



ORGANISATION INTERNATIONALE DES EMPLOYEURS
ORGANIZACION INTERNACIONAL DE EMPLEADORES
INTERNATIONAL ORGANISATION OF EMPLOYERS

Meeting the Challenge of Demographic Changes: *The implications for the labour market*

**Statement by the International Organisation of Employers (IOE)
to the G-8 meeting, London (United Kingdom) March, 2005**

The International Organisation of Employers (IOE) is the recognized organization representing the interests of employers in international social and labour policy debates, with over 139 member federations in 134 countries. The IOE is the largest global business network.

The International Organisation of Employers (IOE) appreciates the opportunity to meet with G8 Labour and Employment Ministers to present its views on meeting the challenges of demographic change. The IOE fully supports the BIAC statement as offering a framework to meet these challenges. We take this opportunity to give some emphasis to some particular areas.

First of all it is important that solutions take a holistic view, considering both those entering and leaving the job market as well as the needs of those currently in employment. Youth employment policies impact on policies to increase older worker participation in the labour market, and vice versa. Different categories of workers can be faced with similar types of obstacles either entering or re-entering the labour market, such as rigid employment protection legislation or anti-discrimination legislation.

It is clear that policy responses to meet the challenges posed by demographic change will be both varied and cross-cutting, impacting on numerous areas. Flexible work arrangements; part-time work; temporary work; easing restrictions on business start-ups can be policy responses across these issues.

The age of retirement in many countries is predicated on a different life expectancy from an earlier age. The workplace has changed, workplace legislation has changed and the age of retirement should also be reviewed. Increasing labour market participation must be a key element of any policy response. In particular, greater flexibility in working hours will be important in retaining and increasing the participation of older workers in the labour force.

Older workers often want to ease themselves out of the workforce in a transition, rather than a 'big bang' approach to retirement. But longer working lives will often require profound cultural shifts that both employers and employees will have to grasp. It can imply that an individual's last job is likely not to be his or her most *senior* one.

Youth unemployment policy responses should be seen in the context of the overall employment situation, but will require specifically targeted measures in a manner that does not impact on other demographic groups. Business has a clear interest in ensuring that education and training creates the skilled, competent and flexible labour force they will need for the future. As key customers of the education and training system, business can help inform policy and practice across a variety of issues.

Migration is an important element in this debate. The principal challenge for governments in this sphere is to develop migration policies that appear ordered. Voters will be more likely to accept a policy that seems balanced and controlled. Governments need to develop national debate about the reality of migration, particularly in terms of the potential social and economic benefits.

Business has a key role in providing information. Labour market information is something that many people who wish to enter or re-enter the labour market have less access to than those who are more established in the labour market. Business can help answer key questions. *What are the most profitable skills to acquire? What are the sectors that are likely to grow? What are the sectors, which could come under pressure in the coming years?*

International organizations should continue to work closely on the issue of ageing and share knowledge and information, while avoiding duplication. In this connection the IOE welcomes the collaborative work in this area by the OECD, the ILO and European Commission and encourages further collaboration.

Employers stand ready to work with governments and workers in looking to the means by which this challenge can be addressed at the national, regional and international level.

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