

<b>TUAC</b>	trade union advisory committee to the
<b>OECD</b>	organisation for economic cooperation and development
<b>■ CSC</b>	commission syndicale consultative auprès de
<b>OCDE</b>	l'organisation de coopération et de développement économiques

**OUTCOME OF G8 LABOUR AND EMPLOYMENT MINISTERS' CONFERENCE  
ON "MEETING THE CHALLENGE OF DEMOGRAPHIC CHANGE"**

**London, 10-11 March 2005**

**TUAC EVALUATION**

1. Labour and Employment Ministers from G8 countries and the EU Commissioner for Employment, Social Affairs and Equal Opportunities met in London on March 10- 11, together with ILO and OECD representatives to discuss the theme "Meeting the Challenge of Demographic Change". The Conference was part of this year's cycle of G8 meetings chaired by the UK leading up to the G8 Gleneagles Summit in July. Trade union and business delegations coordinated by TUAC and BIAC took part in the first afternoon session of the conference and submitted written statements.
2. The trade union statement and interventions at the Conference focused on three priorities:
  - Showing the validity of public pension systems that guarantee workers a secure and decent income upon retirement even against a background of ageing in G8 countries;
  - Putting forward an positive agenda for "active ageing" allowing better and freely chosen employment opportunities for older workers in G8 countries;
  - Establishing more active follow up by G8 Labour Ministers to the ILO World Commission Report on the Social Dimension of Globalisation.
3. The Chair's conclusions issued at the end of the meeting do not address directly the issue of sustainability of pension systems. However, their starting premise is that with demographic change the "average effective age of retirement rises". It is argued that otherwise the cost of sustainable pensions will "increase dramatically". But the language is carefully crafted to suggest that working longer should be voluntary and not forced. This approach would be more convincing if Ministers were also to recognise that retirement as a valuable stage of life, the provision of which is a mark of social progress. Instead they want to move "employment rates of older people... closer to rates for the working population as a whole." To take this debate forward it is essential that governments recognise that workers need confidence that they will be able to retire at a reasonable legal retirement age and that the focus should be on reducing involuntary early drop-out from employment. This would also allow progress on some of the tougher issues on how retirement is financed against the background of ageing.
4. The conclusions also fail to emphasise the need for governments to pursue growth orientated demand side policies that raise employment rates generally and provide older workers with the opportunities to get jobs. There is relevant experience from the Nordic countries, which have produced the highest employment rates for older workers in the OECD as well as high employment rates for women and low rates of overall unemployment. Increasing the participation rate of older workers in the labour force will not increase employment rates unless there are jobs available for workers to go to. It will simply transfer retirees into unemployed.
5. On the supply side of labour markets the Ministers call for a combination of policies, including:
  - Structural reform of labour markets to promote more and better jobs by combining security with flexibility;
  - Active labour market policies delivered through modern employment services;
  - Employment services which provide full help to jobseekers of all ages;

- Promotion of inclusive labour markets free of discrimination, with job opportunities for vulnerable and disadvantaged people;
- Effective strategies for the transition from school to work;
- Investment in human capital development in the workplace to lead to a better match between employers' needs and labour force's skills and knowledge;
- Promotion of quality of jobs and occupational health and safety in the workplace.

6. The thrust of these measures represents a more positive agenda than the recommendations of labour market flexibility coming from international institutions over recent years. Also positive is the recognition that the comprehensive strategy that governments propose requires "effective partnerships between governments, employers and trade unions." The responsibility for workers and unions to "being open to new work arrangements and by maintaining and updating skills to meet the demands of the evolving workplace" is one that unions would be prepared to accept. Combined with the "life-cycle" approach that the Ministers say employers should adopt towards the skills of workers and quality of work it provides potential for working together on a more positive agenda for active ageing. This poses a question for governments as to whether this is just to be encouraged through exhortation, or are they prepared to put in place frameworks that facilitate negotiation.

7. On the global issues, the conclusions dwell almost exclusively on the important but only partial question of youth unemployment. The shortage of jobs for youth in Africa is certainly appalling - 25.6 per cent in North Africa, and 21 per cent in Sub Saharan Africa, compared with rates of 7 per cent in East Asia and 13.4 per cent in the industrialised economies. The ILO World Commission Report emphasised the problem of the dearth of decent work for youth and needs to be acted on. Ministers said they would seek to take this forward at the June 2005 International Labour Conference which will include as a theme youth unemployment. It is important that in different ways the issue of decent work and workplaces are raised in relation to the achievement of the Millennium Development Goals.

8. It is regrettable that in preparing the Conference the organisers did not include follow-up to the conclusions of the previous G8 Labour Ministers' Meeting in 2003 in Stuttgart. That meeting said that the social dimension of globalisation needed to be taken more seriously at the multilateral level. It proposed the creation of an inter-institutional dialogue forum consisting of ILO, UNCTAD, WTO, World Bank and IMF. This was in addition to recommending the enforcement of core labour standards, respect for the OECD Guidelines for Multinational Enterprises, the "internationalisation of labour relations" and encouragement of the OECD and ILO to work together on growth and employment. Today, 15 months later, these conclusions are more relevant than ever yet they still have to be acted upon. Thus if G8 Employment Ministers' meetings are to be relevant the conclusions must be seen to have follow-up.

9. Unions in the G8 countries and the Global Unions will be following up these key points both with regard to active ageing in the OECD countries and on global issue in the run up to the G8 Gleneagles summit and subsequent UN Millennium summit in September.