference in June 2005. G8 Employment Ministers would welcome a YEN high-level roundtable dialogue, involving ministers, business and trade union leaders during this conference. We also believe that mobilising resources more effectively for youth employment at regional and international level requires better co-ordination between all relevant organisations.

Tenth Labour and Employment Ministers Conference

16. We welcome the intention of the Russian Federation to host the tenth Labour and Employment Ministers Conference in 2006.